STATE OF THE SECTOR
2024

Queensland community services sector | September 2024

ABOUT QCOSS

QCOSS (Queensland Council of Social Service) is Queensland's peak body for the social service sector.

Our vision is to achieve equality, opportunity and wellbeing for every person, in every community. Our values are optimism, strength and respect.

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 Jeanette Young AC PSM, Governor of Queensland.

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EXECUTIVE SUMMARY

The social service sector is at the heart of every community across Queensland. 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.

The purpose of QCOSS' annual State of the Sector report is to highlight emerging ideas, issues, and challenges identified by the social services sector, based on recent feedback and engagement. After listening to workers and volunteers representing community organisations at Town Hall workshops in Brisbane, Logan, Toowoomba, Gympie, Moreton Bay, Gladstone, Rockhampton, Mackay, Mount Isa, Townsville and Cairns, and through the QCOSS community sector survey, we have provided an overview of the emerging challenges the sector is facing.

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 able to deliver on its purpose, the basic needs of our service users must be met. This includes addressing the housing crisis, ensuring that service users are living above the poverty line, and ensuring our public infrastructure, services and culture enables all people to participate in their communities. We also need a well-resourced social service system capable of providing essential support when people need it most.

Based on the feedback we received through our engagement, the focus of this year's report is the community sector workforce. The sector is facing an unprecedented level of demand that is growing in complexity. According to Jobs Queensland Anticipating Future Skills data, the Health Care and Social Assistance Sector is set to grow more significantly than any other industry in Queensland.[1] By 2026 it is expected that our sector will need almost 40,000 new community and personal service workers. This growth will be a challenge for our sector, as this year's report has identified that community service providers across

Queensland are experiencing significant difficulties in recruiting and retaining appropriately qualified staff.

Low wages coupled with insecure short-term contracts are major contributing factors to the difficulty attracting and retaining staff. Services are helping members of the community navigate the housing and cost of living crises while, at times, their workforce is feeling these pressures themselves. Increasing service delivery costs and poor procurement practices, such as length of contracts, are impacting community service providers' ability to respond to demand and reliably plan for the future.

Despite these challenges, the sector has responded to an incredible increase in service demand and complexity by implementing creative, resourceful, and practical measures to support service users and the community. We regularly heard about community service providers delivering innovative programs and working collaboratively with other organisations in their community to ensure service users receive the support they need.

The report also explores significant government reform being progressed to implement procurement principles specifically for social services. These procurement principles will positively impact on the sector workforce and improve the sustainability of the service system, by prioritising permanent employment and funding suitable levels of training and support supervision.

QCOSS encourages the full and ongoing implementation of these procurement principles, as they have the potential to deliver transformational change to the social service sector, supporting organisations to provide better employment conditions and ensuring our sector can deliver for Queenslanders. As with any major change impacting important processes, tensions and conflicts will emerge through implementation in practice. Timely collaboration between government and the sector will be vital in this respect.

BACKGROUND

Each day, the community sector workforce is there when Queenslanders are in need. We provide services to people experiencing homelessness, domestic violence, and mental health issues. We support children, families, people with disability and older people. We provide connection and community, and work to alleviate poverty, disadvantage and inequality for the benefit of all Queenslanders.

By industry, health care and social assistance was the largest employer group in Queensland in 2024. The community sector is made up of 185,514 dedicated staff working across 7,225 charities and supported by 398,293 volunteers.[2] This workforce plays a crucial role in improving outcomes for Queenslanders and contributes significantly to the economic and social wellbeing of the wider community.

Due to the cost-of-living and housing crisis, recent years have seen hardship touch the lives of far more Queenslanders. Across Queensland, community sector workers are continuing to report an increase in the number of people seeking support. They are also reporting a shift in the demographics of those in need, with many people with stable incomes seeking support from services for the first time.

However, while many Queenslanders are struggling with the cost of living, the Queensland economy has been touted as the strongest in the nation.[3]

In the 2024-25 Queensland Budget, the Queensland Government made substantial commitments on cost-of-living measures. This includes significant energy bill relief, cheaper public transport, assistance to pay for sporting activities for children and discounts on government fees and charges.[3]

Recognising the critical role of the community service sector, the 2024-25 Queensland Budget also highlighted a range of initiatives that will support some services to respond to the increasing demand on the sector. This included additional funding to emergency food relief services, as well as services delivering programs such as: disability advocacy, community legal centres, gambling help services,

refugee support services and the Queensland Financial Resilience Program.

While services continue to experience ongoing increases in demand, they are also managing increasing costs to deliver services. For 2024-25, the community sector secured a modest increase in the indexation of their funding. This was initially announced as 3.75 per cent (as per the 2023-24 budget update), although it was increased to 3.94 per cent in recognition of higher than predicted inflation.

Amid an unabating housing and cost-of-living crisis, injections of funding into the community service sector are critical now more than ever and should also be viewed as an important cost of living measure. 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, meaning fewer people will receive support.[4]

In 2024, QCOSS released a paper outlining a range of measures the sector would like to see introduced to Strengthen the sustainability of the sector. In response, the Queensland Government announced a range of procurement principles for social services that aim to improve the sustainability of the sector.

For example, the procurement principles will support longer-term contracts with default five-year terms and enable organisations to employ a permanent workforce. In 2024, the community sector has continued to experience significant challenges with recruitment and retention of a qualified workforce. Funding certainty will enable the employment of permanent workers. This is a significant win for the sector, as longer-term contracts with permanent staff allow organisations to stabilise their workforce, implement longer-term plans and achieve better outcomes.

The procurement principles also deliver several other priorities of the sector, such as establishing transparent timeframes to guide contract renewals, providing funding for suitable levels of training and supervision for the workforce, and streamlining contracts for community organisations that have multiple contracts with the Queensland Government with the aim of supporting service integration.

Additional to the procurement principles, other initiatives also continue to respond to workforce related challenges being experienced by the community sector. For example, the Queensland Workforce Strategy's first Action Plan includes sector-led initiatives that support worker development, attraction and retention in the health and communities' industries.

QCOSS are supportive of the implementation of procurement principles for social services and other initiatives that seek to support and strengthen the sustainability of the sector. However, further work is required to support fit-for-purpose workforce planning for the community services sector.

This report outlines the primary issues and challenges identified by the sector that are impacting on efficient and effective service delivery. QCOSS will continue to seek change that will respond to these challenges with the aim of strengthening the sustainability of the sector.

Despite the challenges the sector is experiencing, it also remains strong and committed to achieving significant outcomes for Queensland communities. All across Queensland, community organisations are working together to identify opportunities to improve co-ordination and collaboration of services, and highlighting the importance of community led place-based initiatives that meet the needs of their local communities.

Methodology

Qualitative and quantitative data for this report was obtained from a series of engagements that QCOSS led with the community sector in 2024. This included:

■ **QCOSS Town Halls**

The QCOSS Town Halls took place as face-to-face consultations in Brisbane, Logan, Toowoomba, Gympie, Moreton Bay, Gladstone, Rockhampton, Mackay, Mount Isa, Townsville and Cairns. A total of 262 community sector representatives participated, with the majority of attendees 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.

Discussions were facilitated by QCOSS staff members, focussing on the characteristics of an excellent or high performing organisation in the community sector, as well as the identification of issues that are impacting on services users, frontline workers, and community organisations. Participants were divided into small groups to respond to the following questions:

1. What issues are impacting your organisation?

2. What factors enable excellence in an organisation?

At each workshop, responses from this small group activity generated larger group discussions to determine if identified issues were impacting on other participants. Notes collected from these workshops were collated and themed by QCOSS staff.

■ **QCOSS Community Sector Survey**

The 2024 QCOSS community sector survey was open for response for a six-week period from 26 March 2024. The response rate was significantly higher than in previous years, with 1,307 community sector employees responding to the 2024 survey.

Of these survey respondents, 12 per cent were CEOs, 17 per cent were senior managers, 17 per cent were team leaders or program co-ordinators, and 23 per cent were frontline workers or practitioners. As well as this, the Queensland sample included people working in administration (6 per cent), volunteers (6 per cent), people working in communications, policy, projects or research (5 per cent), board or management committee members of a community organisation (4 per cent), and 6 per cent identified their position as "other."

Respondents represented a wide range of organisations with respect to service delivery (Figure 1), with the top three providing services relating to:

▪ children and young people (including early childhood early education, child welfare, out-of-home care, and youth services)

▪ housing and homeless (including social housing, refuge, housing or tenancy advice and support, and homelessness services)

▪ ageing, disability and carers (including home care, residential care, community access, transport support, and carer support).

Figure 1: Main service type of survey respondents

Service type	Percentage
Child and youth services (incl. ECEC, child welfare, OOHC, youth services)	17%
Housing and homelessness (incl. social housing, refuge, housing or tenancy advice and support, homelessness service)	13%
Ageing, disability and carers (incl. home care, residential care, community access, transport support, carer support)	12%
Community development services (incl. volunteering, neighbourhood centres, community development)	12%
DFV and other family services (incl. domestic and family violence services, relationship counselling, parenting education)	9%
Health-related services (incl. AOD, mental health, health promotion, community health, sexual health, palliative supports)	8%
Other (please specify)	8%
Financial and food support (incl. Emergency relief, financial counselling, no interest loans)	4%
Aboriginal and Torres Strait Islander Services	4%
Peak body	3%
Employment, education and training (incl. jobseeker services, VET services, literacy, ESL services, support for school…)	3%
Community Legal Centre	3%
Migrant and multicultural services (incl. Asylum seeker, refugee, settlement services and other multicultural services and migrant…)	3%
Climate change, energy, environment and animals	1%
Lesbian, gay, bisexual, transgender and intersex services	0%

Of the Queensland respondents, a higher proportion worked in regional areas (47 per cent), while 27 per cent worked in capital cities, 6 per cent worked in a remote area, and 18 per cent indicated they worked across all areas of Queensland. A total of 8 per cent of respondents worked in an Aboriginal community–controlled organisation.

Queensland respondents worked in organisations of various sizes, from "very small" to "extra large" (Figure 2).

Of the respondents, 23 per cent identified as a person with lived experience of disadvantage and/or service use (Figure 3). A further 16 per cent identified as a person with carer responsibilities, 9 per cent identified as a person with a disability, 9 per cent identified as Aboriginal and/or Torres Strait Islander, and 8 per cent identified as a person who speaks a language other than English at home.

Survey respondents were also reflective of the highly feminised social sector workforce, where 78 per cent of respondents identified as female.

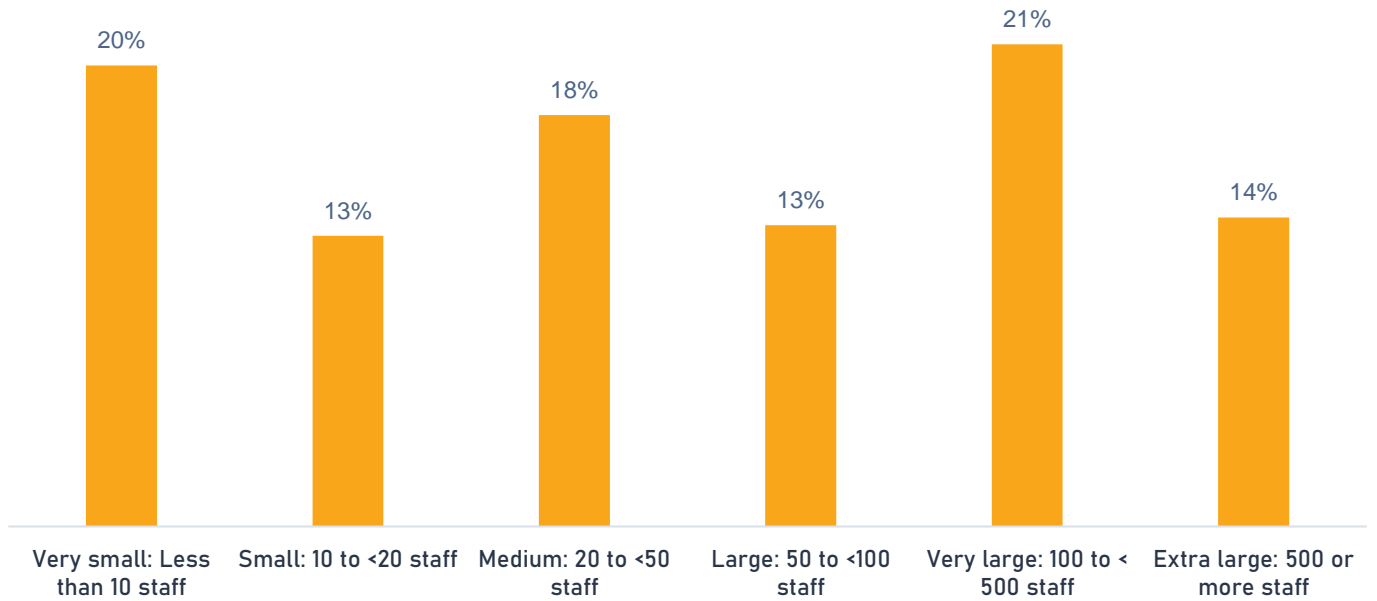**Figure 2: Approximately what size is your organisation?**

Category	Percentage
Very small: Less than 10 staff	20%
Small: 10 to <20 staff	13%
Medium: 20 to <50 staff	18%
Large: 50 to <100 staff	13%
Very large: 100 to < 500 staff	21%
Extra large: 500 or more staff	14%

Figure 3: Do you identify as any of the following?

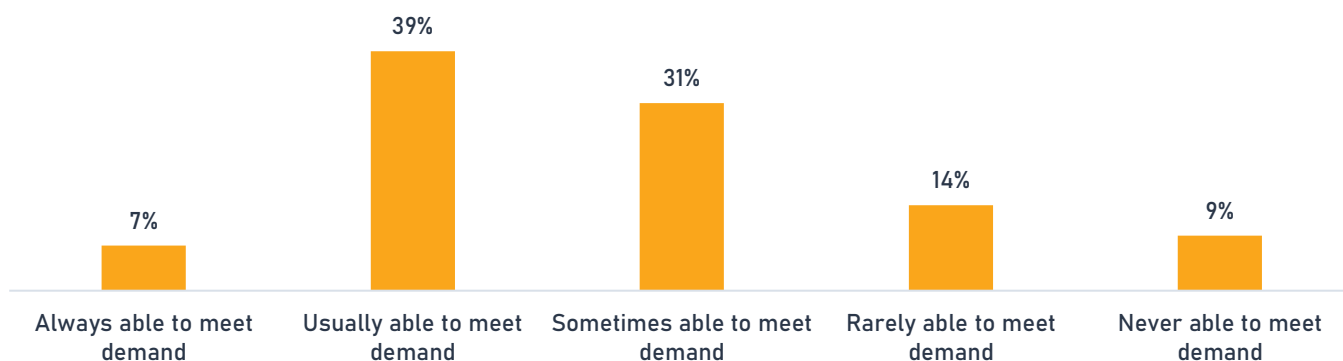| Category	Percentage
None of the above	53%
Aboriginal and / or Torres Strait Islander	9%
Person who speaks a language other than English at home	8%
Person with carer responsibilities	16%
Person with a disability	9%
Person with lived experience of disadvantage and / or service use	23%
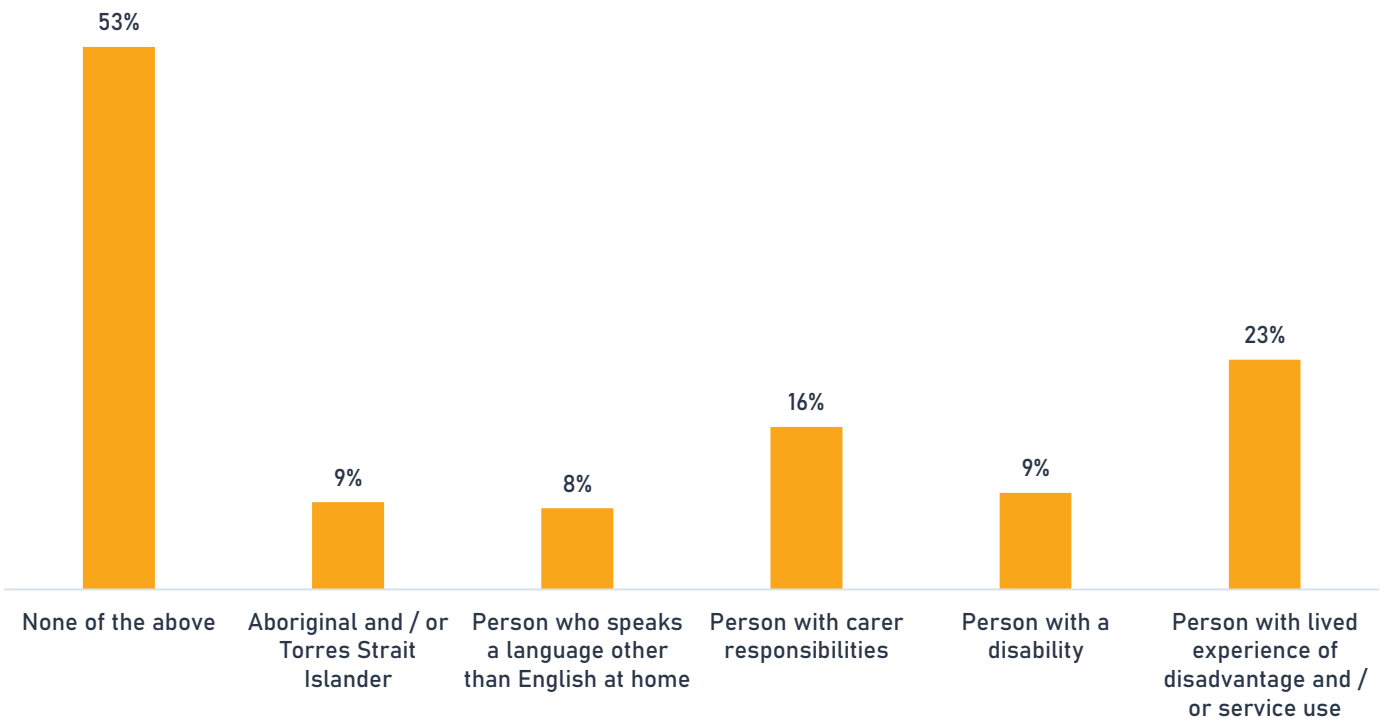
Increasing service demand

A common theme raised by QCOSS Town Hall participants, as well as survey respondents, was the significant unmet demand for community services in Queensland. Among survey respondents, only 7 per cent reported that their service was always able to meet demand, while 39 per cent reported usually being able to meet demand (Figure 4). More than half of respondents (54 per cent) felt their service could never, rarely or only sometimes meet demand.

Figure 4: Which statement reflects the ability of your service to meet demand, so far in 2024?

Bar chart showing:
- Always able to meet demand: 7%
- Usually able to meet demand: 39%
- Sometimes able to meet demand: 31%
- Rarely able to meet demand: 14%
- Never able to meet demand: 9%

"We decline approximately 5-10 referrals a week, every week for the last 12 months."

"My organisation has been struggling to meet needs as most programs are full and their wait lists are full as well. People have to wait 3 or more months to access services."

Indicators of service demand consistently highlighted the increasing number of people seeking support from community organisations. This significant unmet demand for services has a direct impact on people accessing services, their families and their communities. Of the QCOSS Community Sector Survey respondents (Figure 5):

- 52 per cent reported their waiting times had increased for their service
- 51 per cent reported their organisation tried to find funding to expand capacity
- 48 per cent reported that their organisation referred people to other services due to lack of capacity
- 40 per cent reported that their organisation turned people away due to lack of capacity
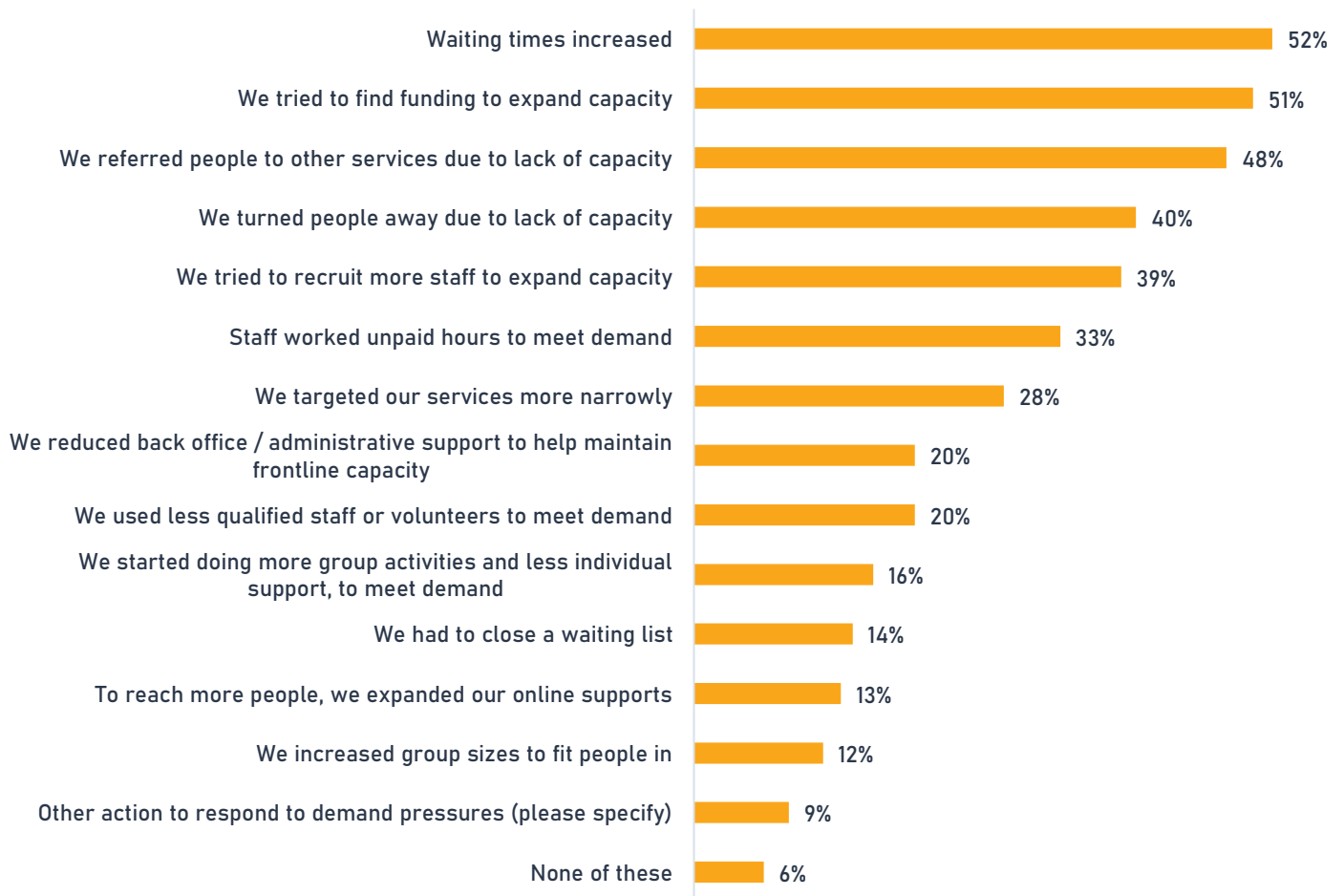- 33 per cent reported that staff worked unpaid hours to meet demand.

Many services have indicated that this increase in demand is the result of a changing demographic of those seeking support. This is because people who would not have needed assistance in the past were now seeking help and are presenting to services. In particular, people who are working with stable incomes are now seeking support from community organisations across Queensland.

"Clientele has changed. Seeing more people in hardship where both couples are working due to high interest rates, increase in cost of living. Not just people on low income."

"No end in sight is increasing sense of hopelessness. Seeing more people who have never needed help before. Kids sleeping in cars is now an acceptable norm?"

"[Since COVID] Families who have never before accessed services (i.e. not part of the disadvantaged cohort) are now in crisis and needing support. Families who were previously engaging have even less capacity to cope with the unprecedented pressures."

Figure 5: Which of these has occurred in your main service or program during 2023–24?

Action	Percentage
Waiting times increased	52%
We tried to find funding to expand capacity	51%
We referred people to other services due to lack of capacity	48%
We turned people away due to lack of capacity	40%
We tried to recruit more staff to expand capacity	39%
Staff worked unpaid hours to meet demand	33%
We targeted our services more narrowly	28%
We reduced back office / administrative support to help maintain frontline capacity	20%
We used less qualified staff or volunteers to meet demand	20%
We started doing more group activities and less individual support, to meet demand	16%
We had to close a waiting list	14%
To reach more people, we expanded our online supports	13%
We increased group sizes to fit people in	12%
Other action to respond to demand pressures (please specify)	9%
None of these	6%

These indicators highlight a service system under significant stress. In response, survey respondents highlighted various actions their organisation were implementing in response to the rapidly increasing demand. This included making non-frontline positions redundant to increase frontline capacity, or reducing the time spent with service users by providing more brief interventions and less intensive supports. Further to this, several respondents reported trying to recruit more volunteers to respond to demand, while others were required to close programs for days at a time due to not having enough staff to meet demand.
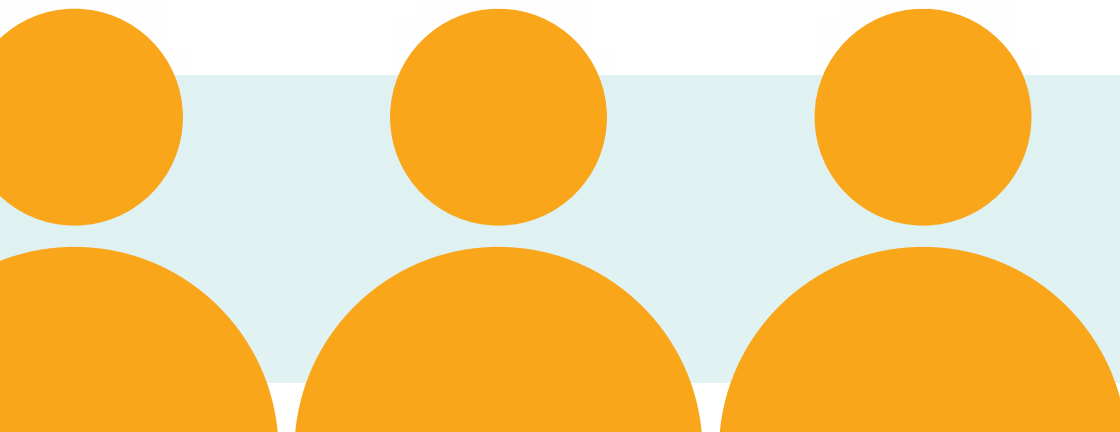
Increasing complexity of service user presentations

QCOSS Town Hall participants consistently reported an increasing level of complexity in the range of issues their service users are seeking support with. Complexity is used to describe presentations where people have multiple issues co-occurring. This complexity of service user presentations is having a direct impact on organisations' ability to meet demand. This is because service users are needing to stay in programs for longer, which increases wait times.

An overwhelming number of survey respondents reported an increase in the complexity of need among service users (84 per cent), as well as levels of poverty and disadvantage among service users (83 per cent). Several survey respondents also reported that because so many service users are presenting to their service with complex needs, they do not have the funding or capacity to assist everyone. Organisations are therefore needing to triage service users so that those with the highest level of risk and complexity are prioritised.

> *"People are coming to us with more complex issues, which take longer to fix, reducing our ability to offer any service to others referred."*

> *"The needs of families have changed drastically since COVID. While historical trends may have indicated an increased need, COVID has increased the complexity of needs."*

> *"23-24 has seen a significant exacerbation of almost all issues that our service often sees. This is unfortunately in the context of limited if any increases in resources or supports for our service or the people we work with. In our experience this is a sector wide issue, meaning we cannot rely on other services to meet the demands that we cannot service."*

The QCOSS community sector survey asked respondents about the main issues affecting the people or communities their organisation supports. Cost of living pressures were the most significant issue impacting service users, with 91 per cent of respondents indicating this was the main presenting issue (Figure 6).
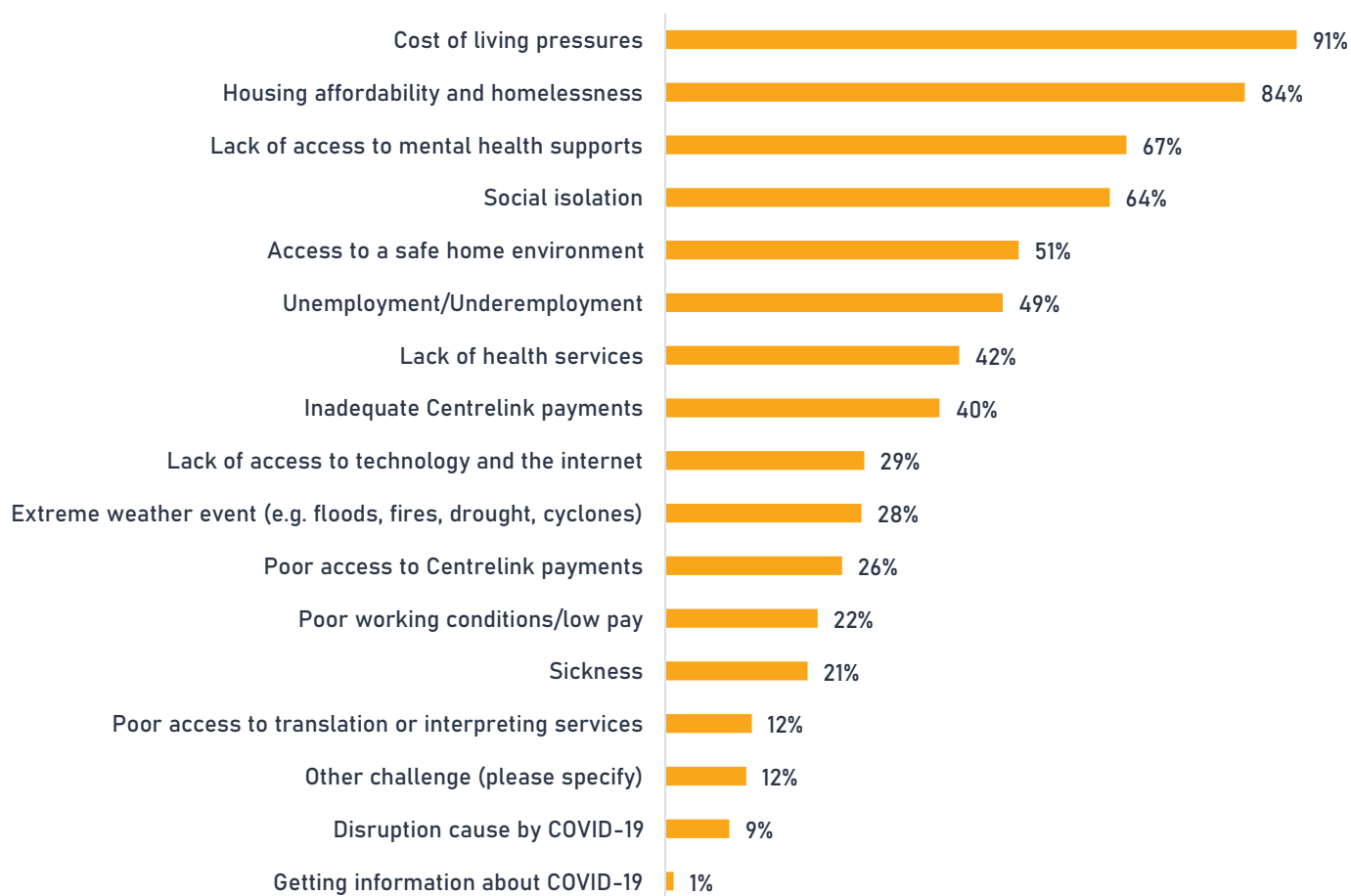
Findings about cost-of-living pressures were consistent with those outlined in the QCOSS 2023 Living Affordability in Queensland report, which found that the impact of cost-of-living pressures on households is high stress and low financial wellbeing resulting in poor mental health outcomes. Among the modelled households, only one was able to meet basic living costs while the others were in debt or failing to make ends meet.

> *"People who previously could manage financially are now struggling to pay rent and buy food."*

> *"Cost of living increases are affecting everyone in the community. More people are presenting with rent arrears as they are choosing to eat over paying rent. Even our staff are struggling with cost of living increase as wages in the community sector are very low."*

Secondly, 84 per cent of survey respondents reported service users were impacted by housing affordability and homelessness (Figure 6). This is supported by independent analysis of the Queensland housing system, which found that Queensland's housing crisis continues to be unprecedented and has not abated in the past 12 months.[5] Further to this, demand for homelessness services in Queensland has grown by 34 per cent in five years (compared with 9 per cent nationally), and Queenslanders seeking specialist homelessness services was well above anywhere else seen in Australia.

Figure 6: In 2023–24, what have been the main challenges affecting the people or communities that your organisation supports?

Challenge	Percentage
Cost of living pressures	91%
Housing affordability and homelessness	84%
Lack of access to mental health supports	67%
Social isolation	64%
Access to a safe home environment	51%
Unemployment/Underemployment	49%
Lack of health services	42%
Inadequate Centrelink payments	40%
Lack of access to technology and the internet	29%
Extreme weather event (e.g. floods, fires, drought, cyclones)	28%
Poor access to Centrelink payments	26%
Poor working conditions/low pay	22%
Sickness	21%
Poor access to translation or interpreting services	12%
Other challenge (please specify)	12%
Disruption cause by COVID-19	9%
Getting information about COVID-19	1%

Housing instability is an issue that a wide range of community organisations are responding to. Several survey respondents reported that even though their organisation does not provide housing services, they are receiving increased enquiries from people experiencing homelessness or at risk of homelessness, and unable to meet the rising cost of rent.

"I have been in the same job since early 2022. Homelessness and complex clientele has increased nearly 30% in that time."

"Many more enquiries are due to people being homeless/risk of homelessness and unable to meet the cost of living. As safe housing is such a fundamental need, we are working a lot in this space even though we aren't specifically a homelessness organisation. It has meant that people with other issues… aren't being accepted as often, as we work with those who are most vulnerable and at risk. We have to triage this way due to our limited capacity."

"We are referring more than 3 families a day to the Dept of Housing due to homelessness. Women and children are living in cars, in tents and remaining in unsafe situations as there is nowhere for them to live."

Organisations have clearly indicated that it is difficult to make an impact in other areas of a service user's life when their service users are focused on surviving day-to-day to meet the cost-of-living. Some respondents expressed concern that many service users are forced to stay in unsafe housing situations because they cannot afford alternative accommodation. This was particularly felt in rural, regional and remote areas of Queensland.

"Housing is at the top of the list. Services have limited impact when people are facing homelessness."

"We operate in small geographically isolated towns and all these towns currently have NO rentals available, and very little government or crisis housing available. This impacts negatively on our ability to support clients fleeing domestic violence, especially if fleeing with children."

"Most people we are working with are struggling to survive as a result of the cost of living crisis. A majority of my clients are experiencing some form of financial hardship and housing instability - how can we expect clients to engage with our services for therapeutic support when they are struggling to put food on the table, pay their rent, have money for petrol, etc… No one can access private rentals because the rent is too high. I am worried for my clients every day. I don't see this getting better and I don't feel that there is anything more I can do than validate their feelings and provide emergency relief vouchers when we have some (we run out almost immediately)."

QCOSS community sector survey respondents also reported lack of access to mental health supports (67 per cent), and social isolation (64 per cent) as challenges affecting the communities they support (Figure 6). Community sector workers have highlighted the intersection between these issues, as unstable housing and cost-of-living pressures are creating significant distress and exacerbating mental health issues. The lack of housing is also displacing people from their family and community, increasing their risk of social isolation.

"Pressures are increasing and multifaceted which have resulted in more mental health issues, homelessness, and strain on relationships."

With increasing demand for services and increasing complexity of need, holistic service provision and integrated service delivery is more important than ever. Community members seeking support often have intersecting and overlapping needs requiring comprehensive wrap-around services.

Although the value of holistic and integrated service provision is well established, service providers operating in this way often report difficulties in maintaining financial sustainability due to the siloed nature of government funding.

Communities continue to face extraordinary challenges and unprecedented economic hardship amidst the cost of living and housing crises. Government funding must evolve to more flexibly support successful holistic services that have been developed to respond to the unique needs and context of local areas.

Difficulty recruiting and retaining staff

The increasing demand on services is creating additional workforce challenges for community organisations. In 2024, the sector continued to face significant workforce challenges with 63 per cent of survey respondents indicating it has become more difficult to attract and retain staff. As well as this:
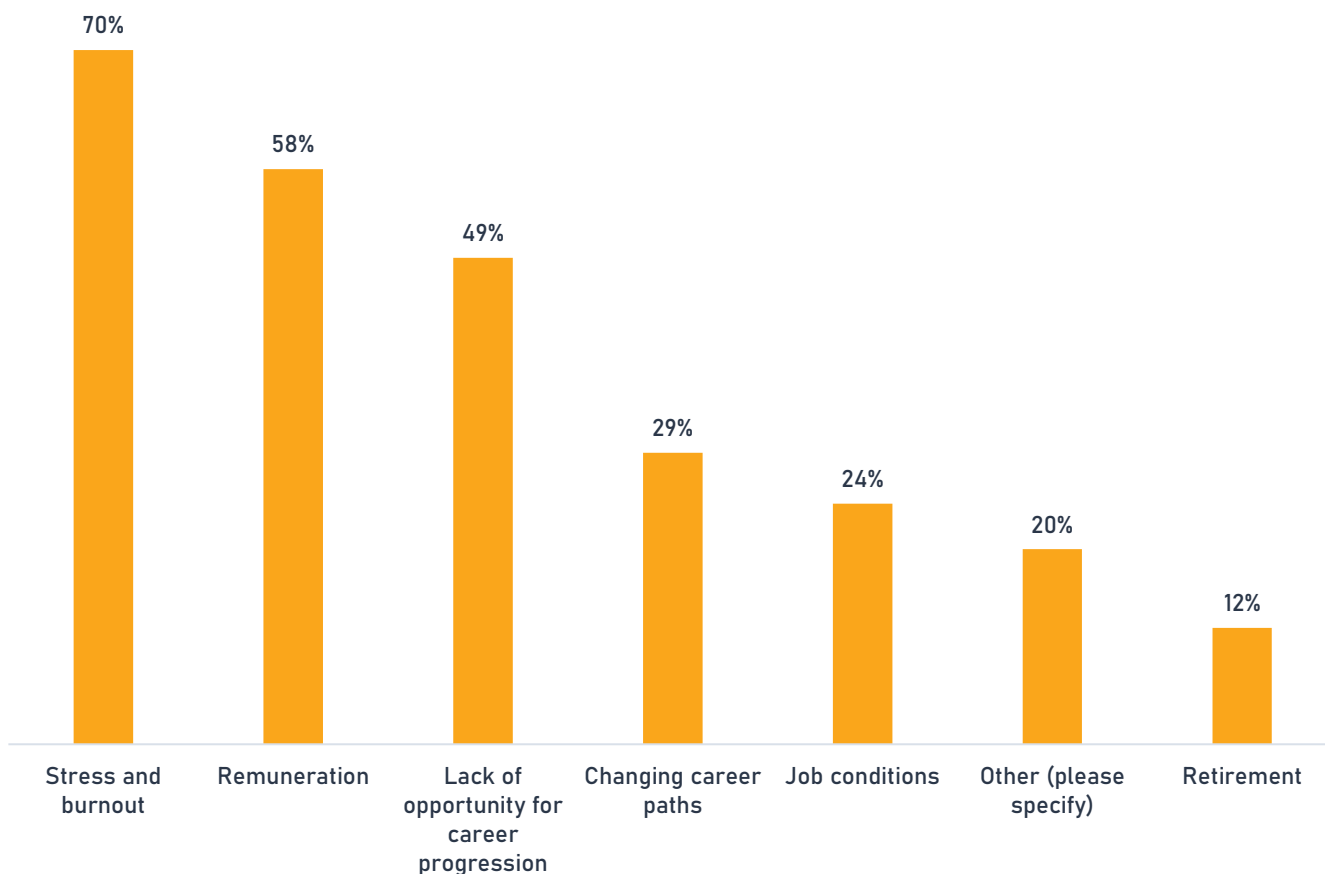
- 41 per cent agreed that staff turnover is high in their organisation
- 61 per cent agreed that there is significant burnout experienced by our workforce.

These workforce challenges exacerbate the stress that existing workers are under, with over half of the survey respondents (57 per cent) stating that they strongly agreed or agreed that they felt under pressure due to understaffing.

When asked where they plan to be working 12 months from now, 11 per cent of respondents reported that they either don't plan to be working in the community sector or are planning to leave the workforce or retire. The community services sector is an ageing workforce, with 34 per cent of survey respondents identifying as being between the ages of 55 to 65 plus. It is important to consider that this will result in more people leaving the community sector workforce and continue to place pressure on our already inadequately resourced workforce.

When asked what the main reasons are for workers leaving the social service sector, 70 per cent of respondents stated stress and burnout, with 58 per cent stating remuneration, and 49 per cent highlighting lack of opportunity for career progression (Figure 7).

Figure 7: What are the three main reasons for workers leaving the social service workforce?

Category	Percentage
Stress and burnout	70%
Remuneration	58%
Lack of opportunity for career progression	49%
Changing career paths	29%
Job conditions	24%
Other (please specify)	20%
Retirement	12%

In 2024, the housing crisis is also now impacting on the ability for community organisations to recruit and retain their workforce. According to survey results, 57 per cent of respondents believe it is difficult for organisations to attract and retain staff due to the poor availability of affordable housing in their local area. As well as housing, several respondents also reported that lack of childcare in their local area is a significant barrier that impacts a parent's availability to work. These challenges associated with recruitment and retention of a qualified workforce are heightened in regional and remote areas of Queensland.

> "*It's just taken 6 months to fill a professional vacancy in our area – we can't recruit outside of the area unless they can afford to purchase a house. We lost a qualified staff member as she became homeless due to having zero rental options.*"

> "*Lack of affordable housing is the main pressure, felt by clients as well as staff. It also prevents us from expanding our recruitment strategy beyond our local area – it is now the case that we ask in interviews if people have somewhere to reside in our area before we can employ them.*"

> "*We have always been able to retain staff because of the positive workplace culture, however this is no longer enough with the current financial pressures facing the community at large. We have had one staff member (with a degree) with a child living out of a car recently despite having full time employment.*"

When it comes to addressing the workforce shortage, 53 per cent of survey respondents stated they were either well equipped or equipped to address it, while 47 per cent of respondents said they were not sufficiently equipped or not equipped at all. When asked what aspects of workforce development and strategy their organisation would be interested in:

- 82 per cent reported being interested in increased staffing budgets in service agreements
- 49 per cent are interested in refining their human resources capability (e.g. improving staff retention strategies)
- 39 per cent are interested in place-based workforce planning strategies.

When asked what they think could contribute to preventing workforce shortages:

- 78 per cent reported higher remuneration
- 56 per cent reported enabling career progression
- 43 per cent reported paid student placements.

An overwhelming number of respondents stated that longer term funding contracts would assist in preventing workforce shortages, as it would provide employees with job security. For organisations in rural, regional and remote areas there are additional challenges to attract interest from potential workers outside the region, as people are unwilling to relocate for short-term roles.

Some respondents reported that introducing initiatives such as flexible work hours and working from home arrangements has helped them to attract staff, although this is not a viable option for all organisations due to the nature of frontline service delivery.

"Our organisation continues to seek innovative ways to have remote and office based workers, with flexibility for work from home arrangements that enhance engagement capacity for workers across a number of location options, but always focussed on work efficiency and effectiveness, alongside social inclusion and team connection."

Several respondents reported that attracting experienced and qualified staff is becoming increasingly difficult. Due to this, many organisations often employ new graduates and workers that might be new to the community sector. These workers have higher training and development requirements, which can be challenging for some organisations to provide. Several respondents spoke about the need for workplace supervision, staff training and professional development to be included in funding contracts, as this would support staff to deal with the level of complexity currently present in the community they serve.

"We needed to employ a recruitment and on boarding specialist to assist with this work. Remote and hybrid work options have been utilised, e.g. for clinical staff where we can't source in regional/remote communities. We are creating pathways to employment via student placements in remote areas. That has been positive."

Systemic workforce planning is required to address the challenges individual organisations are facing. A strategy could include actions for capturing unskilled, early career and recent graduate workers, providing meaningful employment opportunities, and ensuring they have the support they need. This support is particularly important in the first five years of their work in the sector, so they can develop the skills and behaviours they need to work effectively with service users and in community organisations and to work within a values-based and human rights respecting industry.

There is significant need for more specificity about the skills and attributes required and the particular roles that are most difficult to recruit and retain. Better coordination and utilisation of training pathways to align with the skills and roles required would support a talent pipeline for the community services sector. Additionally, there is opportunity for the sector to increase its visibility and better communicate its impact, values alignment and the opportunities we offer for meaningful work. However, these tactics need to be attached to a long term workforce plan that includes addressing the structural issues that lead to poor working conditions, including low wages.
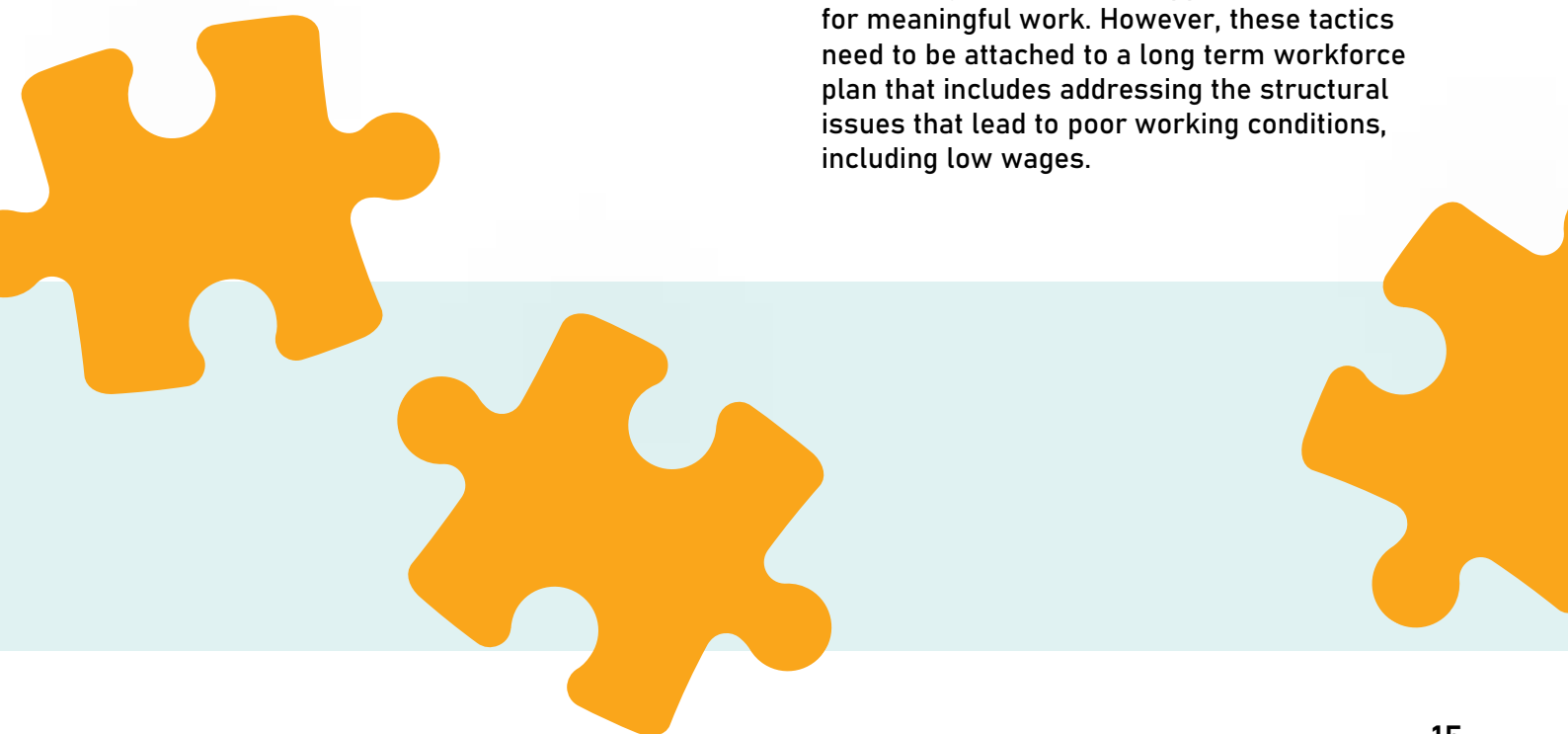
Low wages

Remuneration was a significant reason for workers leaving the social service sector workforce. The community services sector is a highly feminised workforce, with approximately 81 per cent of workers employed in the 'social assistance services' workforce in Queensland identifying as female.[6] Significant gender gaps still persist for women with respect to labour force participation and wages. Women are more likely to be employed in part-time and insecure work compared to men and perform the bulk of unpaid care work.[7]

When asked whether they feel they receive decent pay for the work they do, just over half of respondents (53 per cent) either strongly agreed or agreed with this statement, while 18 per cent were neutral/not sure, and 28 per cent either disagreed or strongly disagreed that they receive decent pay for their work (Figure 8).

Women in Queensland also have lower superannuation balances and higher levels of underemployment, despite large numbers of women completing tertiary education. Survey respondents were asked whether they expect to have enough superannuation when they retire. Only 22 per cent of respondents strongly agreed or agreed with this statement, with 27 per cent indicating they were neutral/not sure, and a further 50 per cent disagreeing or strongly disagreeing with the statement (Figure 8).

Low wages coupled with insecure short-term contracts means that staff are increasingly unable to meet the cost of living. Respondents generally reported that remuneration in the social service sector was insufficient in the current economy, and not in line with the high-stress nature of many roles in the sector. Increased demand for services has meant that workers have higher caseloads and are dealing with increased complexity in the communities they support. Staff are now leaving the sector, not out of preference but necessity.
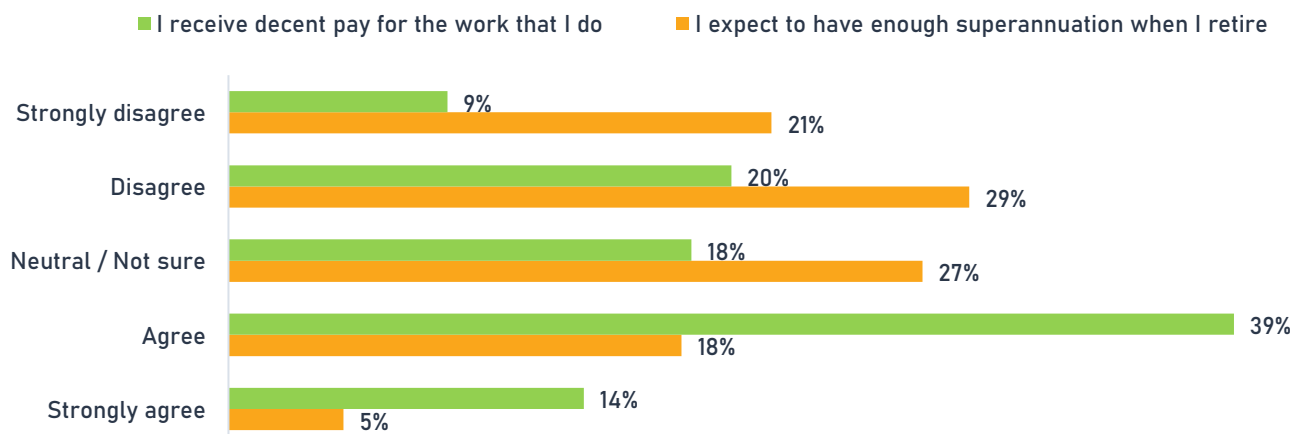
Respondents also highlighted that there are inequitable pay arrangements between roles in government, private and non-government organisations. Organisations feel that they cannot compete with the incentives, remuneration and superannuation that the private and government sector offer.

"Remuneration is not in line with requirements of job. Staff look to move to QLD Health where they can be paid far more…"

"We can't compete with government incentives, remuneration, superannuation, salary sacrificing – all are better in the government sector."

"Limited wage rises to meet increases in economic climate means that staff are struggling financially and so look for other work opportunities where they can get a higher wage."

Figure 8: How strongly do you agree with the following statements?

- I receive decent pay for the work that I do
- I expect to have enough superannuation when I retire

	I receive decent pay for the work that I do	I expect to have enough superannuation when I retire
Strongly disagree	9%	21%
Disagree	20%	29%
Neutral / Not sure	18%	27%
Agree	39%	18%
Strongly agree	14%	5%

Increasing service delivery costs

Increasing costs was a common theme raised by QCOSS Town Hall participants, as well as survey respondents. An overwhelming number of survey respondents indicated that their organisation is struggling to meet the increasing costs involved in delivering services.

> *"Whilst some of our program areas are able to manage the increases experienced, we have some programs that will need to operate at a financial loss in the coming financial year. This is creating instability as staff are concerned about future ramifications."*

> *"The increase in demand on services doesn't match an increase in funding to enable organisations to put on more staff to deal with the demand."*

Some organisations reported trying to diversify their funding streams by applying for additional grants and exploring philanthropic funding and donations.

> *"It is harder to get donations and Philanthropists & Corporates want to give seed funding rather than long term."*

The QCOSS community sector survey asked respondents about the adequacy of funding that their organisation receives from government. Respondents answered in relation to the stream of government funding that is most important to their organisation. When asked whether funding covers the full costs of service delivery, only 9 per cent of respondents agreed with this statement, while 77 per cent disagreed (Figure 9). When asked if funding enables them to meet community demand, only 8 per cent of respondents agreed, while 77 per cent of respondents disagreed. Only 11 per cent of respondents felt that funding allows their organisation to reliably plan for the future.

Additional questions explored the adequacy of an organisation's most important stream of government funding to cover other essential operational costs (Figure 10). Results indicated that:

- 83 per cent of respondents reported that basic overheads such as administration, management and IT were either not funded or under-funded

- 91 per cent of respondents reported that backfilling when staff are absent were either not funded or under-funded

- 83 per cent of respondents reported that covering increases in wage costs, including superannuation were either not funded or under-funded.

Respondents reported that their most important government funding stream did not cover or did not adequately cover engaging with government policy and reform processes (79 per cent), planning for community need (86 per cent), genuinely involving consumers or people with lived experience (82 per cent), contract administration and reporting (72 per cent), monitoring and evaluation (77 per cent), preparing for and responding to emergencies and disasters (83 per cent), and maintaining appropriate insurance (64 per cent) (Figure 11).

These activities are important for compliance, effective strategic planning, strong program design, and engagement in broader systemic change. Funding arrangements should fully cover these elements to ensure best practice and positive outcomes for communities.

Figure 9: Adequacy of funding from government. Answer in relation to the stream of government funding which is most important to your organisation.
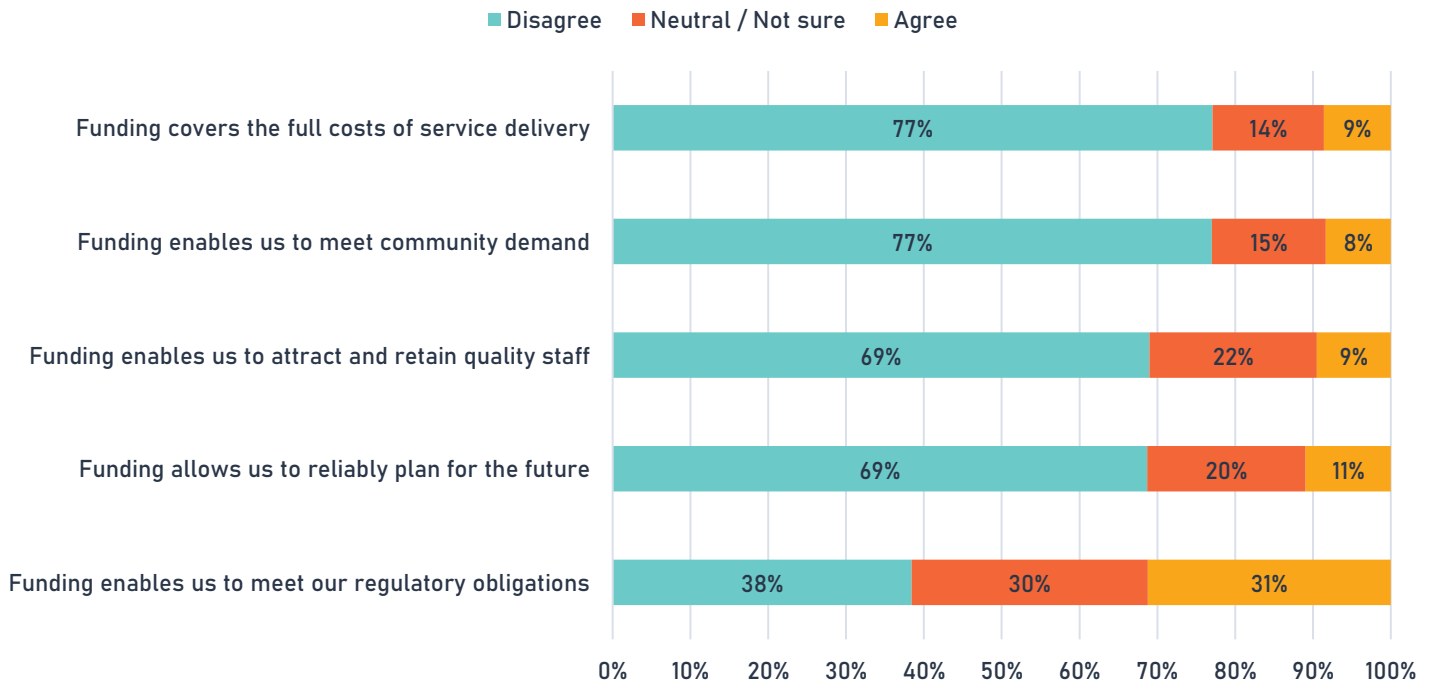
Legend: Disagree | Neutral / Not sure | Agree

	Disagree	Neutral / Not sure	Agree
Funding covers the full costs of service delivery	77%	14%	9%
Funding enables us to meet community demand	77%	15%	8%
Funding enables us to attract and retain quality staff	69%	22%	9%
Funding allows us to reliably plan for the future	69%	20%	11%
Funding enables us to meet our regulatory obligations	38%	30%	31%

Figure 10: Are these costs not funded, under-funded or adequately funded?

Legend: Not funded | Under-funded | Adequately funded | Not sure

	Not funded	Under-funded	Adequately funded	Not sure
Managing volunteers	49%	28%	8%	15%
Ensuring client and worker safety	22%	42%	32%	5%
Covering increases in wage costs, including superannuation	26%	57%	13%	4%
Providing professional development	32%	49%	16%	3%
Backfilling when staff are absent	52%	39%	6%	2%
Providing adequate supervision	29%	51%	16%	4%
Employing enough staff	16%	67%	12%	4%
Employing staff at appropriate classifications	14%	62%	19%	5%
Recruiting and inducting new staff	32%	50%	15%	3%
Overheads (e.g. administration, management, IT)	22%	62%	13%	3%

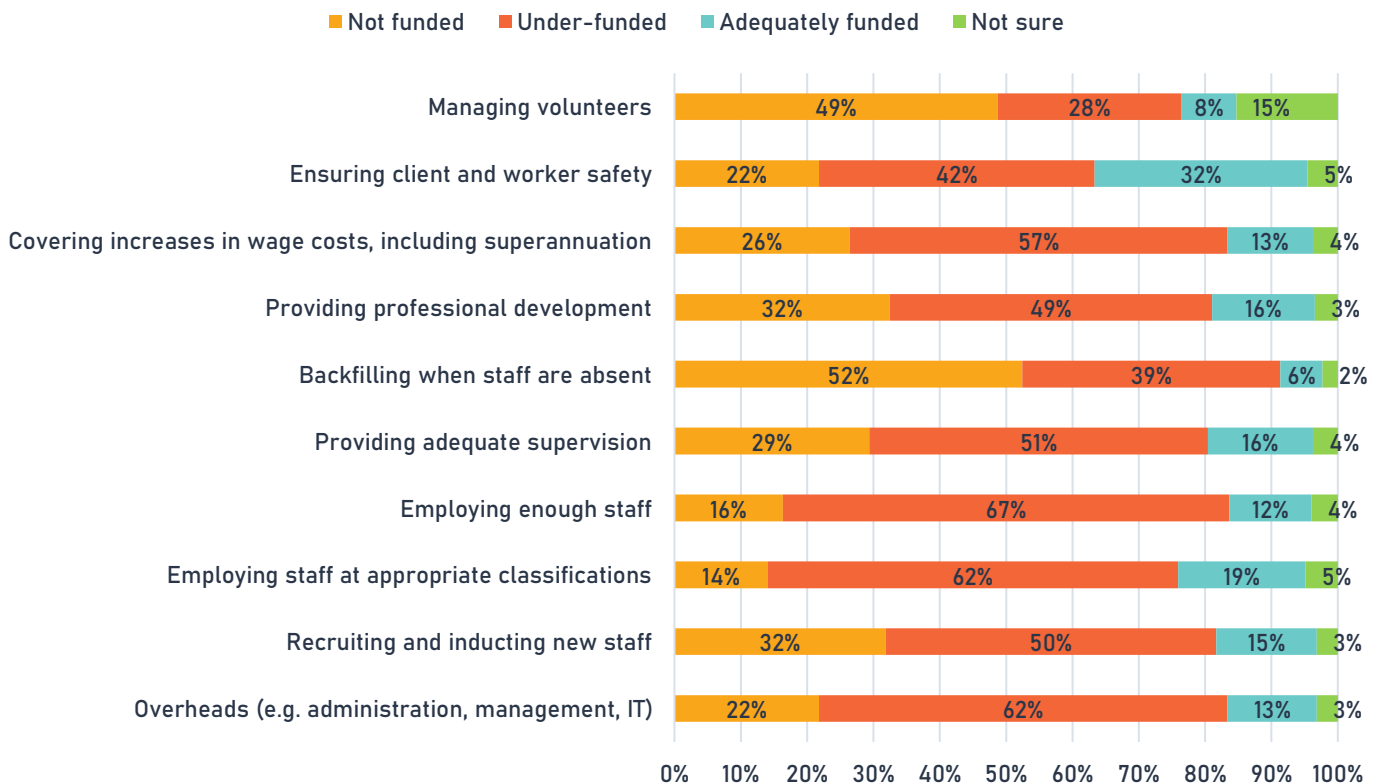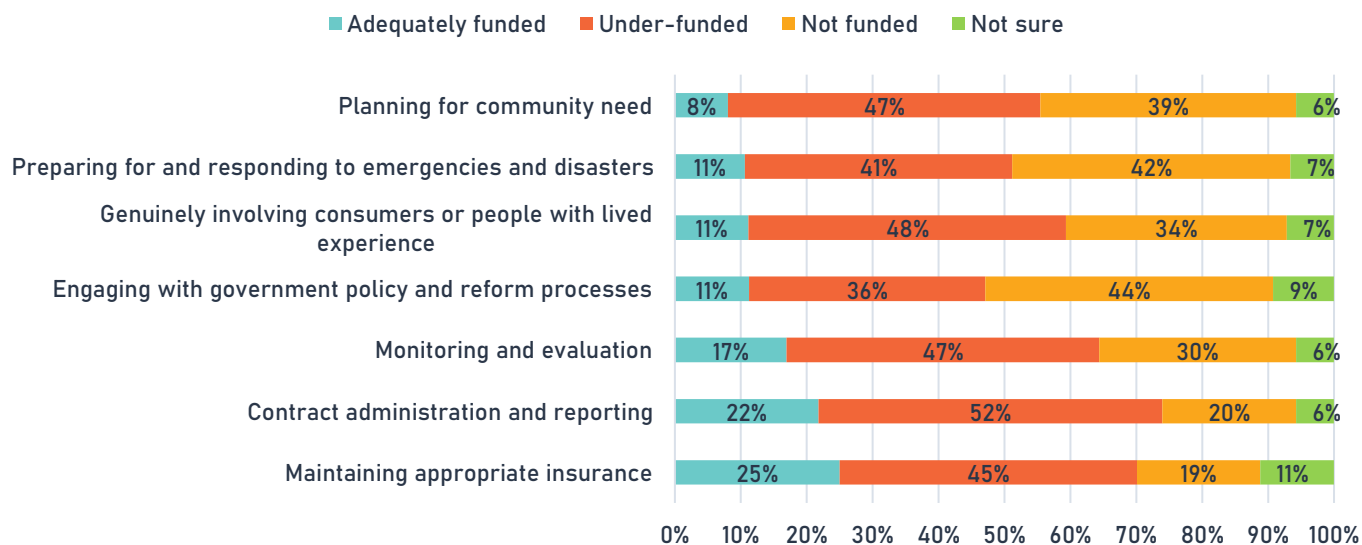**Figure 11: How would you say these functions are covered by your most important stream of government funding?**

Legend: ■ Adequately funded ■ Under-funded ■ Not funded ■ Not sure

Function	Adequately funded	Under-funded	Not funded	Not sure
Planning for community need	8%	47%	39%	6%
Preparing for and responding to emergencies and disasters	11%	41%	42%	7%
Genuinely involving consumers or people with lived experience	11%	48%	34%	7%
Engaging with government policy and reform processes	11%	36%	44%	9%
Monitoring and evaluation	17%	47%	30%	6%
Contract administration and reporting	22%	52%	20%	6%
Maintaining appropriate insurance	25%	45%	19%	11%

"Underfunding and limiting the capacity of organisations not only stunts their growth but also undermines their ability to thrive and develop meaningfully. When resources are scarce, organisations are forced to operate in a perpetual state of triage, allocating limited funds to immediate needs rather than investing in long-term sustainability and innovation. This restricts their ability to expand programs, reach more people, and adapt to evolving challenges effectively. Moreover, it hampers their capacity to attract and retain top talent, as professionals are drawn to environments where they can make a significant impact and advance their careers. Ultimately, underfunding perpetuates a cycle of stagnation, hindering organisations from realising their full potential and maximising their contributions to society. It's crucial for stakeholders to recognise the importance of adequately funding organisations and providing them with the resources they need to flourish, ensuring they can continue to drive positive change and address pressing societal issues effectively."

Several respondents highlighted that funding arrangements should adequately resource administrative and back-of-house positions, such as Information and Communications Technology (ICT), finance, human resources, policy and compliance and other positions that are essential to effectively running an organisation.

"Underfunding of administrative/corporate functions prevents us from creating a fully effective working environment in which our service delivery staff can do their best work. All of our costs are increasing and we are stuck with outdated and ineffective systems – this impacts our work with clients."

Some organisations highlighted that an increase in funding, longer-term contracts, as well as the ability to use funds flexibly has had a significantly positive impact on their financial position.

"The doubling by the State Government of our program [funding] and removal of any barriers on how the money is split across wages, project expenses etc has been fundamental to improving our agency's bottom line. The ability to use funds as see fit is a MAJOR contributor to our financially improved position, along with moving from a 3 year contract to 5 year contract term."

"The Specialist Homelessness Service 20% funding uplift is much needed and welcomed. We need to continue to increase funding grants to adequately cover the costs of running a service. Grants need to allow more funds for operating costs (rents, utilities, management fees etc). Funding does not adequately cover professional supervision costs, yet they are an important part of wellbeing and reducing psychosocial risks."

Appropriate indexation is a key component of a sustainable community service sector. This is because poor indexation leads to a reduction in sustainability, increased risk to service users and government, and a reduction in service quantity.[8]

In 2024–25, the NGO indexation was initially 3.75 per cent (as per the 2023–24 budget update). QCOSS members raised considerable concerns that this level of indexation would place their organisations under significant financial stress. In response to changes in predicted inflation rates, the Queensland Government increased NGO indexation for 2024–25 to 3.94 per cent. This represents an additional $5.05 million for the sector in 2024–25 and $21.4 million to 2026–27.

The QCOSS community sector survey sought feedback from the sector regarding indexation. When asked whether overall indexation is adequate, 50 per cent of CEO respondents disagreed with this statement. Many also highlighted concern that indexation is not in line with rising costs, while several also reported that they would like to see better communication regarding indexation.

"Indexation… does not include increases to superannuation, leave loading and work cover. Full wage increases are not met. Indexation payments do not take into account the increases in operational costs, e.g. lease increases, electricity increases, fuel costs and insurance increases."

"There needs to be much better communication and security of indexation to allow for effective planning."

"Indexation is not in line with the increases of cost of living, wages, psychosocial needs, and support and the ongoing demands on services."

This sentiment is also supported by the following reports from the University of Western Australia, which assess the indexation component of sustainability:

- 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.[9]

Poor procurement practices

Community sector survey respondents and QCOSS Town Hall participants consistently highlighted that procurement processes are negatively impacting the financial sustainability of their organisation and the outcomes their organisation is seeking to achieve. Survey respondents identified that the length of service agreements is inadequate and that short-term funding is a barrier to improving community outcomes.

Short-term funding prevents organisations from being able to implement longer-term plans that respond to the root cause of an issue, and they also impact on the community sector's ability to maintain a stable workforce.

"Contracts are often 1 year which is not attractive. In the case where there is a longer contract, the renewal may not come until close to June 30th. This causes unneeded stress and anxiety, and can cause staff to leave."

"We are reliant upon an end of service agreement, so we are unsure how we will be refunded in the next cycle. We are at the behest of short term pilot funding – due to this we can't retain staff as we cannot offer permanency. The funding approach from government directly impacts on our ability to attract and retain staff."

Contract renewal left to the last minute, gaps in funding, or funding that is not safely wound down leads to serious consequences for organisations, workers and service users.

"As contracts come towards renewal, staff leave early if no assurance can be given (eg. A quarter out) and we lose skills/experience. These decisions to extend contracts need to be made and communicated earlier."

"Government funding needs to be long term not short term. Short term funding affects retention of staff (no job security) and long term benefits and outcomes for clients. Long term funding would enable social impact measurement for clients and community to measure real change and benefits as well as value of services in reducing social issues to community. 12 month funding and 3 month case management timeframes for clients are extremely limiting to essentially be band aid services."

One organisation highlighted the limitations attached to short contracts, which places significant burden on an organisation.

"Additional funding announcements for housing and homelessness service providers but only offering short term contracts – in some cases only 6 months. Factoring in recruitment time, employee contracts can be as short as 3 months."

Strong organisational responses to workplace stress

Survey respondents generally reported feeling safe at work, and that their organisation has good systems in place to prevent harm to clients or community members (79 per cent), and to workers (74 per cent) (Figure 12). A significant portion of survey respondents agreed that at their organisation it is easy to report concerns about the safety of a client or community member (85 per cent) or the safety of other workers (82 per cent). Most organisations are putting safety first and foremost, and several respondents reported that their organisation has policies and processes in place for safety, reporting and follow-up.

"Our organisation responds to incidents quickly to ensure clients, staff and volunteers ongoing safety. Our team is briefed on incidents that is likely to have a flow on affect to our service and the clients we support."

However, several responses indicated that while there are processes in place to ensure protection of physical safety, workers are at risk of vicarious trauma and burnout. Stress and burnout was the top reason for workers leaving the social service workforce, with 70 per cent of community sector survey respondents indicating this.

Figure 12: These questions are about preventing and responding to safety concerns, including concerns relating to physical or emotional harm, bullying, threats, violence, abuse or neglect. Do you agree or disagree with each statement?

Statement	Agree	Neutral/Not sure	Disagree
In my organisation, it is easy to report concerns about the safety of a client or community member	85%	4%	11%
My organisation acts upon concerns about the safety of clients and community members	83%	4%	13%
In my organisation, it is easy to report concerns about my safety, or the safety of other workers	82%	6%	12%
My organisation has good systems in place to prevent harm to clients or community members	79%	4%	17%
My organisation acts upon concerns about worker safety	77%	5%	17%
My organisation has good systems in place to prevent harm to workers	74%	8%	18%

In the current environment of increasing demand, workers are being exposed to a greater number of highly complex client situations, and many workers are working significant overtime to meet demand. This has a flow on effect and impacts staff retention.

When asked whether they feel emotionally drained from their work, 61 per cent of respondents either strongly agreed or agreed with this statement.

An overwhelming number of responses indicated that more focus on wellbeing and psychosocial health is needed, with financial allowances and opportunities to support this.

> *"Our organisation cannot afford EAP [Employee Assistance Program] due to excessive costs to small organisations who cannot carry the cost."*

> *"There is more demand than ever to take care of worker's psycho-social harm, but less funding to stretch into this area of an organisation to do it well. The nature of underfunding makes psycho-social harm a very real risk in this work."*

It is important to note that there is now a code of practice on managing the risk of psychosocial hazards at work, under the Work Health and Safety Act 2011 (WHS Act). All organisations covered by the WHS Act must manage risks to both physical and psychological health of workers, volunteers, and service users, so far as is reasonably practicable.
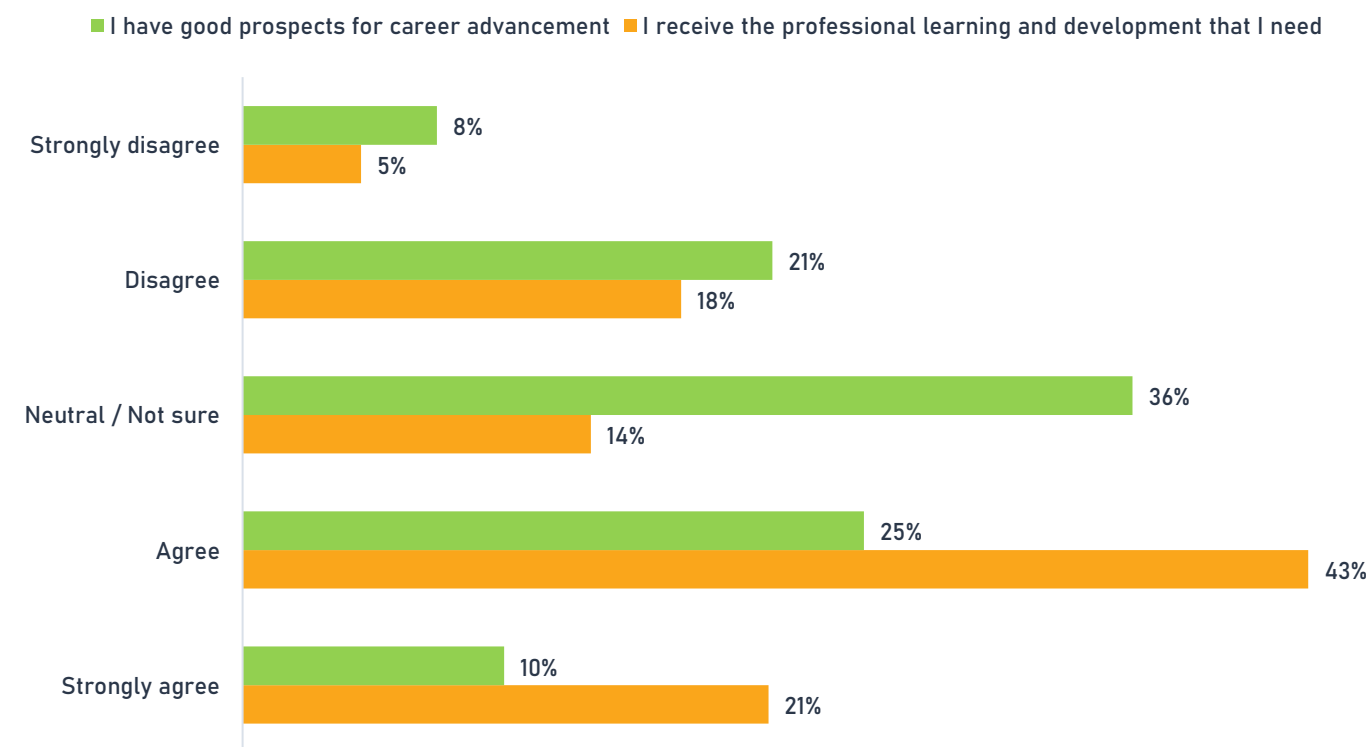
Career progression and professional development

Providing clear career pathways and opportunities for progression can help organisations retain skilled workers. Community sector survey respondents were asked whether they have good prospects for career advancement. Of the total respondents, 35 per cent agreed or strongly agreed with this statement, 36 per cent indicated they were neutral or not sure, and 29 per cent disagreed or strongly disagreed that they had good prospects for career advancement (Figure 13).

Career progression was identified as one of the main reasons (49 per cent) for workers leaving the community services sector.

"I think if remuneration was better and we had the ability to provide training and professional development for low cost (or have this included in funding agreements) staff would feel more connected and supported to deal with the level of complexity currently present in the community."

Figure 13: How strongly do you agree with the following statements?

■ I have good prospects for career advancement ■ I receive the professional learning and development that I need

	I have good prospects for career advancement	I receive the professional learning and development that I need
Strongly disagree	8%	5%
Disagree	21%	18%
Neutral / Not sure	36%	14%
Agree	25%	43%
Strongly agree	10%	21%

A number of survey respondents indicated that their organisation did not provide opportunities for career growth or progression, which contributed to their reason for planning to leave their role.

Professional development also aligns with perceived opportunity for staff to progress in their career, and it is important to maintaining a committed and skilled workforce. Professional development was not always available due to demands on staff time, and funding pressures. Of the total survey respondents, 81 per cent felt that the provision of professional development was either not funded or under-funded in their organisation. Respondents highlighted that existing contracts do not recognise staff development as a vital component to be funded for service provision. Therefore, costs of training, clinical supervision, personal development and career pathways go unfunded in the sector. This leads to staff being unprepared for the multifaceted demands of practicing in the community sector, leading to higher levels of distress and burnout, and ultimately poorer retention.

"The learners in remote areas wanted more support and training, unfortunately, the trips to these areas are proven very expensive for our organisation. The employers in the remote areas cannot even afford to have their staff off work to attend training to be upskilled. Maybe the Government can look at compensating the organisations to encourage them to upskill their workers to look after communities."

"[There needs to be] recognition [by] funding bodies of the need for increased funding overall for training and professional development, which in our case comes out of the management fees."

"We do what we can and spend our funding wisely but that means we don't have enough money to spend on professional development, HR, continual training, IT and systems to help us do our job more effectively."

When QCOSS Town Hall participants were asked what the enablers are to excellence in an organisation, the top response was good leadership. This was also linked to organisational culture (third highest response). Several survey respondents highlighted the need for leaders and managers to receive professional development to grow their leadership skills, so they can better support staff. Currently, many frontline staff who move into supervisory roles receive very little to no training or mentoring. Building leadership capability in organisations enables psychosocial wellbeing, adequate supervision of staff, the tailoring of career progression and succession planning, as well as the contextualisation of professional development. Inclusive leadership is essential for organisational effectiveness and impact.

"Many organisations are not run by people who have formal business and leadership skills."

"I have to do the job of several people, and it is exhausting. If management had skills and qualifications in management, things would be better, but attracting those people takes money, and we barely have enough funding as it is."

One of the key procurement principles being proposed for social services is that 'provisions are made to ensure workers are appropriately classified and paid in line with intended funding and award parameters, including funding for suitable levels of training and support supervision, and to implement safe working models to support workers in areas of risk'. This principle will only be implemented with sufficient additional funding to enable training and support supervision. QCOSS looks forward to seeing the full implementation of the proposed procurement principles for social services as workforce professional development is a critical factor that impacts service sustainability.

CONCLUSION

In 2023–24, the community services sector faced increased levels of service demand, amidst a housing and cost-of-living crisis. The complexity of service user presentations and the challenges recruiting and retaining employees and volunteers strained the capacity of community service organisations across Queensland to meet demand.

A significant number of organisations reported finding it difficult to cover increasing operating and service delivery costs. Sector workers raised concerns about weak remuneration and insecure short-term contracts as significant factors impacting on recruitment and retention. Poor procurement processes, such as contract renewals being severely delayed, also had a negative impact on the workforce. Sector workers consistently identified that opportunities for career progression would support more workers to stay in the sector, and that further access to professional development would support staff to feel more prepared to deal with the multifaceted demands of practicing in the community sector.

Despite immense challenges, there is still cause for optimism. After the QCOSS community sector survey closed, the Queensland Government announced the implementation of a range of procurement principles for social services as part of the 2024 Queensland Budget. QCOSS and our members have advocated consistently for the adoption of these procurement principles.

The procurement principles for social services will support longer-term contracts with default five-year terms. With longer-term contracts, organisations will be better equipped to stabilise their workforces, implement longer-term plans and achieve better outcomes. Longer-term contracts (and more advanced contract renewals) will also have a positive impact on regional and remote service providers, as it will improve employment stability. The conditions also stipulate that, where contractual requirements are being met, six months' notice (in writing) will be provided before agreements cease, are not renewed or are substantially reduced.

Under the new conditions, permanent employment for workers will be prioritised, with sufficient funding and contractual flexibility to ensure workers are paid entitlements (including redundancies). QCOSS welcomes the Queensland Government's commitment to immediate implementation of the procurement principles for social services, as it will support the delivery of more efficient and effective services that will improve the quality of life for Queenslanders experiencing disadvantage.

In 2024–25, QCOSS will seek to leverage the insights from this report to identify issues that require a strategic response. We will continue to shine a light on emerging issues, trends and ideas, and use key points of feedback to inform and develop programs to support Queensland's growing, impactful and resilient community sector.
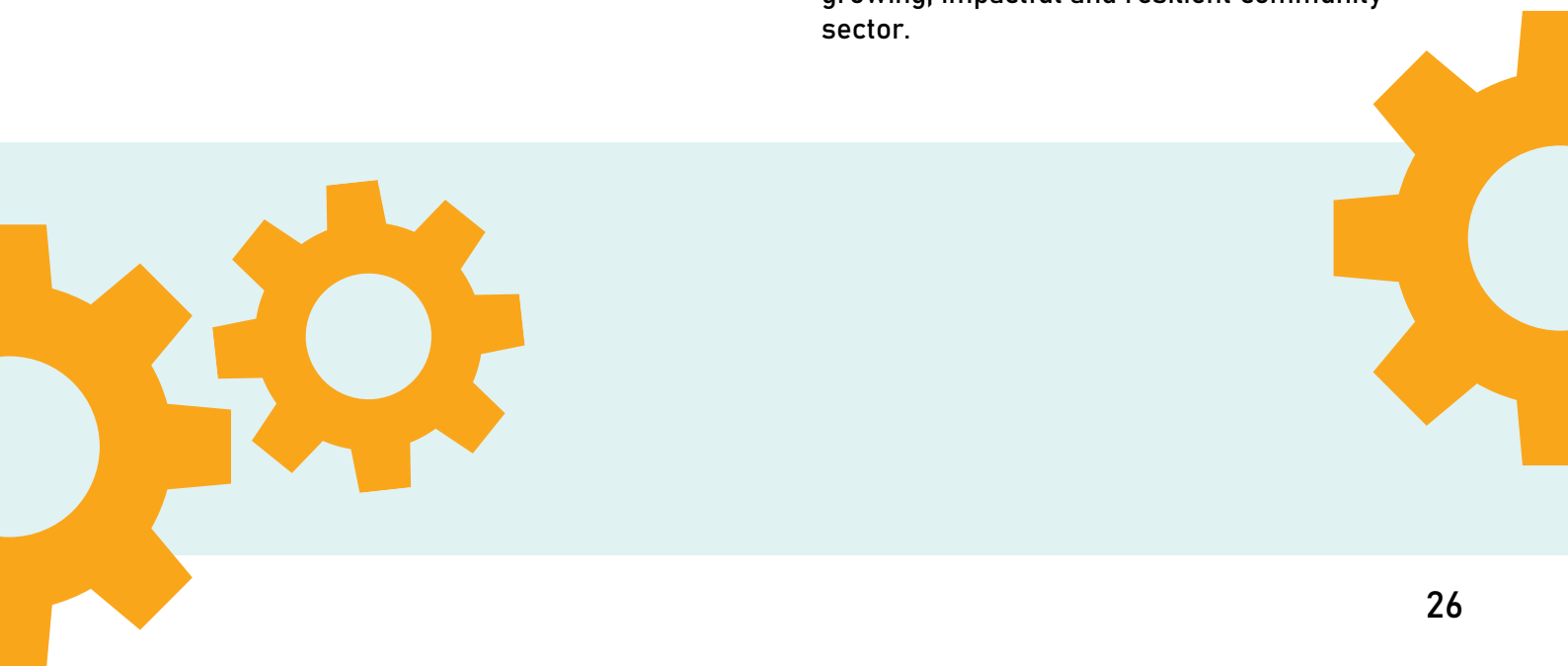
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