

Deloitte Access Economics

Forecasting the future

# Community Services in Queensland 2025

Community Services Industry Alliance  
Department of Communities, Child Safety and Disability Services

Full Report  
April 2016



**Forecasting the future: Community Services in Queensland 2025 Full Report – April 2016**

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For more information contact:

Deloitte Access Economics, [www.deloitteaccesseconomics.com.au](http://www.deloitteaccesseconomics.com.au)

Community Services Industry Alliance, [www.csialtd.com.au](http://www.csialtd.com.au)

Department of Communities, Child Safety and Disability Services, [www.communities.qld.gov.au](http://www.communities.qld.gov.au)

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# Acronyms

Abbreviation	Description
<b>ABS</b>	Australian Bureau of Statistics
<b>ACNC</b>	Australian Charities and Not-for-Profits Commission
<b>ANZSIC</b>	Australian and New Zealand Standard Industrial Classification
<b>AWE</b>	Average Weekly Earnings
<b>CALD</b>	Culturally And Linguistically Diverse
<b>CSIA</b>	Community Services Industry Alliance
<b>DCCSDS</b>	Department of Communities, Child Safety and Disability Services
<b>DFV</b>	Domestic and Family Violence
<b>GDP</b>	Gross Domestic Product
<b>GSP</b>	Gross State Product
<b>LGBTI</b>	Lesbian, Gay, Bisexual, Transgender, Intersex
<b>NDIS</b>	National Disability Insurance Scheme
<b>NFP</b>	Not for Profit
<b>NSW</b>	New South Wales
<b>SBB</b>	Social Benefit Bond
<b>TACSI</b>	The Australian Centre for Social Innovation and Research
<b>VET</b>	Vocational Education and Training
<b>WPI</b>	Wage Price Index

# Abstract

Deloitte Access Economics was engaged to assist the Community Services Industry Alliance (CSIA) and the Department of Communities, Child Safety and Disability Services (DCCSDS) to establish a future profile of the Community Services Industry in Queensland, looking forward ten years to 2025. The report draws together an analysis of the Industry at present and its expected future state in Queensland. Analysis considers a number of quantitative and qualitative domains, as agreed with CSIA and DCCSDS, including key data on the economy, society, industry and the policy environment. Key findings indicate that, as the ageing population grows disproportionately to the overall population, demand for services will increase without a matched increase in Government's capacity to invest in services. The primary implications for the Industry are the need to attract and retain the workforce to meet demand, and find ways to diversify revenue sources and provide services more efficiently as investors, funders and clients seek better value for money. Success imperatives focus on embracing and optimising an outcomes focus; research and innovation; digital disruption; funding and financing; productivity; collaboration and cooperation; and policy and regulation.

## Reading the report

This report provides an overview of the current and future state of the Community Services Industry in Queensland, and sets out future industry implications and success imperatives. It is structured under the following sections, below provides an overview of each component:

- **Introduction** – provides background of the report, and an overview of the research and analysis approach;
- **Current and future state of the Industry** – this section provides an overview of the current and future context in the areas of economy, society, industry and policy that impact the Community Services Industry in Queensland;
- **Industry implications** – outlines the resultant implications for the Industry based on the previous chapter; and
- **Success imperatives** – presents a potential future for the Industry across the domains of outcomes focus; research and innovation; digital disruption; funding and financing; productivity; collaboration and cooperation; and policy and regulation.

In addition, supplementary data to support current state of the Industry is included in Appendix D.



## Consider a future...

*Where individuals and communities who are vulnerable have the support and choice of services to improve their lives and pursue their aspirations. Where the Queensland Community Services Industry is recognised as a world-class example of a bold and vibrant industry, operating within a broader social services system that places people and communities at the centre of everything.*

*In 2025 we can say that this has been achieved. The Community Services Industry has grown stronger through an embedded culture of working together supported by partnership between Government, businesses, Industry and importantly, individuals and communities. The Industry's voice is heard alongside others in key public policy and economic forums, with its contribution measured and recognised.*

*The Industry has evidence that the outcomes delivered create lasting change in the lives of individuals and their communities. This is demonstrated through research and evaluation, considered integral to service improvement. Partnerships with the research sector, including major universities and specialist researchers, have played a strategic role in creating a better understanding of the value of the Industry.*

*The ongoing focus on people-centred approaches and a shift to designing, measuring and reporting on outcomes has helped to refocus government investment. This has also assisted the Industry to attract new funding from philanthropy and social impact investors. Services are fundamentally more flexible and responsive to the needs of individuals and their communities, and evidence has informed growth in scale and scope of services. This transformation has changed the lens from expenditure to investment by creating a long-term vision of the future of communities and society, where the Industry is viewed as vital to creating a vibrant social and economic backbone.*

*The way in which services are delivered has also transformed; the digital age has lent itself to the adoption of new and emerging technologies that have enhanced access, increased workforce flexibility and enabled productivity improvements. Productivity gains across the Industry have led to effectiveness and efficiency in service delivery. These gains have been amplified by reinvesting dividends in continuous improvement.*

*With a significant proportion of the workforce who approached retirement over the past decade, the Industry had to rethink the way the workforce is structured. This has involved the development of effective attraction and retention strategies, increasing diversity in the workforce, and improving pay and conditions. In doing so, the Industry has been able to change both the mix of the workforce and the way in which it is deployed. By leveraging its demonstration of strong social and economic outcomes, the Industry has been able to attract a high-quality workforce that is appropriately diverse and skilled. This workforce has brought with it new thinking, new ideas and new skills, particularly in digital technology.*

*Collaborative ventures in the form of enterprise-owned cooperatives and joint ventures have gained momentum. This has allowed for better integration of services and has broken down many program silos, providing seamless continuity of services. These new business models have provided a range of ways to enhance productivity, and optimise the use of assets and capital to continually improve. At the same time, these cooperative arrangements have helped to sustain small specialist and local organisations. There has been a rise in the number of social enterprises that have emerged across the Industry and this has increased the economic participation of people through employment.*

*Ten years on, the Community Services Industry has built upon its strengths, diversified its investment base and continues to deliver lasting change in the lives of people and communities across Queensland.*

# 1 Introduction

## 1.1 Background

Deloitte Access Economics was engaged to assist CSIA and DCCSDS to establish a future state profile of the Community Services Industry in Queensland, looking forward ten years to 2025. This engagement was undertaken using a collaborative approach between the Industry (represented by CSIA), the DCCSDS, and Deloitte Access Economics as a private sector contributor. The joint goals of the partners in this project centre on the value of working together to contribute to building this Industry in recognition of its important role in delivering social and economic outcomes for Queenslanders.

The overall aim of the report is to provide an understanding of the current and expected future state of the Industry including opportunities and challenges. This, in turn, is intended to inform a strategic approach to prepare for this future. The report has been developed within a broader reform context across the Industry, locally, nationally and internationally. This reform activity is fundamentally changing the way that the social services system works and the way the Community Services Industry operates within it.

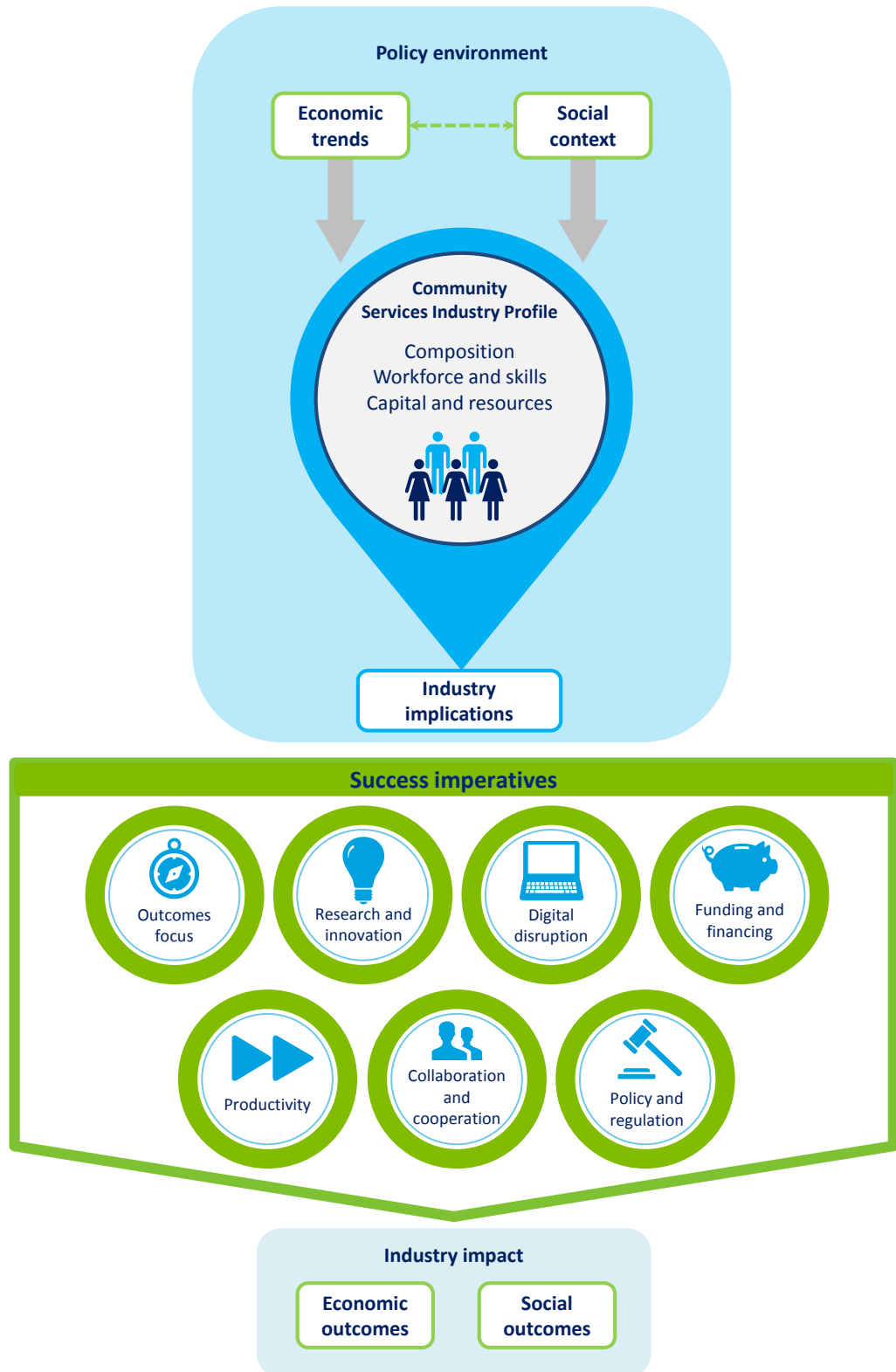
## 1.2 Approach

The analysis draws on data and modelling to form a picture of the social and economic environment in which the Community Services Industry operates. A key component of developing the report was establishing a workable definition of the Industry. A quantitative data framework was developed in consultation with CSIA and DCCSDS for domains of interest: economic trends, social context and Industry profile; this is included in Appendix B. The quantitative data framework was supplemented by qualitative research, interviews with Industry experts, and a description of the policy environment.

Data driven research was used to build a profile of the Community Services Industry in Queensland. This included a review of the key economic and demographic parameters that may affect the demand for community services as well as an examination of the labour market and the future demand for workers and skills. This analysis was used to define the future trends and directions that will influence the Industry. Alongside the Industry definition and the data framework, semi-structured interviews were also undertaken with key stakeholders to gain further insights into future trends and challenges. These interviews were used to validate and inform research directions. A number of key Industry stakeholders, including a selection of nominated service organisations and representatives from various Government departments, participated in a workshop in which these findings were further explored.

The framework for the analysis and logic of the report is illustrated in Figure 1.1.

**Figure 1.1: Framework for considering the future of the Community Services Industry in Queensland**



## 2 Current and future state of the Industry

This section considers the current and future context in which the Community Services Industry in Queensland operates; economic trends, social context, industry profile and policy environment are all important contributing factors.

### 2.1 Economic trends

The economic context within Queensland is important to understand when considering the strategic and operational environment of the Community Services Industry. Factors such as population growth, levels of employment, and broader economic prosperity impact the demand for services. The economic context also impacts the ability of the Industry to attract and retain a skilled workforce, maintain sustainable service through government and other investment.

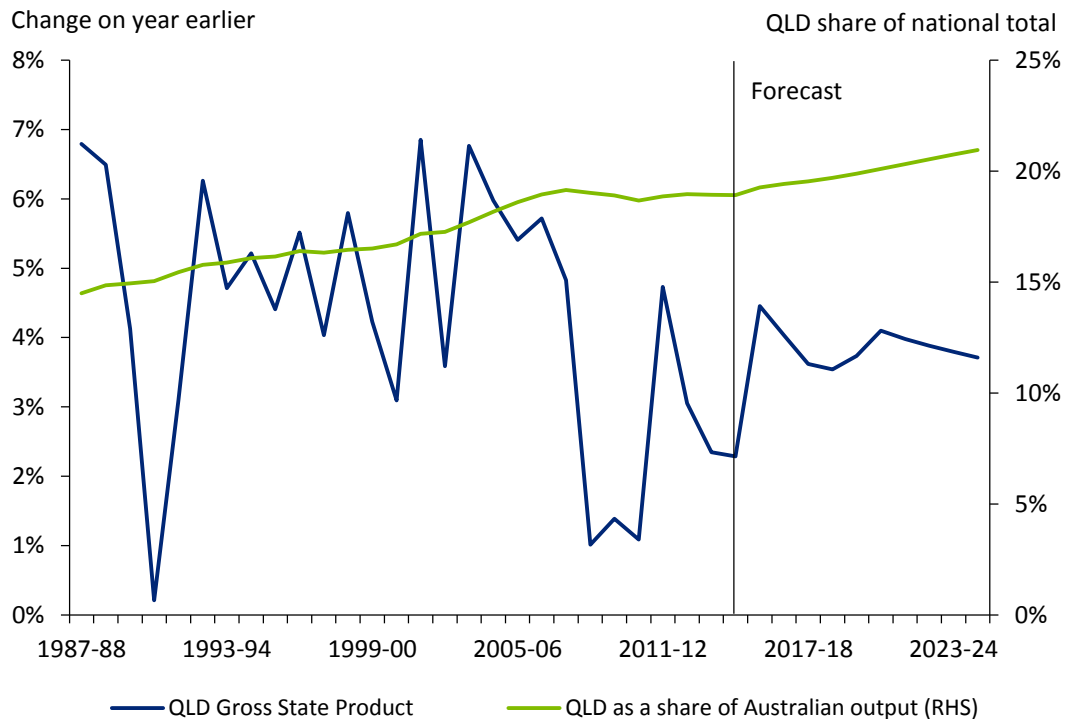
#### Economic trends: current state

##### Economy

Queensland's economy has had a period of strong growth, followed by moderate growth over the last two years, as demonstrated in Chart 2.1. This is partially driven by the reliance of the economy on global economic conditions, especially those of major trading partners, such as China. Most recently, mining and construction have been the most dominant contributors to Queensland's Gross State Product (GSP). **Queensland's share of the Australian economy has remained relatively stable over the past five years**, ranging between 18.7% and 19.0% of Gross Domestic Product (GDP).<sup>1</sup>

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<sup>1</sup> Deloitte Access Economics, ABS 5220.0

**Chart 2.1: Economic output growth, Queensland, 1987-2024**

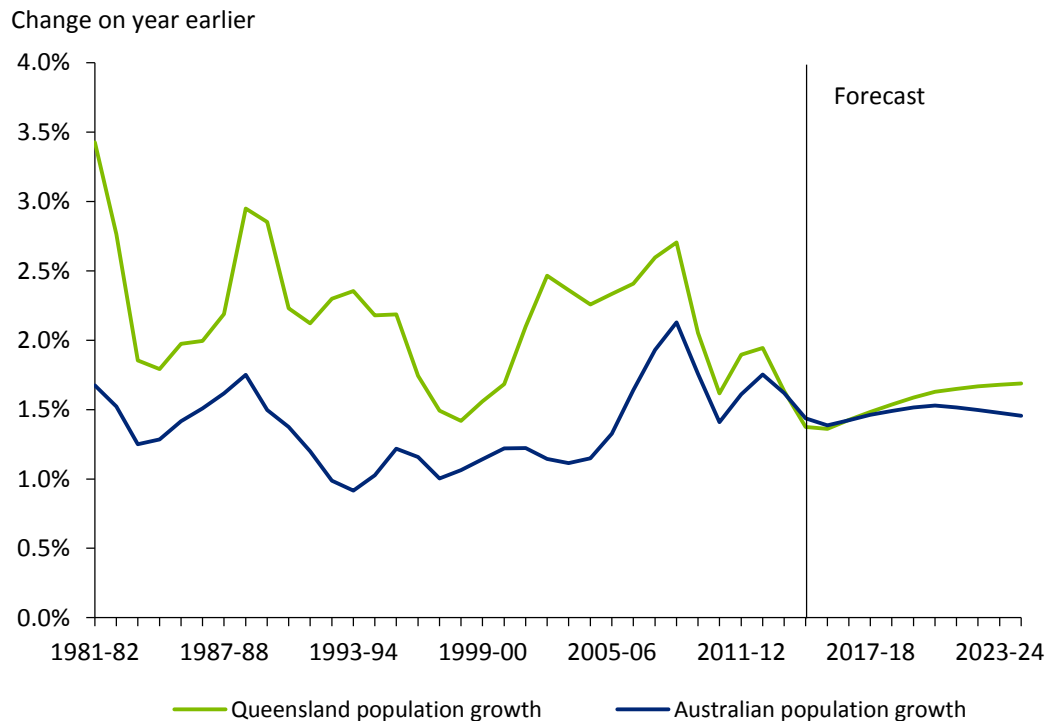
Source: Deloitte Access Economics, ABS 5220.0

## Population

In the 1980s up until the mid-2000s, the rate of population growth in Queensland consistently exceeded the national rate by on average 0.9%. Queensland's population has historically been driven by interstate migration, essentially people from New South Wales and Victoria moving north. But in recent years, with the resources sector activity driving up demand for labour (particularly skilled labour), the State has had a much greater reliance on international migration to fill skills gaps. In turn, international migration has made up a larger proportion of population growth in recent years. This is demonstrated in Chart 2.2, showing a recent drop in net interstate migration to Queensland, while international migration has picked up.

Overall, Chart 2.2 shows that since the mid-2000s, **Queensland's favourable population growth margin has declined to be nearly equal with national population growth**. The global financial crisis and natural disasters took a toll on Queensland's popularity as a destination for interstate and international migration. The rate of **population growth in Queensland improved in 2012 on the back of a renewed surge in resources investment**. But following this surge, as the rate of new investment into the resources sector has slowed and the State's unemployment rate has drifted up, population growth rate in Queensland has again stabilised. The most recent data on population movement shows that **population growth in 2014–15 in Queensland was just 1.4%**; this is **just below the rate of growth seen nationally**.<sup>2</sup>

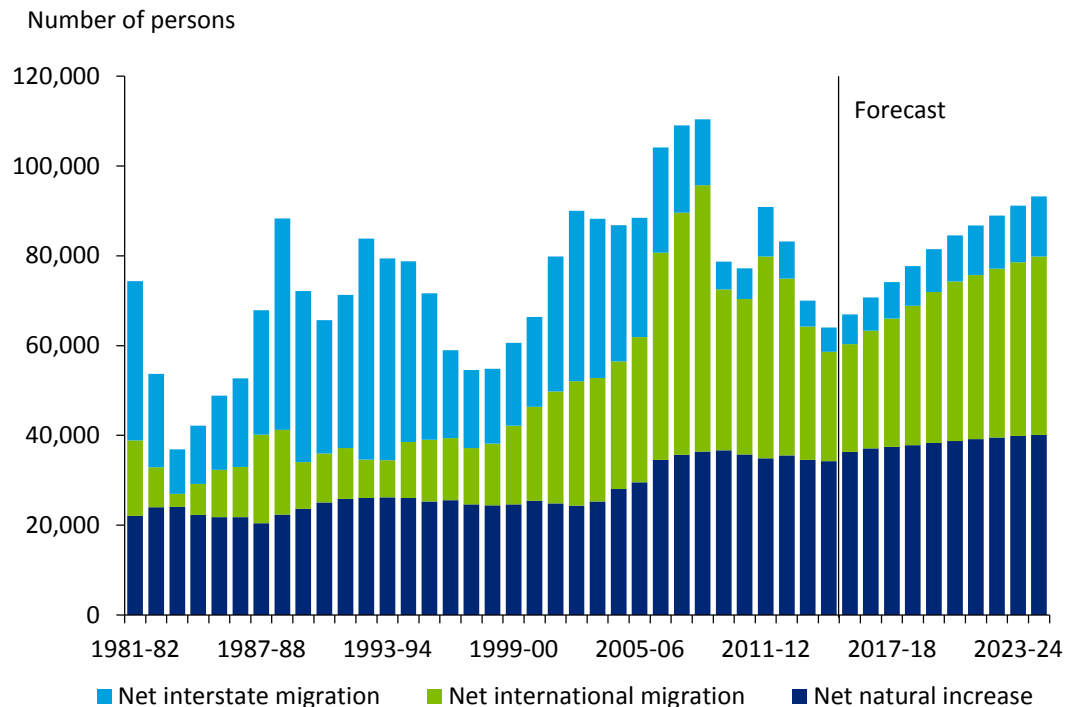
<sup>2</sup> Deloitte Access Economics, Australian Bureau of Statistics, 2011, *Census of Population and Housing*, viewed 8 October 2015

**Chart 2.2: Total population growth, Queensland and Australia, 1981-2024**

Source: Deloitte Access Economics, ABS 2011<sup>3</sup>

Slowing population growth is evident in a slower rate of interstate and international migration compared with that seen in the late 1990s and early 2000s, as seen in Chart 2.3. In addition, following the national trend, Queensland's population is ageing; the growth in Queensland's ageing population (those aged 65 years and over) has outweighed total population growth over the past decade. This difference became very prominent after 2008-09, as an increasing proportion of the baby boomer generation reached retirement. **The ageing population and slowing interstate and international migration has resulted in an increasing age dependency ratio**, that is the ratio of population over 65 years to working age population aged 15 to 64 years. This means there are proportionately less people of working age contributing to the tax base to support the older population.

<sup>3</sup> Australian Bureau of Statistics, 2011, *Census of Population and Housing*, viewed 8 October 2015, <http://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/2940.0Main+Features12011?OpenDocument>

**Chart 2.3: Components of population change, Queensland, 1981-2024**

Source: Deloitte Access Economics, ABS 2011<sup>4</sup>

## Unemployment

Following a low in 2007–08, the **unemployment rate in Queensland has been climbing post global financial crisis**; in that time wages growth has slowed. The unemployment rate across the State in late 2015 was 6.2%; however it is important to note that **rates vary markedly by region**. Chart 2.4 shows **high rates are present in regions such as Wide Bay (10.1%) and Logan/Beaudesert (8.3%)**, whilst lower rates are present in Darling Downs/Maranoa (3.5%) and Brisbane Inner City (4.4%).<sup>5</sup> **Youth unemployment also shows marked variation across the State**, with rates **over 20% in Wide Bay (21.1%), Cairns (21.1%) and Queensland Outback (22.7%)**; lowest rates are reported in Darling Downs/Maranoa (8.1%) and Brisbane West (9.5%).<sup>6</sup>

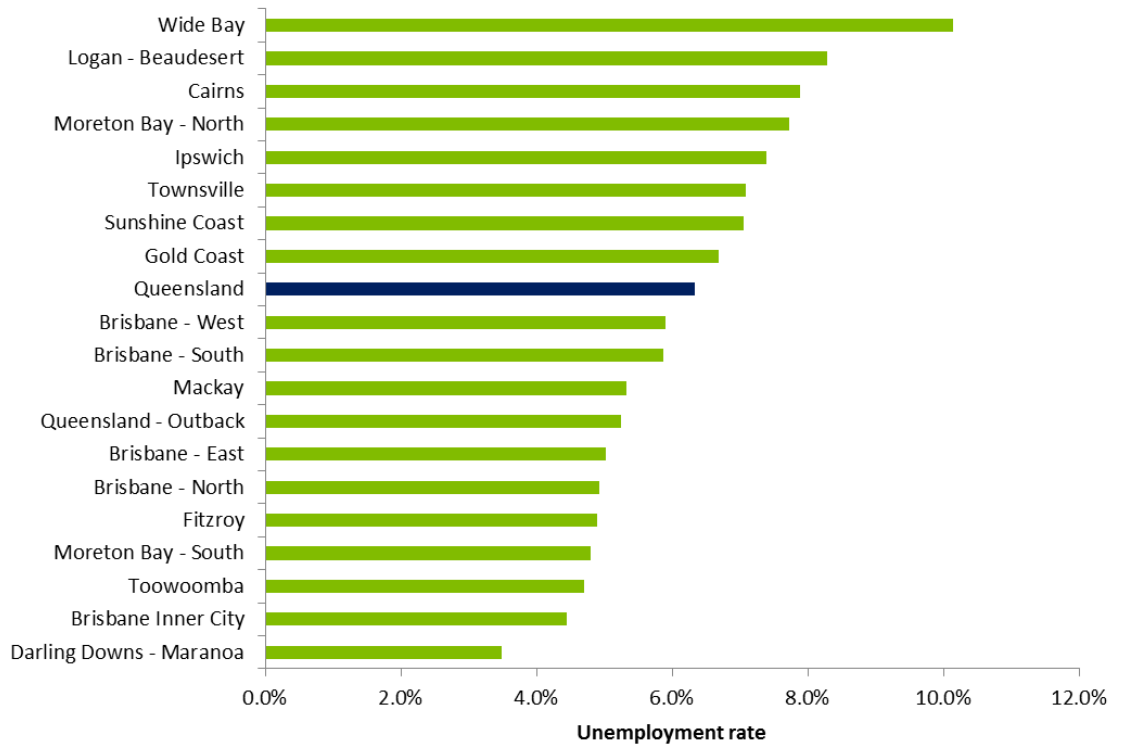
The rate of employment growth has been weak through 2015, with the State's unemployment rate increasing over the year. Queensland's employment base is likely to benefit from a lower \$A and an extended period of low interest rates – the former a boost for tourism and international education among others; the latter sparking much stronger retail and housing construction activity in 2015.

<sup>4</sup> Australian Bureau of Statistics, 2011, *Census of Population and Housing*, viewed 8 October 2015, <http://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/2940.0Main+Features12011?OpenDocument>

<sup>5</sup> Deloitte Access Economics, Australian Bureau of Statistics, 2011, *Census of Population and Housing*, viewed 8 October 2015

<sup>6</sup> Australian Bureau of Statistics, October 2015, *Labour Force Australia 2015*, Cat. No. 6202.0, viewed 28 November 2015

**Chart 2.4: Unemployment rate, by region, Queensland, 2015**



Source: ABS 2011<sup>7</sup>, Deloitte Access Economics

<sup>7</sup> Australian Bureau of Statistics, 2011, *Census of Population and Housing*, viewed 8 October 2015, <http://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/2940.0Main+Features12011?OpenDocument>

## Economic trends: future state

### Economy

Annual growth of Queensland's economy is forecast to remain between 3.5% and 4.5% over the next 10 years to 2024–25.<sup>8</sup> This **annual growth is expected to translate to a steadily increasing contribution to national GDP, increasing from 18.9% in 2014–15 to 20.1% in 2024–25**,<sup>9</sup> as shown in Chart 2.1.

Forecasts anticipate a continuing transition for the Queensland economy following the resources boom. Lower exchange rates and interest rates are expected to provide a hedge to the reduction in economic activity in the resources sector, with **Queensland's services sector well placed to attract investment and labour** during this transition process. Other key areas of growth are expected to be gas, international education, tourism, wealth management and agribusiness. Alongside these industries, **Health Care and Social Assistance will continue to grow**. This includes the contribution of the Community Services Industry. In particular, policy changes such as the National Disability Insurance Scheme (NDIS) will contribute to this growth.

### Population

The relative underperformance of Queensland population growth may continue in the short term, although the rate of **population growth in Queensland is expected to slowly pick up again** as economic opportunities gradually improve across a range of sectors, and should soon again outpace the national rate. Overall, **Queensland's population is forecast to grow at an average of 1.6% per annum** over the next 10 years, though there are areas within Queensland forecast to grow at well beyond that rate. In the short term (next 5 years), a **large population growth corridor is expected to develop to the South West of Brisbane**. Table 2.1 outlines areas including the Gold Coast, Ipswich and Logan/Beaudesert all have expected growth rates ranging between 2.1% and 4.3% over this period. **Slower population growth is forecast in Queensland Outback and Darling Downs/Maranoa**, with an annual population growth rate between 0.1% and 0.6% over the next 5 years.<sup>10</sup>

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<sup>8</sup> Deloitte Access Economics, ABS 5220.0

<sup>9</sup> Ibid

<sup>10</sup> Deloitte Access Economics, Australian Bureau of Statistics, 2011, *Census of Population and Housing*, viewed 8 October 2015

**Table 2.1: Forecast annual population growth rate, by region, Queensland, 2016-2025**

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Brisbane - East	0.7%	0.6%	0.6%	0.7%	0.9%	1.1%	1.3%	1.4%	1.4%
Brisbane - North	0.6%	0.3%	0.2%	0.3%	0.5%	0.8%	1.0%	1.1%	1.1%
Brisbane - South	0.4%	0.2%	0.2%	0.3%	0.5%	0.7%	0.8%	0.9%	1.0%
Brisbane - West	0.3%	0.1%	0.1%	0.3%	0.7%	1.0%	1.3%	1.5%	1.6%
Brisbane Inner City	1.6%	1.6%	1.5%	1.6%	1.8%	1.9%	2.0%	2.1%	2.0%
Cairns	1.4%	1.1%	1.2%	1.5%	2.0%	2.4%	2.6%	2.5%	2.4%
Darling Downs / Maranoa	0.3%	0.3%	0.2%	0.3%	0.6%	0.8%	1.0%	1.1%	1.2%
Fitzroy	1.7%	1.3%	1.3%	1.4%	1.7%	1.9%	2.0%	1.9%	2.0%
Gold Coast	2.1%	2.4%	2.5%	2.5%	2.3%	2.1%	1.9%	1.9%	1.9%
Ipswich	3.5%	4.0%	4.3%	4.1%	3.5%	3.0%	2.7%	2.7%	2.6%
Logan / Beaudesert	2.3%	2.7%	2.8%	2.7%	2.3%	2.0%	1.7%	1.6%	1.5%
Mackay	1.0%	1.1%	1.1%	1.2%	1.4%	1.6%	1.7%	1.8%	1.9%
Moreton Bay - North	1.8%	2.0%	2.1%	2.1%	2.0%	1.8%	1.7%	1.7%	1.7%
Moreton Bay - South	1.6%	1.1%	0.9%	1.0%	1.2%	1.5%	1.6%	1.7%	1.8%
Queensland - Outback	0.1%	0.2%	0.1%	0.1%	0.3%	0.5%	0.7%	0.7%	0.8%
Sunshine Coast	1.9%	2.1%	2.2%	2.1%	1.9%	1.7%	1.5%	1.4%	1.4%
Toowoomba	0.5%	0.4%	0.3%	0.4%	0.6%	0.9%	1.1%	1.2%	1.2%
Townsville	1.5%	1.6%	1.7%	1.7%	1.6%	1.4%	1.3%	1.3%	1.3%
Wide Bay	0.4%	0.4%	0.4%	0.6%	0.9%	1.3%	1.6%	1.8%	1.8%

Source: ABS<sup>11</sup>, Deloitte Access Economics

The population **forecasts assume that net interstate migration levels begin to increase as employment growth picks up over the medium term and outpaces the national average.**

Despite this, as shown in Chart 2.3, interstate migration is not expected to return to levels seen during the 1980s and 1990s over the forecast period. In the year to 30 June 2014, net interstate migration was just 5,750. Despite an overall interstate migration gain, the 25 to 29 year age group have recorded net losses from interstate migration for the past 5 years.<sup>12</sup>

**Net international migration is projected to grow**, as shown in Chart 2.3, accounting for a large share of Queensland's population increase. Queensland is projected to take a growing share of international migrants over time. **A large proportion of international migrants to Queensland are under the age of 30 years** (77.9% in 2013-14)<sup>13</sup> with a smaller proportion of older migrants who will require aged care assistance services. Being able to participate in the social, economic and cultural life of the community assists people to overcome feelings of isolation that many recently arrived immigrants and refugees experience. As such, culturally and linguistically diverse (CALD) populations require a range of services across health, education, employment, housing and local communities to facilitate their inclusion and participation in Queensland society. **This has important implications for the**

<sup>11</sup> Australian Bureau of Statistics, 2011, *Census of Population and Housing*, viewed 8 October 2015, <http://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/2940.0Main+Features12011?OpenDocument>

<sup>12</sup> Queensland Government Statistician's Office, *Population growth highlights and trends*, Queensland, 2015 edition

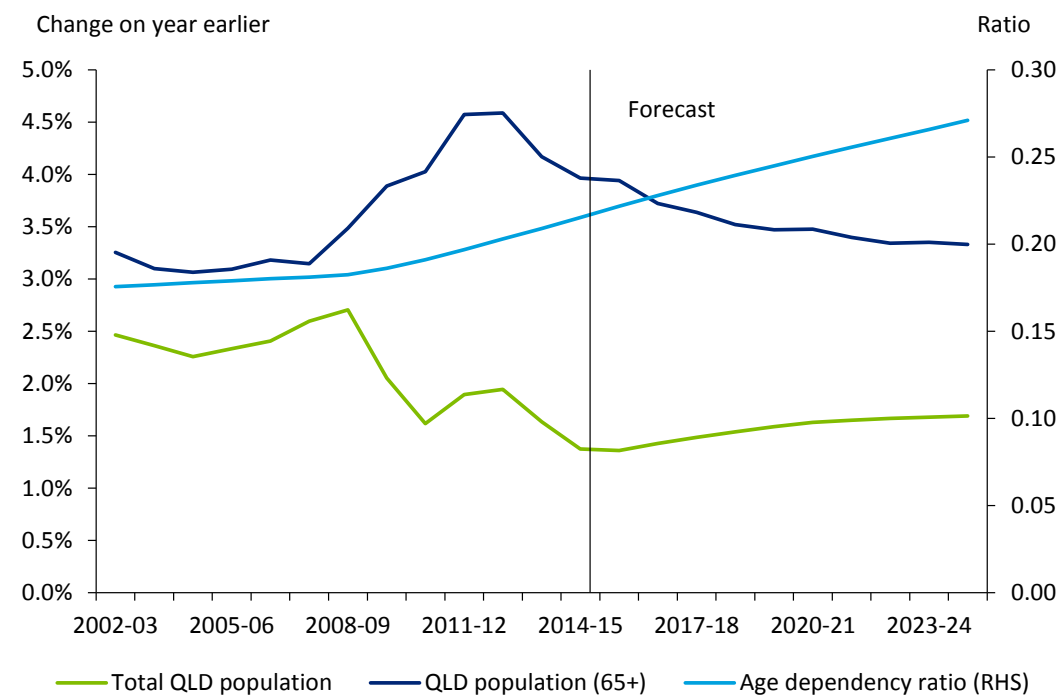
<sup>13</sup> Ibid

**Community Services Industry as service providers will require the necessary skills to provide culturally sensitive and appropriate services,** and in some cases this may require investment in interpreter services.

It should be noted that migration policy is often subject to swings and presents a risk to the population growth forecasts presented below. Moreover, if international migration numbers were to fall then the demographic tide of an ageing population would likely accelerate.

Queensland's population profile won't change notably over the next five years, but looking to the long term, ageing does present significant challenges. Indeed, the **age dependency ratio is projected to continue increasing from approximately 1 to 5 today, to be above 1 to 4 by 2024–25**,<sup>14</sup> seen in Chart 2.5. The implication of this change in population profile is a relatively smaller proportion of people of working age contributing to the income tax base, compared to those no longer working, and demanding government-subsidised services including community services, amongst others such as healthcare. **The ageing population is a strong driver for the Community Services Industry**, as increasing demand for aged care will likely be focussed on community aged care assistance rather than residential aged care services.

**Chart 2.5: Ageing population, Queensland, 2002-2024**



Source: Deloitte Access Economics, ABS 2011<sup>15</sup>

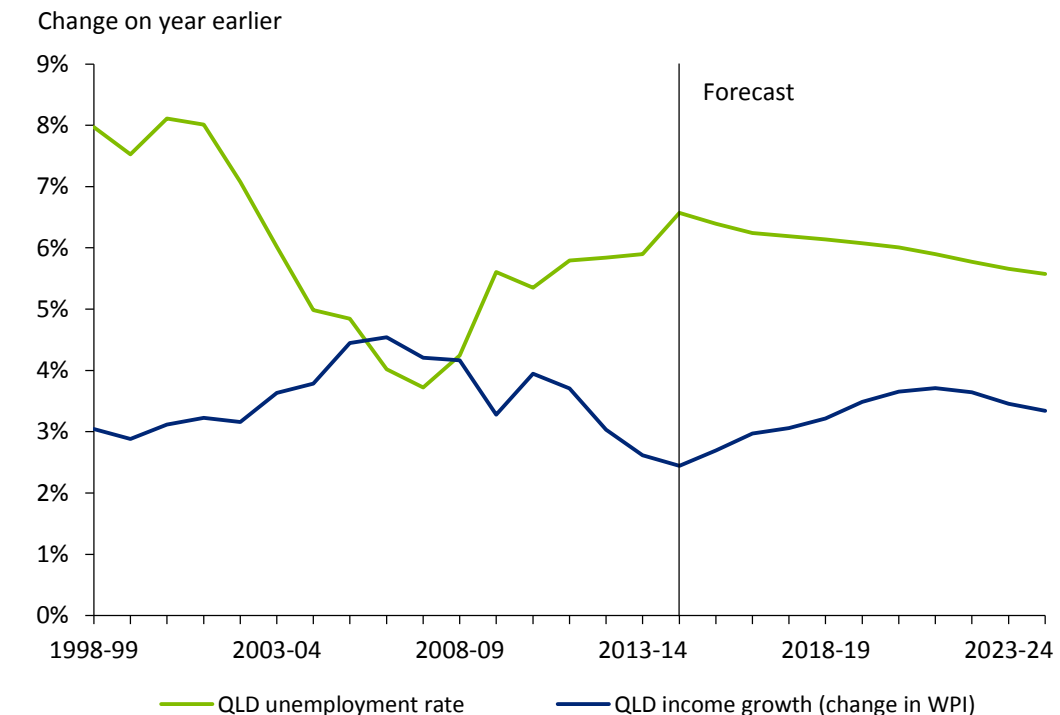
<sup>14</sup> Deloitte Access Economics, Australian Bureau of Statistics, 2011, *Census of Population and Housing*, viewed 8 October 2015

<sup>15</sup> Australian Bureau of Statistics, 2011, *Census of Population and Housing*, viewed 8 October 2015, <http://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/2940.0Main+Features12011?OpenDocument>

## Unemployment

**Unemployment is forecast to remain reasonably stable**, shown in Chart 2.6, with modest annual **employment growth** of 1.7%.<sup>16</sup> This is **driven largely by social services, business services, and the recreation sectors**,<sup>17</sup> and will be somewhat balanced by reductions in manufacturing and utilities employment, which are expected to decline over the five year period, with productivity gains across both sectors. Also shown in Chart 2.6 is wages growth, which in Queensland has softened in recent years, mirroring trends in Australia as a whole; growth in the **national wage price index (WPI) is at its lowest level in almost two decades**. This should be considered in the context of the Community Services Industry's workforce attraction and retention strategies. In addition, as Queensland's households' purchasing power comes under pressure, the flow on effect may increase demand for community services.

**Chart 2.6: Unemployment and wages growth, Queensland, 1998-2024**



Source: Deloitte Access Economics, ABS 2015<sup>18, 19</sup>

<sup>16</sup> Australian Bureau of Statistics, 2014, *Labour Force Australia*, Cat No. 6291.0, viewed 1 October 2015, <http://www.abs.gov.au/ausstats/abs@.nsf/mf/6291.0.55.001>

<sup>17</sup> Deloitte Access Economics, Business Outlook

<sup>18</sup> Australian Bureau of Statistics, 2015, *Wage Price Index*, Cat No. 6345.0, viewed 1 October 2015, <http://www.abs.gov.au/ausstats/abs@.nsf/mf/6345.0/>

<sup>19</sup> Australian Bureau of Statistics, 2014, *Labour Force Australia*, Cat No. 6291.0, viewed 1 October 2015, <http://www.abs.gov.au/ausstats/abs@.nsf/mf/6291.0.55.001>

## 2.2 Social context

An appreciation of the social context in Queensland, and its comparison to Australia, aids in understanding the needs of communities, and potential challenges for service delivery.

### Social context: current state

**Queensland has the second highest proportion of Aboriginal and Torres Strait Islander people** (3.2%)<sup>20</sup> amongst all States and Territories in Australia; this population group, and the broader Queensland population are vastly distributed across the State. These are two factors that frame the social context of the State, with **geographic and cultural factors creating complex needs and barriers to accessing services, amenities, infrastructure and employment opportunities.**

**Income distribution and reliance on welfare is an important indicator of disadvantage, and hence demand for community services.** Persistent reliance on welfare places individuals and families at risk of entrenched disadvantage. Inequality between those with the most and those with the least is on the rise in Australia; the top 20% of people have five times more income than the bottom 20%, and hold 71 times more wealth.<sup>21</sup> The average household net worth of all homes in Australia was \$728,000 in 2012; however the median was \$434,000. The difference between the average and the median is substantial and highlights that a relatively large number of households had a small net worth at this time.<sup>22</sup>

Queensland, along with South Australia and Tasmania, has levels of wealth below the Australian average.<sup>23</sup> In addition, the **gap between the highest and lowest household incomes in Queensland is widening.** Chart 2.7 shows a comparison of equivalised disposable household income between Queensland, New South Wales, Victoria, Western Australia and the Australian average across the 10<sup>th</sup> to 50<sup>th</sup> percentiles. Across all percentiles Queensland has the lowest in each group. **The poor in Queensland are some of the poorest in Australia when compared to States that have similar opportunities.** Household wealth in Queensland is more concentrated in Brisbane city; the people most likely to be at the lower end of the wealth gap are those over the age of 65 years, those from non-English speaking backgrounds, and those on Government welfare payments.<sup>24</sup>

<sup>20</sup> Australian Bureau of Statistics, 2011, *Census of Population and Housing*, viewed 8 October 2015

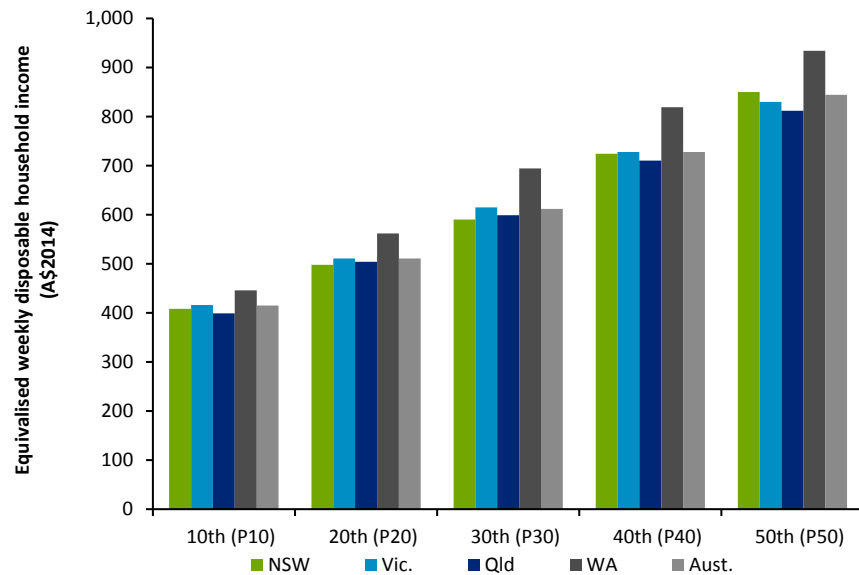
<sup>21</sup> Richard D, Denniss R, 2014, *Income and Wealth Inequality in Australia*, accessed 8 October 2015, [http://www.tai.org.au/system/files\\_force/PB+64+Income+and+wealth+inequality+FINAL.pdf](http://www.tai.org.au/system/files_force/PB+64+Income+and+wealth+inequality+FINAL.pdf)

<sup>22</sup> Australian Bureau of Statistics, 2013, *Household Wealth and Wealth Distribution, Australia, 2011–12*, Cat. No. 6554.0, viewed 7 October 2015, <http://www.abs.gov.au/ausstats/abs@.nsf/Latestproducts/6554.0Main%20Features2011–12?opendocument&tabname=Summary&prodno=6554.0&issue=2011–12&num=&view=>

<sup>23</sup> Australian Bureau of Statistics, 2015, *Household Income and Wealth, Australia 2013–2014*, Cat. No. 6523, viewed 7 October 2015

<sup>24</sup> Ibid

**Chart 2.7: Equivalised disposable household income for 10<sup>th</sup>-50<sup>th</sup> percentiles, by State or Territory, 2014**



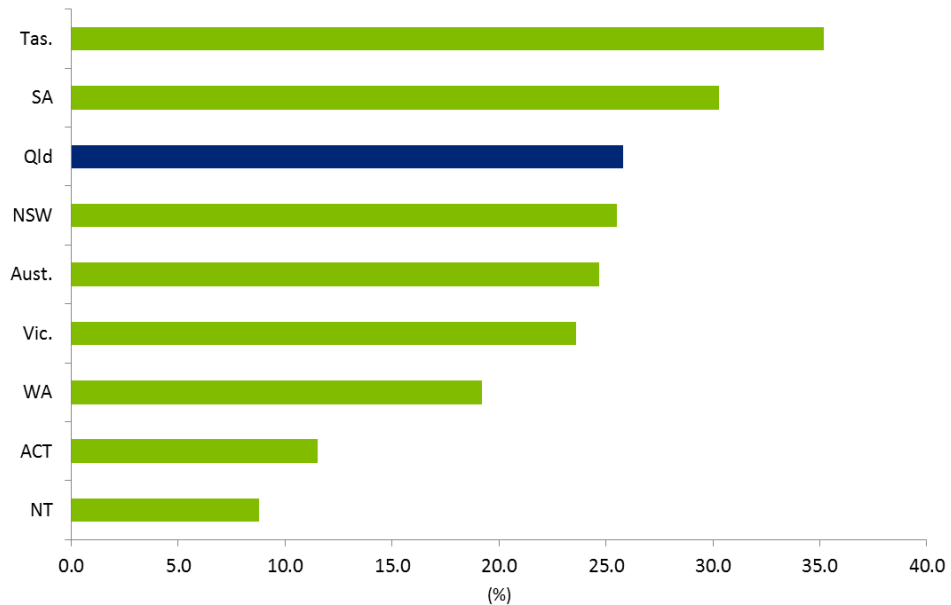
Source: ABS 2015<sup>25</sup>

**Of Queensland households, 25.8% derive their primary income from Government welfare payments**, which is marginally higher than the national average of 24.7%. The national comparison is shown in Chart 2.8, indicating that Queensland is placed third highest in comparison to other States and Territories.<sup>26</sup>

<sup>25</sup> Australian Bureau of Statistics, 2015, *Household Income and Wealth, Australia 2013-2014*, Cat. No. 6523, viewed 7 October 2015, <http://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/6523.0Main+Features12013-14?OpenDocument>

<sup>26</sup> Ibid

**Chart 2.8: Proportion of households with primary source of income Government pensions and allowances, by State or Territory, 2013-2014**



Source: ABS 2015<sup>27</sup>

As outlined in Economic trends, the **unemployment rate varies significantly across the State, as does dependency on Government pensions and allowances**. A higher proportion of the population in the Wide Bay region, South Western region of Brisbane and Cairns region receive welfare payments compared to the State average.<sup>28</sup> This is unsurprisingly consistent with geographical distribution of unemployment. Figure 2.1 shows the geographical distribution of **Aboriginal and Torres Strait Islander unemployment**, demonstrating rates are also **highest in the Cairns and Wide Bay regions**.<sup>29</sup> It is likely that **declining employment opportunities and reliance on single sector industries** are impacting these areas. It is well known that this reduced opportunity for employment and underemployment will lead to reduced income and the potential for entrenched poverty.<sup>30</sup> This is a concerning trend yet well documented with households living in income poverty in rural and regional areas often having additional problems which exacerbate poverty, such as reduced access to health services, transport difficulties, inadequate local infrastructure and vulnerability to drought and other natural hazards.

<sup>27</sup> Australian Bureau of Statistics, 2015, *Household Income and Wealth, Australia 2013-2014*, Cat. No. 6523, viewed 7 October 2015, <http://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/6523.0Main+Features12013-14?OpenDocument>

<sup>28</sup> Ibid

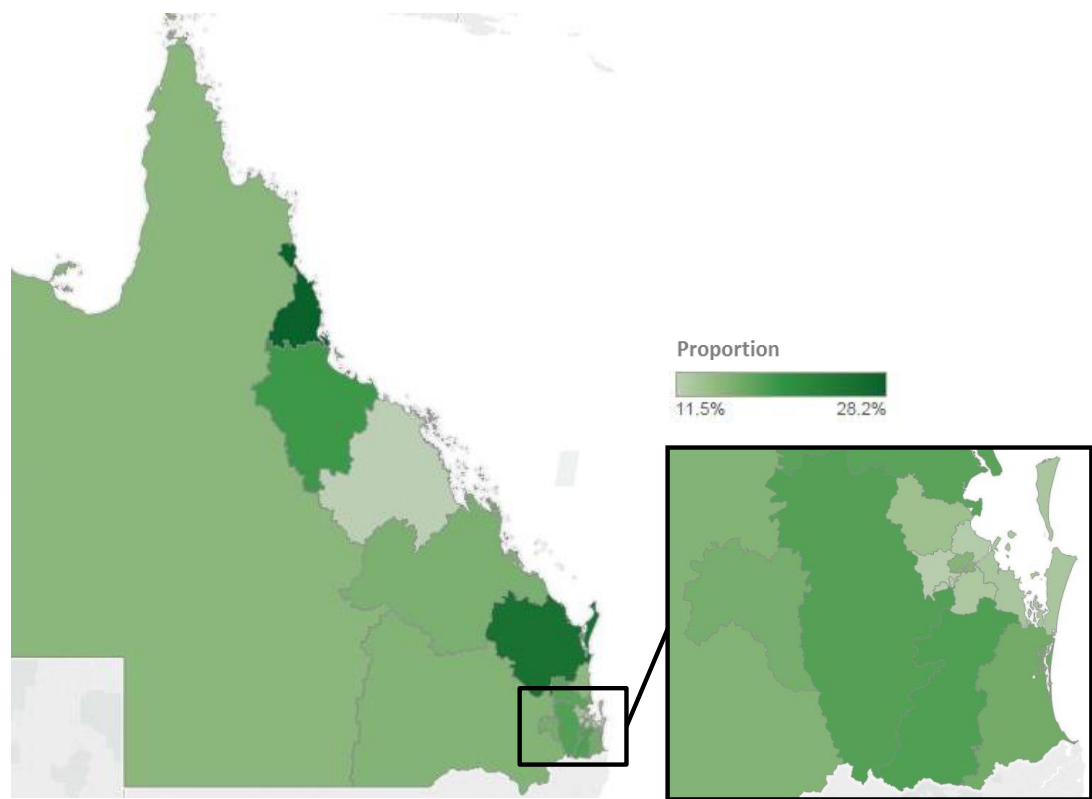
<sup>29</sup> Australian Bureau of Statistics, 2011, *Census of Population and Housing*, viewed 8 October 2015

<sup>30</sup> Ibid

In addition, there is a higher proportion of single-parent families living in the aforementioned regional areas (Cairns, Wide Bay and areas to the South West of Brisbane). This is consistent with available evidence which indicates lone parents have considerably higher rates of welfare dependence than people in other family types.<sup>31</sup>

**Rural and regional population groups** have a number of key characteristics which create **important social complexities relevant to community services provision**. Rural regions are often made up of many diverse settlements, including pastoral, farming, mining, tourism and Aboriginal and Torres Strait Islander communities. Furthermore, rural and regional areas are generally older populations, have higher levels of health risks and higher rates of disease, chronic disease and injury. People living in these areas have less access to health services, often decreased diversity in potential employment options and higher levels of reliance on welfare.<sup>32</sup> **Finally, more so than their urban counterparts, personal social and economic wellbeing of people in rural and regional areas is often tied to the overall outcomes of their local areas.**<sup>33</sup>

**Figure 2.1: Aboriginal and Torres Strait Islander unemployment, Queensland, 2012**



Source: ABS 2011<sup>34</sup>

<sup>31</sup> Wilkins, R, 2015, *The Household, Income and Labour Dynamics in Australia Survey: Selected Findings from Waves 1 to 12*, Accessed 16 October 2015.

<sup>32</sup> Health Direct Australia, 2015, *Rural and Remote Health*, Accessed 16 October 2015, <http://www.healthdirect.gov.au/rural-and-remote-health>.

<sup>33</sup> National Rural Health Alliance, 2013, *A snapshot of poverty in rural and regional Australia*, Accessed 16 October 2015. [http://ruralhealth.org.au/documents/publicseminars/2013\\_Sep/Joint-report.pdf](http://ruralhealth.org.au/documents/publicseminars/2013_Sep/Joint-report.pdf)

<sup>34</sup> Australian Bureau of Statistics, 2011, *Census of Population and Housing*, viewed 8 October 2015, <http://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/2940.0Main+Features12011?OpenDocument>

A recent report developed by the *Dropping Off The Edge* organisation, has revealed that a **majority of the most disadvantaged statistical local areas in Queensland are considered 'very remote'**. Primary reasons cited for this entrenched level of disadvantage in remote areas include: young adults not fully engaged in work or study, long-term unemployment, prison admissions, no internet access, low family income and criminal convictions.<sup>35</sup> These factors not only influence the type of programs required by Community Services to address these issues, but also their mode of delivery.

As illustrated in Chart 2.9, the **imprisonment rate in Queensland per 100,000 population in 2014 was the third highest compared to other States and Territories**.<sup>36</sup> Furthermore, in the past two years Queensland has experienced an increase in this imprisonment rate. Queensland also exhibits **overrepresentation of the Aboriginal and Torres Strait Islander population**, shown in Chart 2.10, **consistent with patterns across Australia**;<sup>37</sup> however, Queensland ranks relatively well in terms of Aboriginal and Torres Strait Islander imprisonment rates. This over-representation is caused by the interplay of complex historical and contemporary factors including dispossession of land, structural disadvantage, systemic racism, intergenerational poverty and trauma, substance misuse and poor availability of Aboriginal and Torres Strait Islander legal and interpreter services.<sup>38</sup> Into the future, Community Services will need to consider their role and ability to contribute to the multi-sectoral solution required to address this complex social challenge. Evidence also indicates that **Aboriginal and Torres Strait Islander peoples who suffer from mental illness and cognitive disabilities are at particular risk of imprisonment**, due to a number of factors, including interactions of health conditions and complex support needs.<sup>39</sup>

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<sup>35</sup> Dropping Off The Edge, 2015, *Key Findings*, Accessed 21 October 2015, <http://www.dote.org.au/key-findings/>

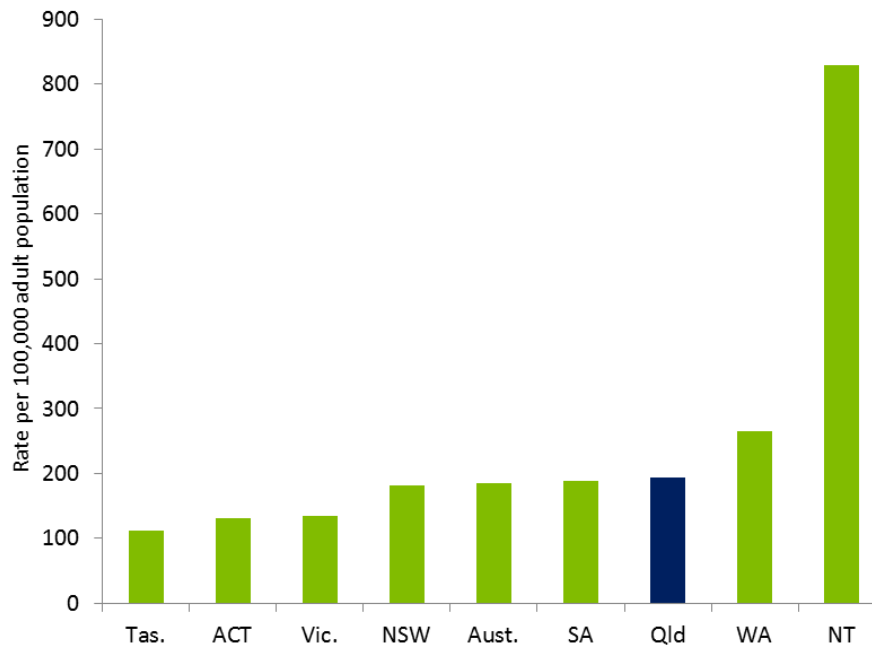
<sup>36</sup> Australian Bureau of Statistics, 2014, *Prisoners in Australia, 2014*, Cat. No. 4517.0, viewed 12 October 2015, <http://www.abs.gov.au/ausstats/abs@.nsf/mf/4517.0/>

<sup>37</sup> Australian Bureau of Statistics, 2014, *Prisoners in Australia 2014*, viewed 8 October 2015

<sup>38</sup> Human Rights Law Centre, 2011, *Aboriginal and Torres Strait Islander People*, Accessed 16 October 2015. <http://www.humanrightsaactionplan.org.au/nhrap/focus-area/aboriginal-and-torres-strait-islander-peoples>

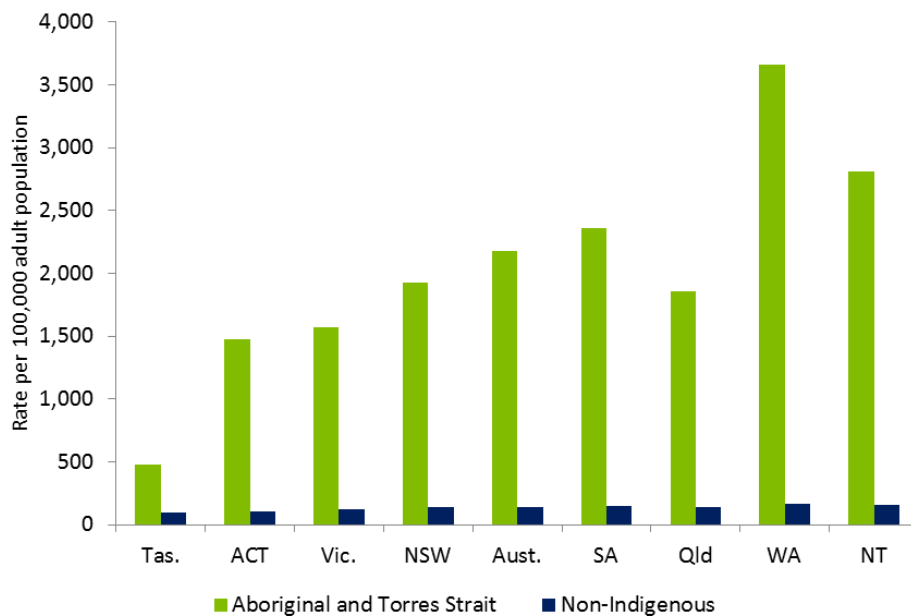
<sup>39</sup> Baldry, E., McCausland, R., Dowse, L. and McEntyre, E. 2015 *A predictable and preventable path: Aboriginal people with mental and cognitive disabilities in the criminal justice system*. UNSW, Sydney. <https://www.mhcd.unsw.edu.au/>

**Chart 2.9: Crude imprisonment rate, by State or Territory, 2014**



Source: ABS 2014<sup>40</sup>

**Chart 2.10: Crude imprisonment rate, by Aboriginal and Torres Strait Islander status, by State or Territory, 2014**



Source: ABS 2014<sup>41</sup>

<sup>40</sup> Australian Bureau of Statistics, 2014, *Prisoners in Australia, 2014*, Cat. No. 4517.0, viewed 12 October 2015, <http://www.abs.gov.au/ausstats/abs@.nsf/mf/4517.0/>

There is also a growing understanding of the relationship between Aboriginal and Torres Strait Islander children who have been in out-of-home care and the risk of imprisonment in adulthood.<sup>42</sup> Due to a myriad of social factors some Queensland families are unable to provide a safe, secure and caring environment for their children. Placing children in out-of-home care is a key intervention strategy in the child protection sector, to ensure the child is in an environment that meets their protective needs and facilitates their development. **In Queensland, the number of children in out-of-home care has been increasing over the last 5 years;** there were over 800 more children in out-of-home care in 2015 compared with 2011. The **growth rate has been largely driven by a disproportionate rise in Aboriginal and Torres Strait Islander children in out-of-home care** (653 [23%]), compared to the rise of non-Aboriginal and Torres Strait Islander children in out-of-home care (160 [3%]).<sup>43</sup>

Queensland has the **second highest rate of homeless in Australia, with an estimated 19,831 people who are homeless each night.**<sup>44</sup> People sleeping rough (in improvised dwellings, tents or sleeping out) forms a very small proportion of the homeless population; the most common are those living in 'severely' crowded dwellings (over 40,000 people in 2011).<sup>45</sup> Evidence is growing on the changing face of the homeless population with an increasing number of older women experiencing homelessness.<sup>46</sup>

The **proportion of all people in Queensland living with a disability in 2012 was 17.7%, slightly lower than the national average of 18.5%,** as shown in Chart 2.11. Of those living with a disability, approximately 256,300 have a profound or severe disability.<sup>47</sup> In addition, prevalence of people with a disability was driven by older people, with prevalence in Queensland of 12.5% in people under the age of 65 years, compared to 51.2% in people 65 years and older. In addition, the geographic distribution of people with a disability indicates that there are higher rates in Queensland inner regional areas (20.0%), compared to major cities (17.2%) and "other" areas (16.2%).<sup>48</sup>

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<sup>41</sup> Australian Bureau of Statistics, 2014, *Prisoners in Australia, 2014*, Cat. No. 4517.0, viewed 12 October 2015, <http://www.abs.gov.au/ausstats/abs@.nsf/mf/4517.0/>

<sup>42</sup> Baldry, E., McCausland, R., Dowse, L. and McEntyre, E. 2015 *A predictable and preventable path: Aboriginal people with mental and cognitive disabilities in the criminal justice system*. UNSW, Sydney. <https://www.mhdc.unsw.edu.au/>

<sup>43</sup> Queensland Department of Communities, Child Safety and Disability Services. Our performance: Living away from home, 2015. <https://www.communities.qld.gov.au/childsafety/about-us/our-performance/ongoing-intervention-phase/living-away-from-home>

<sup>44</sup> Australian Bureau of Statistics, *Census of Population and Housing: Estimating Homelessness, 2012*; Australian Institute of Health and Welfare, Specialist Homelessness Services 2012-13, 2013

<sup>45</sup> Australian Bureau of Statistics, 2012, *Census of Population and Housing Estimating Homelessness 2011*, Cat. No. 2049.0, viewed on 6 October 2015

<sup>46</sup> Ibid

<sup>47</sup> Australian Bureau of Statistics, 2012, *Disability, Ageing and Carers Australia 2012*, cat. No. 4430.0, viewed 8 October 2015, <http://www.abs.gov.au/ausstats/abs@.nsf/mf/4430.0>

<sup>48</sup> Ibid

**Chart 2.11: Population with a disability, by State or Territory, 2012**

Source: ABS 2012<sup>49</sup>

Nationally, 50.2% of all Aboriginal and Torres Strait Islander people living in Australia aged 15 years or over had a disability or long term health condition in 2008. Approximately 8.0% of Aboriginal and Torres Strait Islander people aged 15 years or over had a profound or severe disability in 2008<sup>50</sup>, as compared with 3.5% of all Australians aged 15 years or older in 2012.<sup>51</sup> **Half of those Aboriginal and Torres Strait Islanders living with a disability were receiving financial assistance from the Government, and 36% experienced difficulties trying to access the appropriate support.**<sup>52</sup>

In this population cohort **Queensland has the third highest rate of unemployment**,<sup>53</sup> after Tasmania and Victoria, as shown in Chart 2.12. In 2012, the unemployment rate for people in Queensland was 5 percentage points higher for those with a disability compared to those without. This can result in higher reliance on welfare and increased and persistent disadvantage.

<sup>49</sup> Australian Bureau of Statistics, 2012, *Disability, Ageing and Carers Australia 2012*, cat. No. 4430.0, viewed 8 October 2015, <http://www.abs.gov.au/ausstats/abs@.nsf/mf/4430.0>

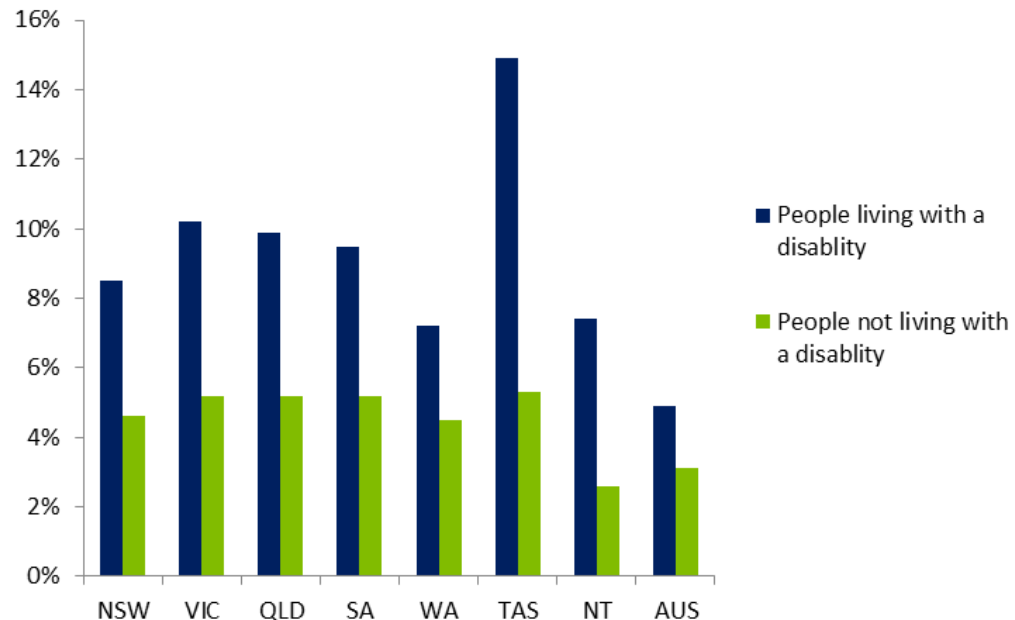
<sup>50</sup> ABS, 2010, 4704.0 – The Health and Welfare of Australia's Aboriginal and Torres Strait Islander Peoples, Oct 2010, <http://www.abs.gov.au/ausstats/abs@.nsf/Latestproducts/58E4D2078377D4B5CA257839000FA9F0?opendocument>

<sup>51</sup> Australian Bureau of Statistics, 2012, *Disability, Ageing and Carers Australia 2012*, cat. No. 4430.0, viewed 8 October 2015, <http://www.abs.gov.au/ausstats/abs@.nsf/mf/4430.0>

<sup>52</sup> ABS, 2010, 4704.0 – The Health and Welfare of Australia's Aboriginal and Torres Strait Islander Peoples, Oct 2010, <http://www.abs.gov.au/ausstats/abs@.nsf/Latestproducts/58E4D2078377D4B5CA257839000FA9F0?opendocument>

<sup>53</sup> Australian Bureau of Statistics, 2012, *Disability and Labour Force Participation 2012*, cat. No. 4433.0.55.006, viewed 8 October 2015

**Chart 2.12: Unemployment rate for people living with a disability compared to those without, by State or Territory, 2012**



Source: ABS 2012<sup>54</sup>

**Reported incidents of domestic and family violence (DFV) in Queensland have been increasing**, with the Queensland Police Service recording **66,016 DFV occurrences in 2013–14**. Furthermore, those breaching their DFV Protection Orders in Queensland have increased 14% in just one year, from 2013–14 to 2014–15.<sup>55</sup> Extreme cases of DFV resulting in homicide are also at alarming levels, with the Domestic and Family Violence Death Review Unit reporting that approximately 45% of all homicides between 2006 and 2012 occurred with an intimate partner or family relationship.<sup>56</sup> Evidently, the cost to the Federal and State Government of responsive post-episode interventions is significant, estimated to be between \$2.7 billion and \$3.2 billion annually.

It is apparent in the literature that the demand for DFV services and support for victims/survivors and perpetrators is not being met with adequate supply. This is evidenced by sustained high DFV fatalities rates in Queensland over the past 40 years.

The consideration of broad health indicators, such as mental illness, infant mortality and obesity help to describe the morbidity and burden of illness in Queensland. This is important as it affects the capacity of people and communities to realise their full social and economic potential. The **infant mortality rate in Queensland has remained above the**

<sup>54</sup> Australian Bureau of Statistics, 2012, *Disability and Labour Force Participation 2012*, cat. No. 4433.0.55.006, viewed 8 October 2015, <http://www.abs.gov.au/ausstats/abs@.nsf/mf/4433.0.55.006>

<sup>55</sup> Domestic Violence Taskforce, 2015, *Not Now, Not Ever*, Accessed 22 October 2015, <http://www.Queensland.gov.au/community/documents/getting-support-health-social-issue/dfv-report-vol-one.pdf>

<sup>56</sup> Domestic Violence Taskforce, 2015, *Not Now, Not Ever*, Accessed 22 October 2015, <http://www.Queensland.gov.au/community/documents/getting-support-health-social-issue/dfv-report-vol-one.pdf>

**Australian average for the last 10 years**, despite rates decreasing over this period.<sup>57</sup> In 2013, the rate per 1000 live births was 3.6 across Australia, compared to the rate in Queensland of 4.6. Infant mortality in Aboriginal and Torres Strait Islanders has almost halved over the period of 2004 to 2013, however remains above the national average, at 6.1 deaths per 1000 live births.<sup>58</sup>

In 2011–12 Queensland had the second highest rate of mental health related Emergency Department occasions of service per 10,000 population (103.8) and the highest hospitalisation rate for psychiatric care (4.1 per 1,000 population).<sup>59</sup> **Over the period of 2009–2013, Queensland had the second highest absolute number of suicides when compared with other States and Territories. Nationally, suicide is the leading cause of death for Australians aged between 15 to 44 years.**<sup>60</sup>

Like other States and Territories, Queensland faces a growing problem in relation to obesity and the associated cardiometabolic health issues such as heart disease and diabetes.<sup>61</sup> Associated morbidity can adversely impact the ability of people to participate in the workforce and in society. **Prevalence of overweight and obesity is higher in Queensland's Aboriginal and Torres Strait Islander population**, and ischaemic heart disease and diabetes are the two leading causes of death in this population.<sup>62</sup>

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<sup>57</sup> Australian Bureau of Statistics, 2013, *Deaths, Australia 2013*, Cat. No. 3302.0, viewed 8 October 2015

<sup>58</sup> Ibid

<sup>59</sup> Australian Institute of Health and Welfare, 2014, *Mental Health Services In Brief*, Accessed 22 October 2015, <http://www.aihw.gov.au/WorkArea/DownloadAsset.aspx?id=60129549620>

<sup>60</sup> Australian Bureau of Statistics, 2013, *Causes of Death, Australia*, cat. No. 3303.0, viewed 22 October 2015

<sup>61</sup> Australian Bureau of Statistics, 2012, *Australian Health Survey: First Results, 2011-12*, Cat. No. 4364.0.55.001, viewed 8 October 2015

<sup>62</sup> Australian Bureau of Statistics. *Australian Aboriginal and Torres Strait Islander health survey 2012-13*. No. 4727.0.55.006.

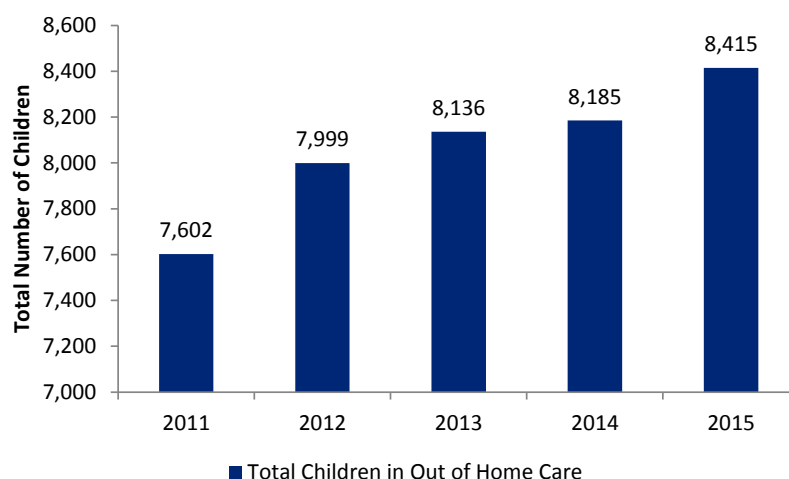
## Social context: future state

The **social issues Queensland faces over the next 10 years to 2025** will be influenced by a number of **complex interacting factors across the economy and society**. The extent to which these social issues are mitigated or reduced will depend on a range of protective factors and risk factors for individuals and communities. **The Community Services Industry will play a critical role in terms of addressing these issues, in particular entrenched disadvantage and challenging problems**. The continued overrepresentation of Aboriginal and Torres Strait Islander people in indicators of disadvantage is one such area.

As outlined earlier, there are pockets of Queensland experiencing high rates of unemployment, high proportions of single parent families and high rates of welfare dependence. Without rethinking approaches to these issues, this disadvantage has the potential to become entrenched as an intergenerational issue. **System-wide change that delivers appropriate and timely supports and services for individuals, families and communities will be critical to reduce the rise of increasing disadvantage**. Taking a person-centred approach and focussing on preventative or early intervention measures will be critical in areas like youth unemployment.

As shown in Chart 2.13, the **number of Queensland children in out-of-home care has been increasing over the last 5 years** and, if this trajectory continues, **adverse impacts on communities and their social cohesiveness** will result. Children in out-of-home care are vulnerable, and can be at increased risk of ongoing social and economic disadvantage into adulthood if appropriate care and support is not provided.<sup>63</sup> The lifetime cost to communities and the economy of providing support has the potential to be significant.

**Chart 2.13: Children in out-of-home care, Queensland, 2011-2015**



Source: Queensland Department of Communities, Child Safety and Disability Services, *Our Performance: Living away from home*. 2015.

<sup>63</sup> Community Affairs References Committee, Commonwealth of Australia, *Protecting vulnerable children: a national challenge*. March 2005.

Improving service models to meet the needs of people with disabilities will continue to be a focus, **utilising different market mechanisms and with a strengthening focus on increasing social and economic participation** including in the labour market. As seen in Chart 2.12, unemployment rates are higher for people with a disability in Queensland and nationally. The introduction of the National Disability Insurance Scheme (NDIS) and its intent on supporting individuals into employment, presents an opportunity for the Community Services Industry to better access this labour force.

Closing the gap between outcomes of Aboriginal and Torres Strait Islander and non-Aboriginal and Torres Strait Islander Australians is likely to continue to be a focus and a challenge of service delivery. The rising disproportionate growth in numbers of Aboriginal and Torres Strait Islander children in out-of-home care also has the potential to impact Aboriginal and Torres Strait Islander imprisonment rates.<sup>64</sup> Given Queensland's relatively larger Aboriginal and Torres Strait Islander population, there is an **opportunity to have a significant impact on the social context of communities around the State by breaking longstanding cycles of disadvantage in an appropriate and coordinated fashion.**

The economic outlook of the State indicates potential jobs growth, including growth within the Community Services Industry itself. **Supporting disadvantaged and marginalised people to make the most of jobs growth in Queensland will assist in improving the State's social and economic outcomes.** Moving beyond a welfare culture, particularly in disadvantaged communities, can be enabled by appropriate welfare and taxation reforms. This has the potential to encourage participation, improve productivity, and improve lives.

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<sup>64</sup> Baldry, E., McCausland, R., Dowse, L. and McEntyre, E. 2015 *A predictable and preventable path: Aboriginal people with mental and cognitive disabilities in the criminal justice system*. UNSW, Sydney.  
<https://www.mhdcd.unsw.edu.au/>

## 2.3 Industry profile

The Community Services Industry represents a diverse group of organisations that are operating across the majority of communities across Queensland. These organisations are mostly non-profits, mixed with government service providers, social enterprise organisations and a smaller number of for-profit organisations. The role of the Government in the Community Services Industry also extends to system steward and funder.

For the purposes of undertaking this report it was necessary to define the Industry in terms of the Australia New Zealand Standardised Industrial Classification (ANZSIC). This definition captures disability support services and emergency response, accommodation support, alcohol and other drugs services, youth support services, foster and out-of-home care, family and domestic violence services, child safety and support, respite, home and community care, aged care assistance, and homelessness support. However, it is acknowledged that this does not account for some service categories that are outside of the ANZSIC definition, such as community legal services, youth justice, social housing and financial counselling. Further details regarding the definition of the Industry is provided in Appendix A.

The ANZSIC data categorises businesses according to their primary area of business and therefore does not include organisations providing community services as a secondary function; this may therefore exclude some Government providers, as well as those that do not have an Australian Business Number. In addition, some Queensland Government providers of community services, for example those providing disability services, child and family services, and community care, may not be included in the ANZSIC data for community services.

Due to the limitations of applying the ANZSIC definitions for understanding the full profile of the Industry, we have also used other data sources where appropriate to describe the Industry. These include:

- Australian Charities and Not-for-profit Commission (ACNC) charities data - includes all community services sectors but does not include for-profit organisations or those non-profit organisations that are not registered charities; and
- Non-profit data from the Australian Bureau of Statistics' Non-Profits Institutions Satellite Accounts - reports national data on the broader NFP social services sector, which includes community services activities, in addition to services that are not within the scope of this report (e.g. child care, and disaster relief including volunteer fire departments)<sup>65</sup>.

It is also important to note that, for the purposes of this report, residential aged care is not included in the analysis.

In the absence of a single comprehensive data source for this Industry, the profile utilises information from a number of different sources, and should be indicative of the sector as

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<sup>65</sup> Australian Bureau of Statistics. *Australian National Accounts: Non-Profit Institutions Satellite Account. International classification of non-profit organisations*. Available at: <http://www.abs.gov.au/AUSSTATS/abs@.nsf/Latestproducts/5256.0Appendix12012-13?opendocument&tabname=Notes&prodno=5256.0&issue=2012-13&num=&view=>

whole. Establishing the current and potential future profile of the Industry is critical to understand how the Industry will be placed to respond to future challenges and opportunities borne out of changes in the economic, social and policy context. Further detail on the way in which the Industry has been defined is included in the full report.

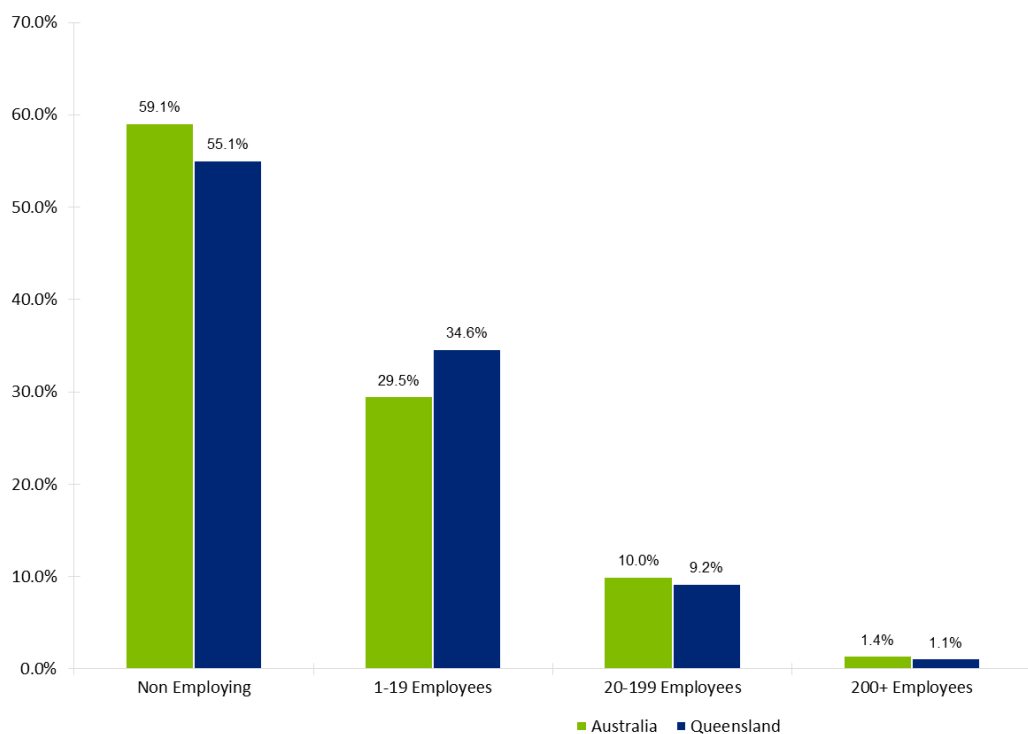
## Industry profile: current state

### Composition

In 2015, the Community Service Industry comprised a diverse range of services, provided by a range of organisations differing in size and turnover, mission and purpose, tax status, and years of operation.

As shown in Chart 2.14, the **largest proportion of registered businesses in the Community Services Industry are non-employing (55.1%)<sup>66</sup>**; this represents up to **353 sole traders and volunteer-run organisations**, accounting for **less than 1.0% of the overall Industry workforce**. Only 1.1% of Queensland businesses employ more than 200 people, consistent with the national proportion of 1.4%.

**Chart 2.14: Community Services Industry organisations, by number of employees, Queensland, 2014**



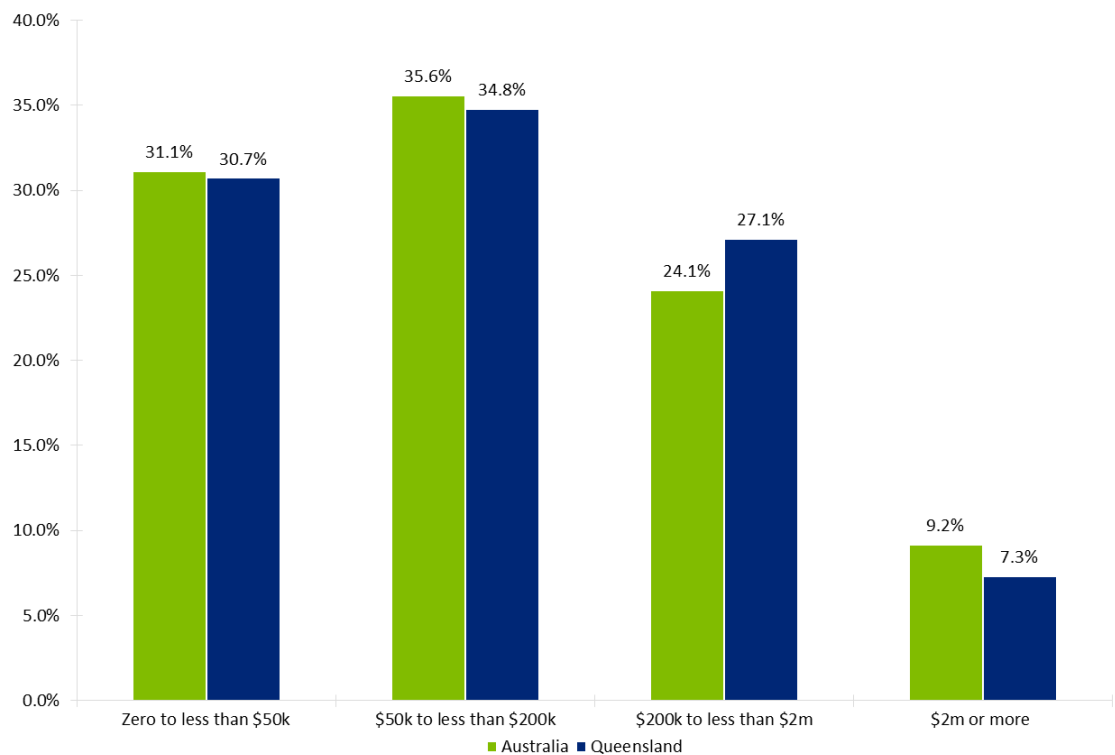
Source: ABS 2014<sup>67</sup>

<sup>66</sup> Australian Bureau of Statistics, 2014, *Counts of Australian Businesses June 2010-June 2014*, Cat. No. 8165.0, viewed 8 October 2015

<sup>67</sup> Ibid

The distribution of registered Community Services organisations in Queensland according to turnover is shown in Chart 2.15. The majority of Queensland registered Community Services businesses have an annual turnover of \$50K to \$200K (34.8%)<sup>68</sup> and 7.3% have an annual turnover of over \$2 million.<sup>69</sup> Chart 2.14 and Chart 2.15 show that the **profile of the Industry in Queensland in terms of both size and turnover distribution is largely consistent with the national profile.**

**Chart 2.15: Community Services Industry organisations, by turnover, Queensland, 2014**



Source: ABS 2014<sup>70</sup>

<sup>68</sup> Australian Bureau of Statistics, 2014, *Counts of Australian Businesses June 2010-June 2014*, Cat. No. 8165.0, viewed 8 October 2015, <http://www.abs.gov.au/ausstats/abs@.nsf/mf/8165.0>

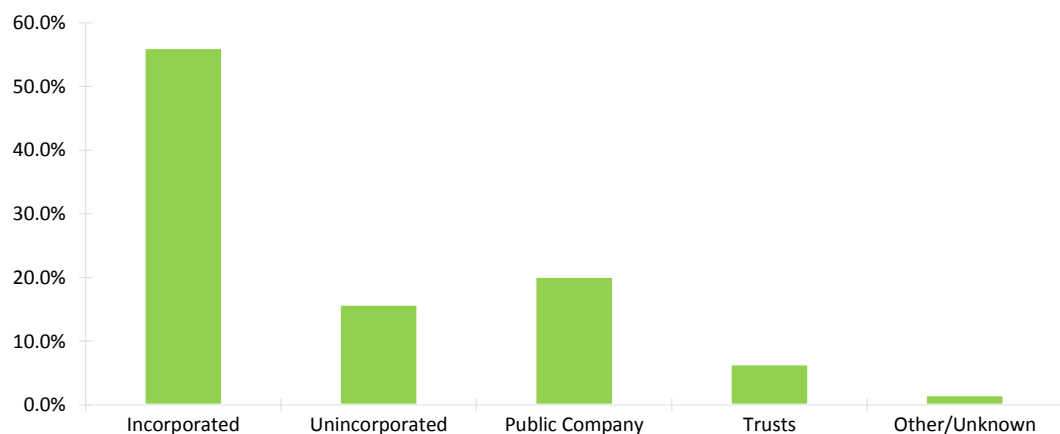
<sup>69</sup> Ibid

<sup>70</sup> Ibid

There are **641 businesses** registered in Queensland with Community Services listed as their primary activity.<sup>71</sup> There are also **1,188 charities** registered in Queensland listing Community Services as their primary activity, and a further 469 Community Services charities registered in other states, and operating in Queensland.<sup>72</sup> There is likely to be overlap between businesses and charities registered. In addition, there are other for-profit and not-for-profit organisations providing Community Services which do not have this registered as their primary function. Furthermore, many organisations are working as part of an informal collaboration, and/or formal partnerships, mergers, and joint-ventures.

The profile of the Industry in Queensland, and indeed, Australia, is representative of the heterogeneous nature of service provision, and developing maturity in organisational structure. As shown in Chart 2.16, the majority of Queensland Social Services charities are unincorporated (56.1%), the next largest proportion being categorised as public company (20.1%).<sup>73</sup> According to ACNC data, larger social services charities, with an annual turnover of more than \$1 million, are more likely to be public companies or incorporated associations, compared to smaller charities, where there is are higher proportions of unincorporated charities and trusts.<sup>74</sup>

**Chart 2.16: Social Services Charities, by entity type, Queensland, 2014**



Source: Cortis, N., Lee, I., Powell, A., Simnett, R. and Reeve, R. (2015) *Australian Charities Report 2014*. Centre for Social Impact and Social Policy Research Centre, UNSW Australia

<sup>71</sup> Ibid

<sup>72</sup> Australian Centre for Philanthropy and Nonprofit Studies, 2015, *Community Service Charities*, Accessed 22 October 2015

<sup>73</sup> Cortis, N., Lee, I., Powell, A., Simnett, R. and Reeve, R. (2015) *Australian Charities Report 2014*. Centre for Social Impact and Social Policy Research Centre, UNSW Australia.

<sup>74</sup> Ibid

## Workforce and skills

According to the ANZSIC definition, **the Industry employs approximately 44,495 Queenslanders;**<sup>75</sup> **this accounts for approximately 2.3% of the Queensland workforce.** Nationally, the Community Services Industry employs over 150,000 people.<sup>76</sup> These figures, however, are likely to underestimate the volume of employment, potentially excluding some Government employees and services outside of the ANZSIC definition.

The **profile of the paid workforce in the Community Services Industry differs markedly to the Queensland workforce as a whole:**

- 75.4% of employees are female, compared to 47.1% of the overall Queensland workforce;
- 50.2% of employees work part-time, compared to 32.5% of the overall Queensland workforce; and
- the largest share of the paid workforce in the Community Services Industry in Queensland is between the age of 45 and 54 years, in contrast to the overall Queensland workforce having a much flatter workforce distribution of workers between the ages of 20 and 54 years.<sup>77</sup>

The distribution by gender of professional and manager occupations in the Industry is shown in Chart 2.17, with notable dominance of females in among many occupations. Interestingly, however, interestingly the gender balance of Chief Executives, General Managers and Legislators is closer to parity.

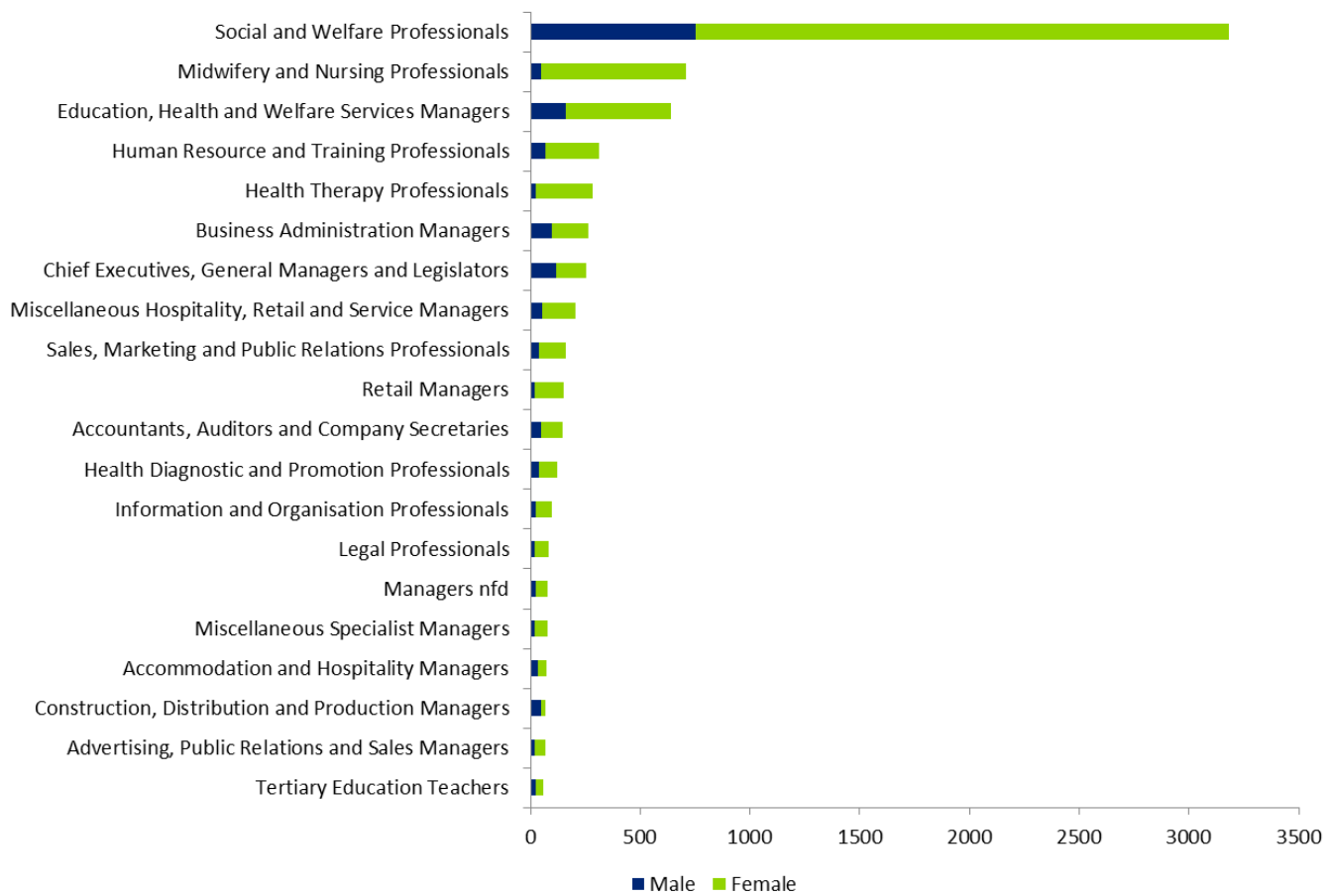
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<sup>75</sup> Australian Bureau of Statistics, 2015, *Labour Force Australia 2015*, Cat. No. 6202.0, viewed 6 October 2015

<sup>76</sup> Australian Bureau of Statistics, 2011, *Census of Population and Housing*, viewed 8 October 2015

<sup>77</sup> Ibid

**Chart 2.17: Top 20 professional and manager occupations in the Community Services Industry, by gender, Queensland, 2011**

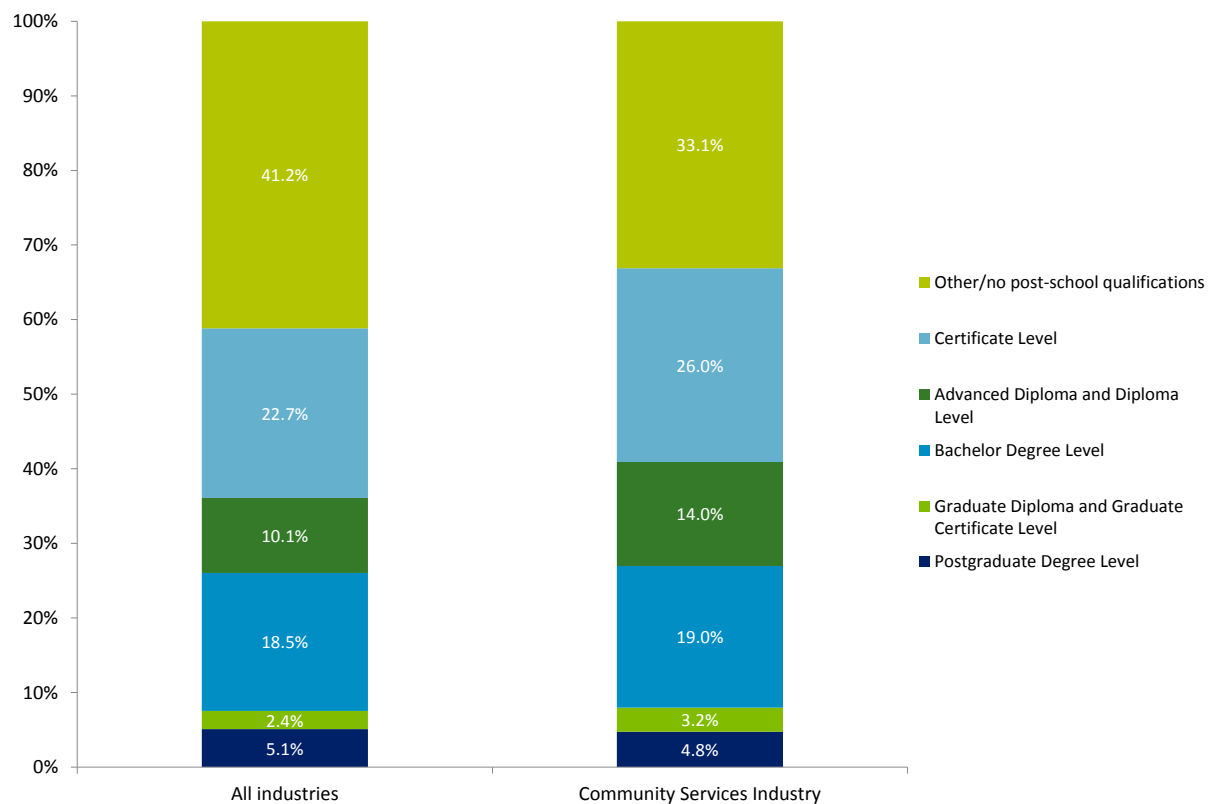


Source: ABS 2011<sup>78</sup>

<sup>78</sup> Ibid

The paid workforce is **highly skilled**; Chart 2.18 shows that **66.9% of paid Community Services Industry workers in Queensland hold a post-school qualification** compared to 58.8% in the overall Queensland workforce.<sup>79</sup> Chart 2.19 shows the gender breakdown of qualifications in the Community Services Industry, which is consistent with the gender profile of the paid workforce.

**Chart 2.18: Proportion of Community Services Industry workforce with post-school qualifications, Queensland, 2011**

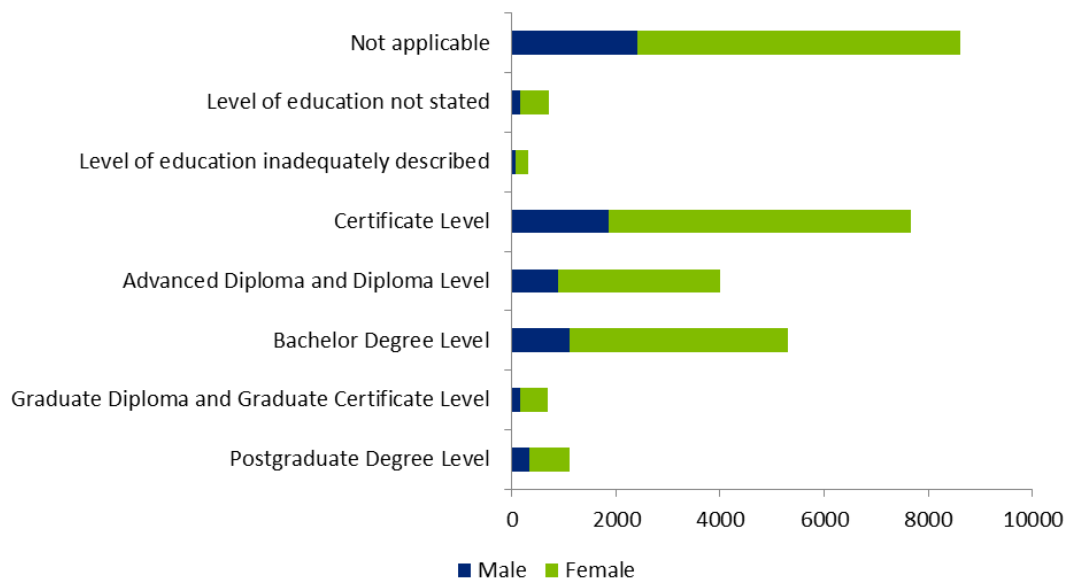


Source: ABS 2011<sup>80</sup>

<sup>79</sup> Australian Bureau of Statistics, 2011, *Census of Population and Housing*, viewed 8 October 2015

<sup>80</sup> Ibid

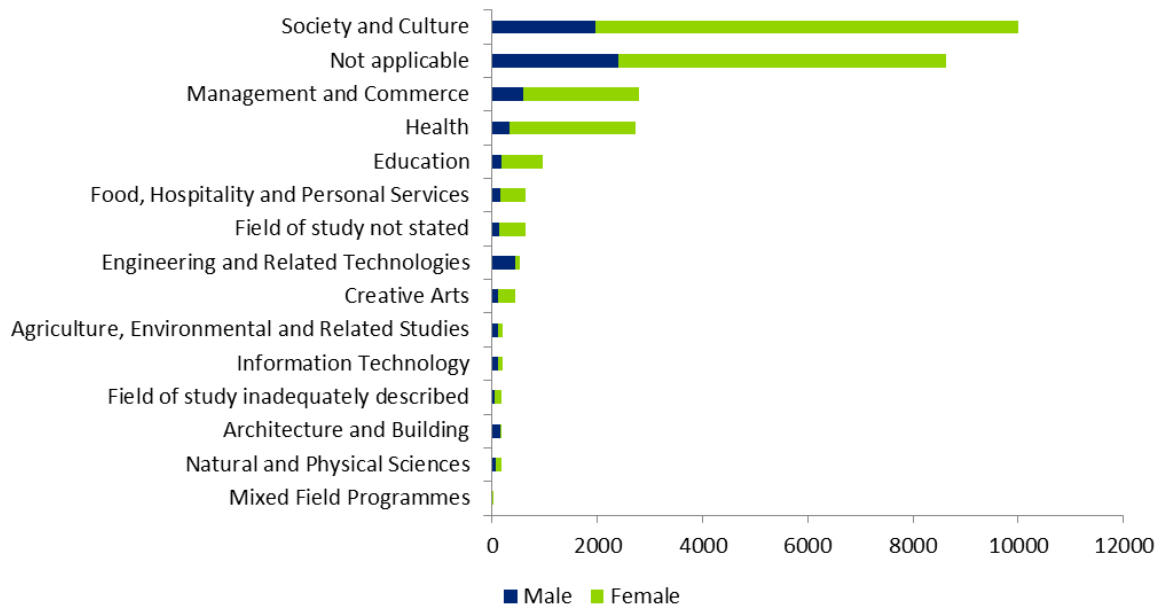
**Chart 2.19: Qualifications of employees in Community Services Industry, Queensland, 2011**



Source: ABS 2011<sup>81</sup>

As would be expected the field of study is reflective of the occupation profile. The majority studied, or were studying, in the field of society and culture, and the majority studying in this field were female (Chart 2.20). Notably, the next highest field of study undertaken was 'Not applicable', aligning with the high proportion of employees in the Industry who did not hold a post-school qualification in 2011, as seen in Chart 2.19.

<sup>81</sup> Australian Bureau of Statistics, 2011, *Census of Population and Housing*, viewed 8 October 2015, <http://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/2940.0Main+Features12011?OpenDocument>

**Chart 2.20: Field of study of Community Services Industry, Queensland, 2011**

Source: ABS 2011<sup>82</sup>

**Volunteers also make a significant contribution to the Industry;** approximately 234,100 people volunteered for Welfare and Community organisations in 2014, amounting to a total contribution of 28.9 million hours of unpaid work that year<sup>83</sup> This contribution is likely to have been realised within the Community Services Industry as defined in this report, in addition to other Welfare and Community organisations such as residential aged care facilities. Community Services charities in Queensland self-reported 74,517 volunteers in 2014<sup>84</sup>, however the number of hours worked, and double counting across charities was not accounted for, hence the value of the contribution of this cohort of volunteers is difficult to quantify. This represents a large volume of Queenslanders involved in the Industry on an unpaid basis.

It is also estimated that there are 825,000 informal primary carers, and 2.03 million non-primary carers in Australia. In addition to provision of care to those would otherwise be seeking care in the formal Community Services Industry, it is important to note that this also includes people with terminal or chronic illness who would otherwise be managed outside of the Community Services Industry. In absolute terms, there are approximately 10,000 fewer carers in 2015 than there were in 2010. The composition of carer types among carers has also changed; there are 285,000 more primary carers in 2015 than there were in 2010 and 294,000 fewer non-primary carers.<sup>85</sup> The profile of informal carers also

<sup>82</sup> Australian Bureau of Statistics, 2011, *Census of Population and Housing*, viewed 8 October 2015, <http://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/2940.0Main+Features12011?OpenDocument>

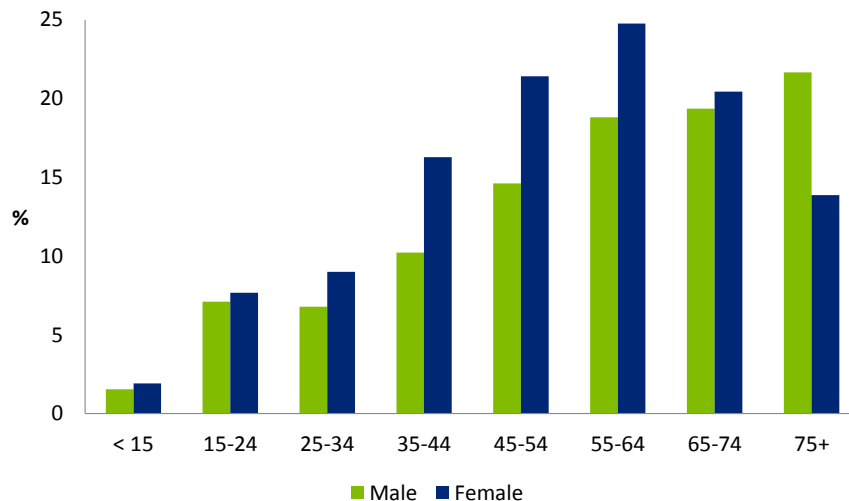
<sup>83</sup> Australian Bureau of Statistics, 2014, *General Social Survey*, viewed 16 March 2016, <http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/4159.02014?OpenDocument>

<sup>84</sup> Ibid

<sup>85</sup> Deloitte Access Economics, 2015, *The value of informal care in Australia in 2015*, Accessed 10 October 2015, <http://www.carersaustralia.com.au/storage/Access%20Economics%20Report.pdf>

reflects the volunteer and paid workforce, the majority are female between the age of 45 and 64 years, as shown in Chart 2.21.<sup>86</sup>

**Chart 2.21: Rates of informal care provision, by age and gender, Australia, 2012**



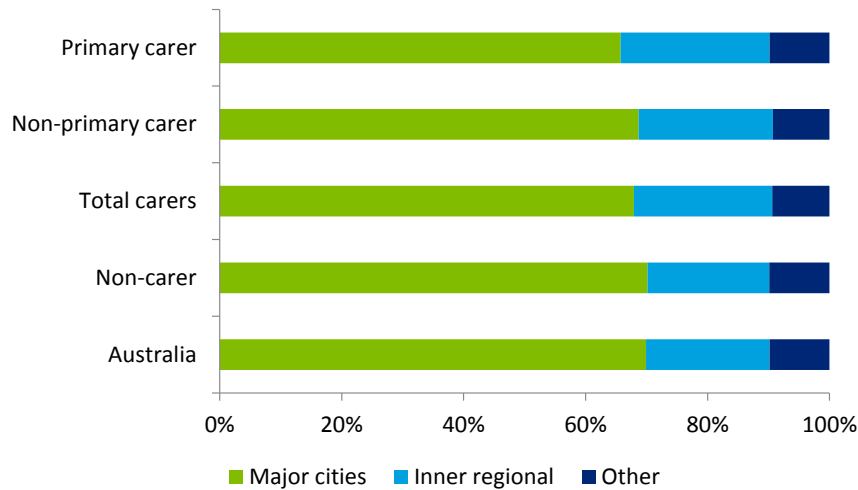
Source: ABS 2013<sup>87</sup>

Compared to the Australian population and to non-carers, informal carers are more likely to live outside of major cities; an estimated 22.7% of all carers live in inner regional areas compared to 20.3% of all Australians. Primary carers are also more likely to live in inner regional areas (24.5%) compared to non-primary carers (22.0%).<sup>88</sup> This geographic distribution, shown in Chart 2.22, may be reflective of both access to services, and burden of disease and disability.

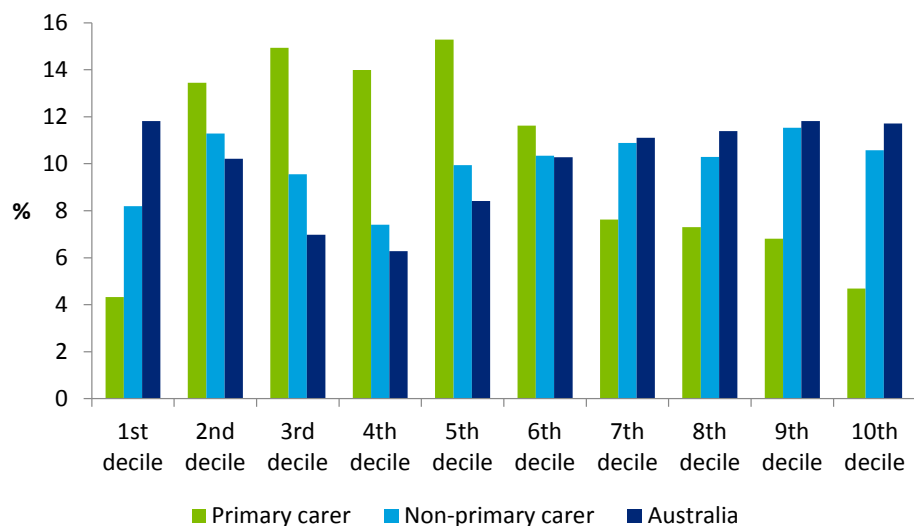
<sup>86</sup> Ibid

<sup>87</sup> Australian Bureau of Statistics, 2013, *Disability, ageing and carers, Australia: summary of findings 2012*, Cat. No. 4430.0 viewed 8 October 2015, <http://www.abs.gov.au/ausstats/abs@.nsf/mf/4430.0>

<sup>88</sup> Ibid

**Chart 2.22: Geographic location of carers, Australia, 2012**Source: ABS 2013<sup>89</sup>

Carers are more likely to live in households with lower than average gross incomes with carers over-represented in the lower weekly income deciles and under-represented in the higher deciles. Primary carers are particularly affected by this income disparity relative to non-primary carers in these deciles.

**Chart 2.23: Carer status, by weekly cash income deciles, for 15-64 year-olds, Australia, 2012**Source: ABS 2014<sup>90</sup>

Note: Chart shows data for the working age population (15-64 years) only

<sup>89</sup> Ibid

<sup>90</sup> Australian Bureau of Statistics, 2014, *Microdata: disability, ageing, and carers, Australia 2012*, viewed 8 October 2015, Cat. No. 4430.0.30.002  
<http://www.abs.gov.au/Ausstats/abs@.nsf/0/2C0C5F52123ED1F9CA257881001687AC>

## Capital and resources

As a predominantly service-based Industry, the **breakdown of costs** for the Community Services Industry nationally indicates **56.4% of revenue is spent on wages**, and 2.0% of revenue is spent on capital. This equates to a **labour–capital spend ratio of 23**, approximately **6-times higher than the average across the rest of the economy**, indicating a labour-intensive industry.<sup>91</sup> This is despite average full-time wages in Queensland being approximately \$9,800 per annum lower than all industries, and part-time wages being \$1,000 per annum lower than all industries.<sup>92</sup> Based on the ANSZIC definition, the estimated **spend on wages for the Community Services Industry in Queensland will be \$2.3 billion in 2015–16**.<sup>93</sup>

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<sup>91</sup> IBISWorld, 2015, *Industry Report Crisis and Care Accommodation*, No.Q8609; IBISWorld, 2015, *Personal Welfare Services*, No.Q8790, Accessed 6 October 2015

<sup>92</sup> Australian Bureau of Statistics, 2011, *Census of Population and Housing*, viewed 8 October 2015

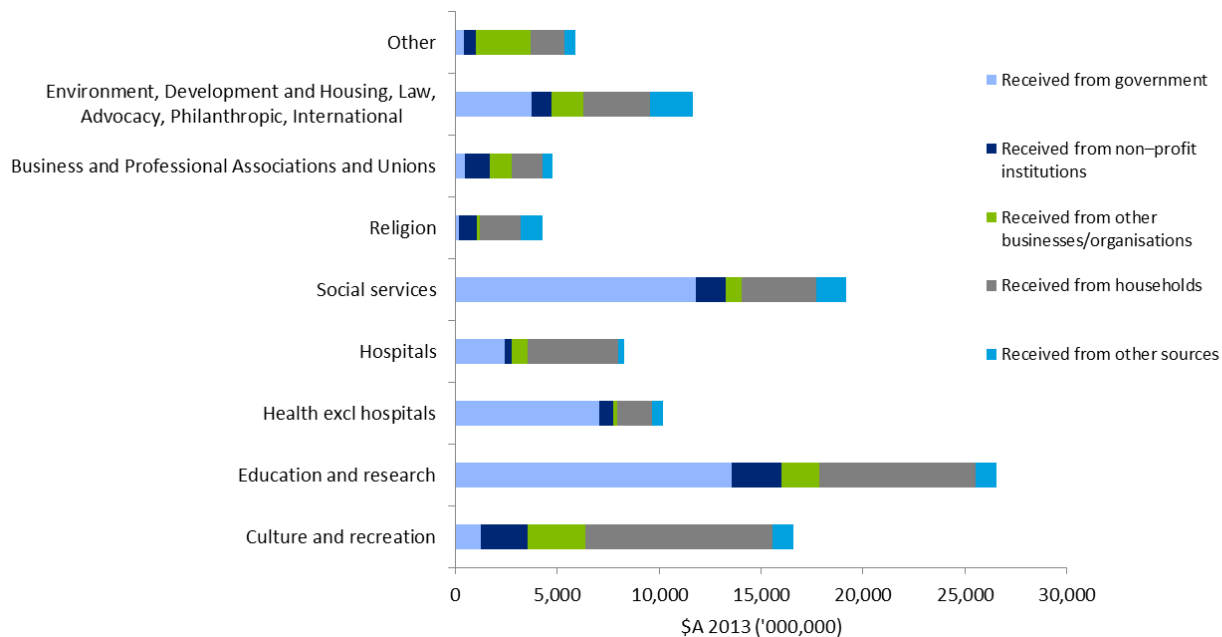
<sup>93</sup> Deloitte Access Economics, Australian Bureau of Statistics, 2015, *Labour Force Australia 2015*, Cat. No. 6202.0, Australian Bureau of Statistics, 2015, *Wage Price Index*, Cat No. 6345.0

Nationally, the **cost breakdown** of the Community Services Industry indicates only a **3.3% profit margin**, more than 3-times smaller than the economy as a whole. This limits the ability of Community Services organisations to reinvest in business improvement. The proportion of revenue spent on purchases (21.8%) is similar to all industries.<sup>94</sup>

**Community service organisations have historically derived the majority of their funding from Government sources.** In 2014–15, the DCCSDS in Queensland contracted services from 1,186 Government and non-Government organisations with investment of approximately \$1.4 billion.<sup>95</sup>

Nationally, the revenue of the broader Social Services not-for-profit sector in 2012–13 was \$19.2 billion; **\$11.8 billion was received in Government funding** in 2012–13, **representing 61.4% of their income.**<sup>96</sup> Government investment in Social services was second highest across the NFP sector, behind Education and research, as shown in Chart 2.24. This profile of investment from the Government in Social Services is likely to be representative of the Community Services Industry subsector.

**Chart 2.24: Income in NFP sector, by source, Australia, 2012-2013**



Source: ABS 2015<sup>97</sup>

<sup>94</sup> IBISWorld, 2015, *industry Report Crisis and Care Accommodation*, No.Q8609; IBISWorld, 2015, *Personal Welfare Services*, No.Q8790, Accessed 6 October 2015

<sup>95</sup> Department of Communities, Child Safety and Disability Services, 2015, *2014- 2015 Annual Report*, Accessed 22 October 2015

<sup>96</sup> Australian Bureau of Statistics, 2015, *Australian National Accounts: Non-Profit Institutions Satellite Account, 2012-13*, viewed on 7 October 2015

<sup>97</sup> Ibid

## Output

**Annual output of the Industry in Queensland in 2014–15 was estimated to be \$3.5 billion.**<sup>98</sup> In addition, the annual **value of the volunteer contribution** to Welfare and Community organisations in 2014 was estimated to be approximately \$906 million in Queensland, a proportion of which would be realised within the Community Services Industry, in addition to other industries such as residential aged care.<sup>99</sup> Nationally, the cost that would be incurred to adequately remunerate unpaid informal carers has been estimated to be \$60.3 billion annually.<sup>100,101</sup>

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<sup>98</sup> Deloitte Access Economics, ABS 5220.0

<sup>99</sup> Australian Bureau of Statistics, 2014, *General Social Survey*, viewed 16 March 2016, <http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/4159.02014?OpenDocument>

<sup>100</sup> Deloitte Access Economics, 2015, *The value of informal care in Australia in 2015*, Accessed 10 October 2015, <http://www.carersaustralia.com.au/storage/Access%20Economics%20Report.pdf>

<sup>101</sup> It is important to note that this also includes people with terminal or chronic illness who would otherwise be managed outside of the Community Services Industry

## Industry profile: future state

### Composition

Changing economic and policy settings may favour organisations that are able to work more efficiently and effectively, by integrating services, achieving economies of scale, improving agility, optimising uptake of technology, or maximising productivity of their workforce. Recent research suggests that mergers are becoming more frequent in the NFP landscape; **56.0%** of directors in the Social Services NFP sector reported that they had **discussed mergers** with their board **in the last 12 months**, and 13.0% had completed a merger in the last 12 months.<sup>102</sup> With this **potential for increased consolidation** across the Industry, there is a **risk that quality and diversity of services may be lost** if there is insufficient capacity for organisations to invest in a robust business transition.

An **increasing focus on social enterprise** is likely to continue, with these organisations having a **stronger presence in the Industry over the coming 10 years**.<sup>103</sup> Social enterprises provide one way of generating revenue alongside traditional government investment. Social Impact Investment will also be **increasingly important to the Industry and may support scale of service delivery where government investment cannot**. These changes are likely to result in a different Industry profile in 2025 in terms of number, size, turnover and type of organisations.

### Workforce and skills

Over the next 10 years to 2025, **increased demand for community services will be driven by population growth, with a disproportionate increase in the older population**.<sup>104</sup> Chart 2.25 shows the historical and projected growth in volume of employment in the Community Services Industry in Queensland. **Growth of employment in the Industry has been steadily climbing over the last 15 years**, as seen in Chart 2.25. Unlike manufacturing and utilities industries expecting employment to decline, annual average **employment growth in the Community Services Industry in Queensland over next 10 years is forecast to be 3.8%**; this is **more than double** the expected rate of employment growth for Queensland as a whole, shown in Chart 2.26.<sup>105</sup>

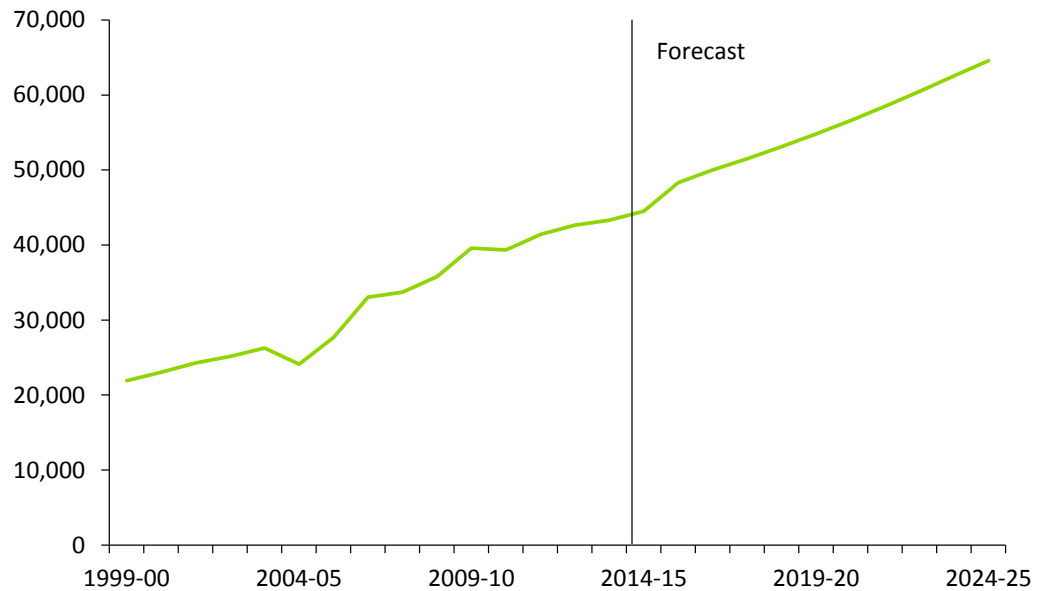
<sup>102</sup> Australian Institute of Company Directors, 2015, *NFP Governance and Performance Study*, viewed 25 November 2015.

<sup>103</sup> Gray M, Healy K, Crofts P. Social enterprise: is it the business of social work? *Australian Social Work*. 2003;56(2):141-54

<sup>104</sup> Deloitte Access Economics, Australian Bureau of Statistics, 2011, *Census of Population and Housing*, viewed 8 October 2015

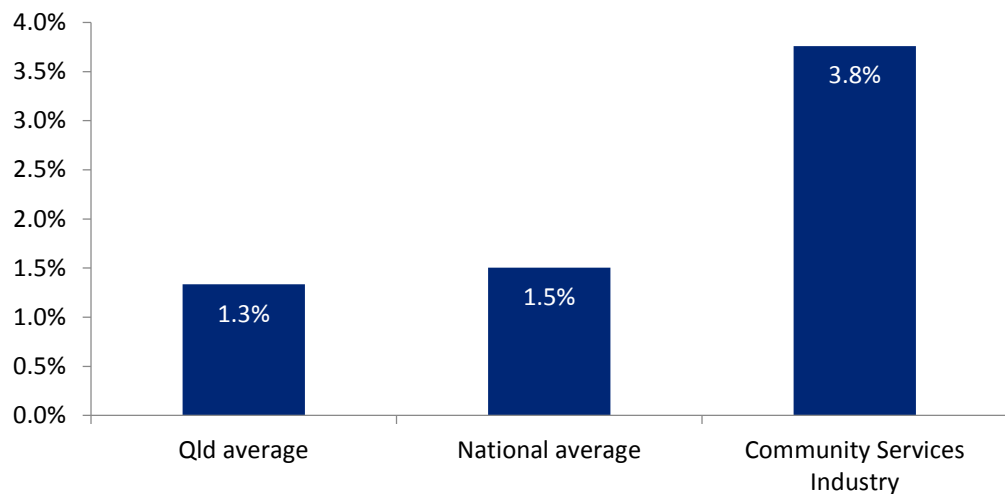
<sup>105</sup> Ibid

**Chart 2.25: Projected employment for Community Services Industry, Queensland, 1999-2025**



Source: ABS 2011<sup>106</sup>, Deloitte Access Economics

**Chart 2.26: Projected employment growth for Community Services Industry, Queensland, 2014-2025**



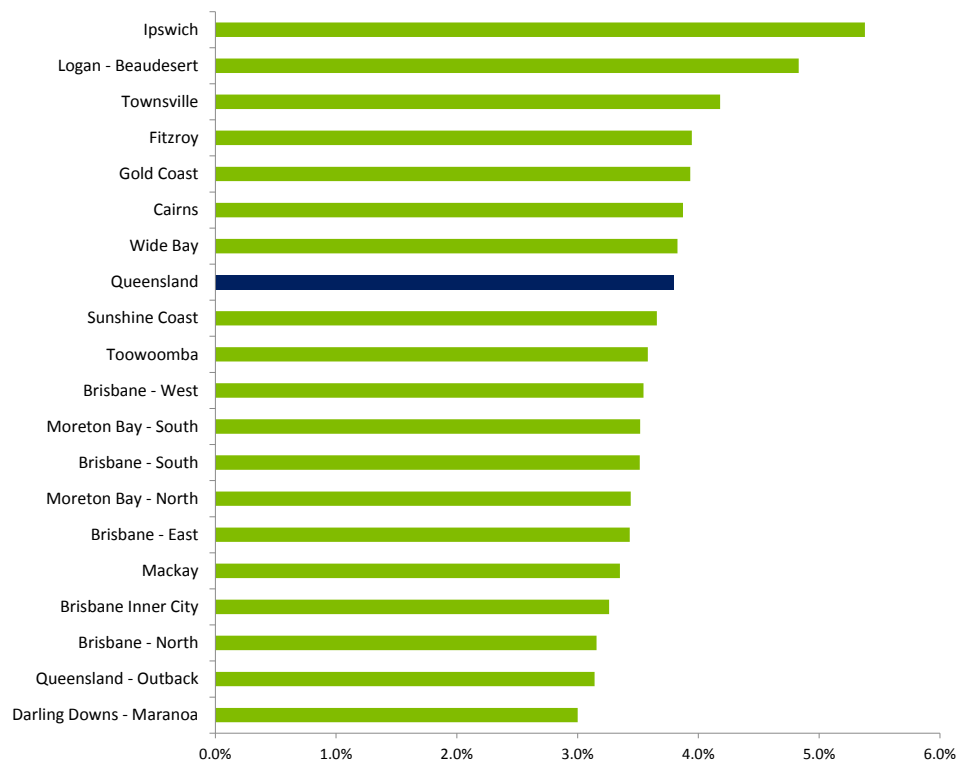
Source: ABS 2011<sup>107</sup>, Deloitte Access Economics

<sup>106</sup> Australian Bureau of Statistics, 2011, *Census of Population and Housing*, viewed 8 October 2015, <http://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/2940.0Main+Features12011?OpenDocument>

<sup>107</sup> Ibid

By region, the project employment growth in Queensland's Community Services Industry over the next 10 years varies from 3.0% in Darling Downs/Maranoa to 5.4% in Ipswich, as shown in Chart 2.27.

**Chart 2.27: Projected employment growth for Community Services Industry, by region, Queensland, 2014-2025**



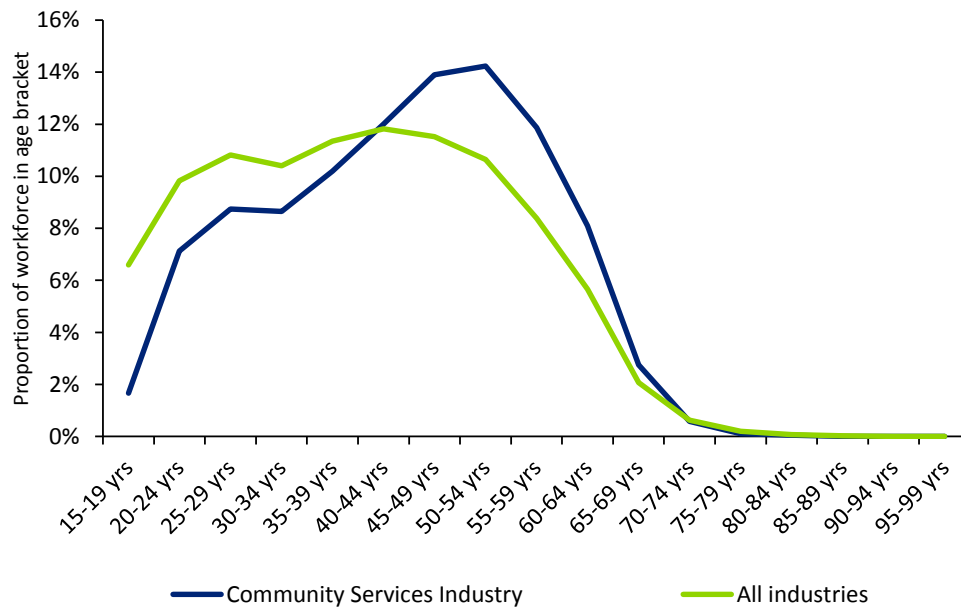
Source: ABS 2011<sup>108</sup>, Deloitte Access Economics

This growth in Queensland represents an **addition of at least 20,000 jobs over the next 10 years, creating a Community Services workforce in Queensland of over 65,000.**<sup>109</sup> This does not account for replacement of the older workforce; **approximately one quarter of the current workforce** (representing approximately 10,000 workers) **will be at retirement age over the next decade**, as shown in Chart 2.28.

<sup>108</sup> Australian Bureau of Statistics, 2011, *Census of Population and Housing*, viewed 8 October 2015

<sup>109</sup> Deloitte Access Economics, Australian Bureau of Statistics, 2011, *Census of Population and Housing*, viewed 8 October 2015

**Chart 2.28: Age distribution of employees in the Community Services Industry, Queensland, 2011**

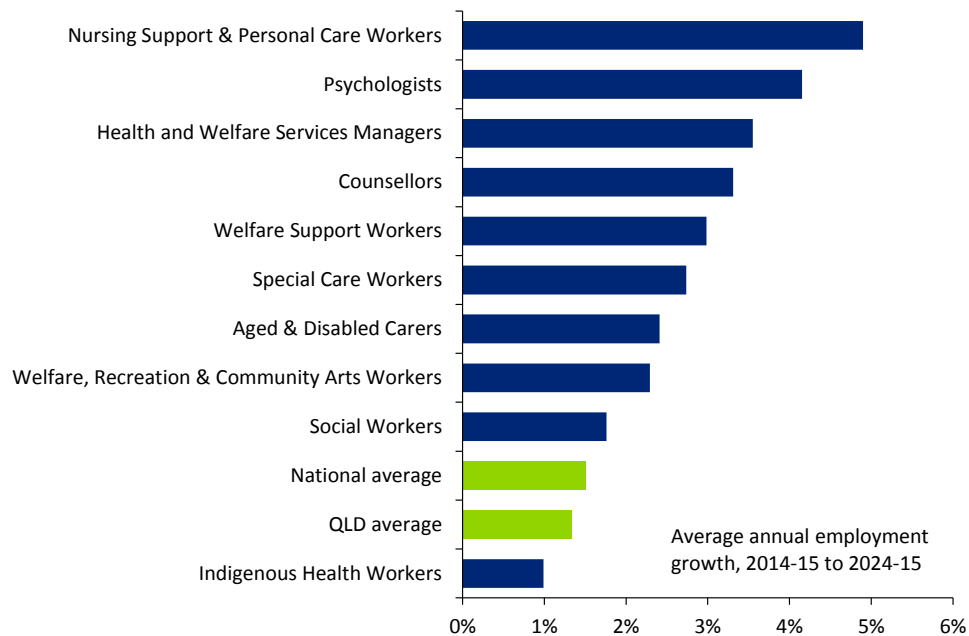


Source: ABS 2011<sup>110</sup>

Key occupations in the Community Services Industry in Queensland were identified by mapping occupation density within the ANZSIC industry definition. Chart 2.29 shows the projected annual employment growth in Queensland over the 10-year forecast period for these key Community Services occupations. Projections for all key occupations except Indigenous Health Workers are ahead of the Queensland and national averages. **As roles and skills within the workforce diversify, it is likely that other occupations within the Industry will experience strong growth.**

<sup>110</sup> Australian Bureau of Statistics, 2011, *Census of Population and Housing*, viewed 8 October 2015, <http://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/2940.0Main+Features12011?OpenDocument>

**Chart 2.29: Projected employment growth for Community Services Industry, by key occupation, Queensland, 2014-2025**



Source: ABS 2011<sup>111</sup>, Deloitte Access Economics

Table 2.2 shows the projected increase in Vocational Education and Training (VET) qualifications of employees in Queensland. Occupations core to the Community Services Industry represent some of the largest increases in volume of VET qualifications over the next 5 years. This increase in volume of qualifications will require availability of adequate industry placements.

<sup>111</sup> Australian Bureau of Statistics, 2011, *Census of Population and Housing*, viewed 8 October 2015, <http://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/2940.0Main+Features12011?OpenDocument>

**Table 2.2: Projected Vocational Education and Training (VET) qualifications of employees in Community Services Industry, Queensland, 2019-2020**

VET related occupation	VET quals held 2014-15	VET quals held 2019-20	CAGR	Change in stock of quals held
Aged and Disabled Carers	24,463	32,618	5.9%	8,155
Sales Assistants (General)	45,126	52,324	3.0%	7,199
Child Carers	32,717	39,810	4.0%	7,094
General Clerks	28,629	33,846	3.4%	5,217
Electricians	38,350	42,980	2.3%	4,629
Retail Managers	31,862	36,354	2.7%	4,492
Nursing Support and Personal Care Workers	13,847	18,086	5.5%	4,239
Education Aides	22,694	26,550	3.2%	3,856
Contract, Program and Project Administrators	16,965	20,410	3.8%	3,445
Construction Managers	23,737	26,932	2.6%	3,195
Police	14,756	17,694	3.7%	2,938
Welfare Support Workers	11,591	14,462	4.5%	2,871

Source: Deloitte Access Economics

Despite being a skilled workforce, there are deficits in skills such as data managers and analysts that will be required in the future.<sup>112</sup> Furthermore, appropriate transition of knowledge from the older generation workers to the younger generation will be critical. As the **Industry transitions towards a true client-centred model**, this will elicit a shift towards a **demand-driven rather than supply-driven market for services**. This is likely to necessitate upskilling in areas such as customer experience, and customer service. In addition, the **pursuit of diversified revenue** will demand **marketing skills to effectively and consistently communicate the value base of organisations**.

It is not clear how the volume and profile of volunteers to the Community Services Industry over the next 10 years will change overall; however, it is likely to present similar challenges to the paid workforce regarding replacement as the workforce ages.

Regarding informal carers, there is a **risk that emerging funding models will change expectations regarding remuneration, which may impact the number of unpaid informal carers**. That is, funding reform through client-controlled models is likely to increase expectations regarding remuneration for informal care, previously an unpaid activity. The age and geographic distribution of informal carers is an important consideration for the Community Services Industry. As informal carers age and are not able to continue providing care, their care recipients will need to seek service provision through the formal sector, increasing future demand for services. **Australian projections indicate that the ratio of informal carers to those requiring care will decrease over the 10 years to 2025**, as the growth in the supply of carers is slower than the growth rate in the demand for carers.<sup>113</sup>

<sup>112</sup> Australian Bureau of Statistics, 2011, *Census of Population and Housing*, viewed 8 October 2015, <http://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/2940.0Main+Features12011?OpenDocument>

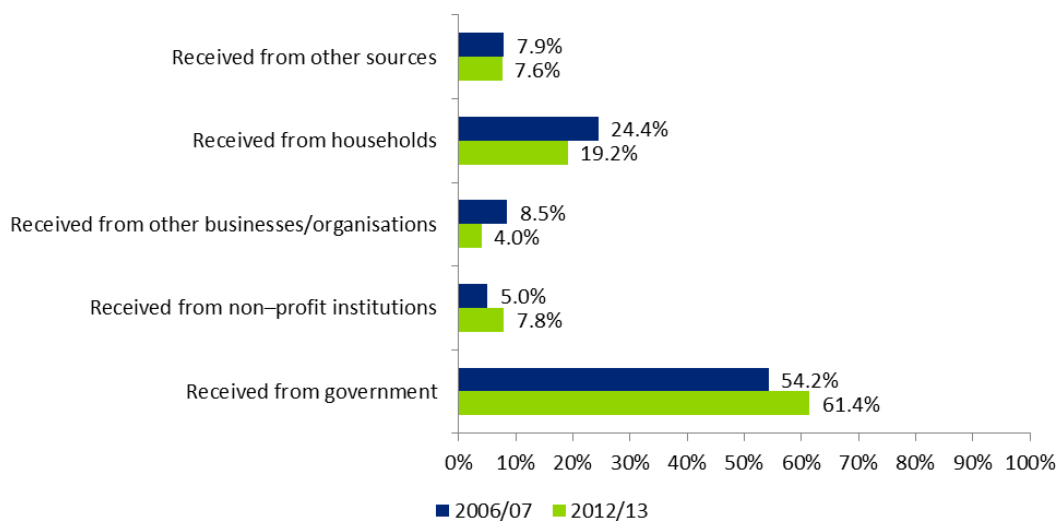
<sup>113</sup> Deloitte Access Economics, 2015, *The value of informal care in Australia in 2015*, Accessed 10 October 2015, <http://www.carersaustralia.com.au/storage/Access%20Economics%20Report.pdf>

## Capital and resources

Given the nature of the Community Services Industry, it is likely that wages will continue to dominate the cost structure of the Industry; **forecasts indicate that approximate \$4.2 billion will be spent on wages in the Industry in Queensland in 2025**, which is almost double the spend in 2015.<sup>114</sup> This growth is driven by a combination of employment growth and expected growth in average weekly earnings. The proportion of capital spend is likely to be influenced by investing in adoption of digital technologies to mobilise the workforce, and streamline back office operations; this may alter the labour–capital spend ratio of the Industry.

In terms of the broader Social Services not-for-profit sector, there has been a trend of increasing Government investment in the recent past, and a relative decrease in contributions from households, show in Chart 2.30.<sup>115</sup> This trend in Government investment is likely to be indicative of investment in commissioning of community services. Given the changing demographic profile of Queensland, this growth is unlikely to continue, despite increasing demand for services.

**Chart 2.30: Proportion of income in Social Services NFP sector, by source, Australia, 2006-2007 versus 2012-2013**



Source: ABS 2015<sup>116</sup>

<sup>114</sup> Deloitte Access Economics, Australian Bureau of Statistics, 2015, *Labour Force Australia 2015*, Cat. No. 6202.0, Australian Bureau of Statistics, 2015, *Wage Price Index*, Cat No. 6345.0

<sup>115</sup> Australian Bureau of Statistics, 2015, *Australian National Accounts: Non-Profit Institutions Satellite Account, 2012-13*, viewed on 7 October 2015

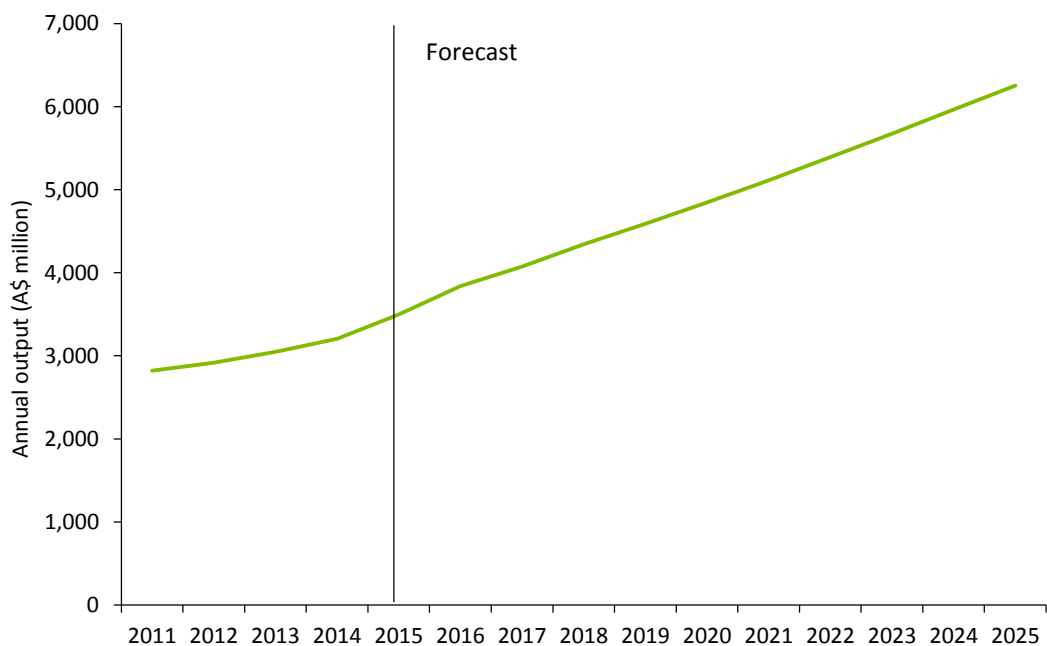
<sup>116</sup> Ibid

As a result, the **Industry will be driven to search for diversified revenue in order to continue providing support to vulnerable Queenslanders**, couple with **increased focus on cost effectiveness**. Therefore, the **revenue breakdown is likely to change over the 10 years to 2025**. This is reflected in recent evidence indicating that maintaining or building income, and diversifying revenue sources are two of the top three priorities for directors of NFPs nationally.<sup>117</sup> **Investment from the private sector is likely to increase with more widespread adoption of social impact investment models.**

## Output

Output of the Community Services Industry in Queensland is **forecast to grow over the 10-year period to 2025 to \$6.3 billion**,<sup>118</sup> as demonstrated in Chart 2.31. This output does not include a quantified contribution of volunteers or informal carers.

**Chart 2.31: Output of the Community Services Industry, Queensland, 2011-2025**



Source: Deloitte Access Economics, ABS 5220.0

<sup>117</sup> Australian Institute of Company Directors, 2015, *NFP Governance and Performance Study*, viewed 25 November 2015

<sup>118</sup> Deloitte Access Economics, ABS 5220.0

## 2.4 Policy environment

Policy is a key lever enabling change that improves outcomes for people and communities, as well as reform of the broader human services system. The scope of policy includes funding approaches and mechanisms, regulation, and consumer protection; it is therefore a critical consideration when looking at the way the Community Services Industry operates and responds to community needs now, and into the future.

### Policy environment: current state

There has been **recent significant reform** in the **policy and regulatory environment** in which the Community Services Industry operates in Queensland. Reform agendas have been **aimed at addressing multiple, complex issues** at both the **service delivery and system-wide level**. These include reforms in child protection, family and domestic violence and disability service provision.

Reform activity has focussed on **service integration, prevention and early intervention, shifting to an outcomes focus, and regulatory reform to reduce compliance burden**. The level of reform activity across community services is creating a significant change agenda for the Industry to address. **Funding arrangements** in place in the Community Services Industry have **traditionally been block funded**, and **reporting has focussed on inputs and outputs**. Over the last five years, however, **there has been a transition towards reporting outcomes and an increasing focus on value for money**, although this work is in many ways in its infancy.

**Commonwealth Government reforms in the Community Services Industry represent some of the largest social reforms in Australia since the introduction of Medicare** in the mid-1970s. Reforms **aim to give clients choice and control**, establishing a **sustainable, demand-driven services set** in a 'market' narrative. Specific reforms include the NDIS due to commence in Queensland in 2016, and aged care reforms. The **objective of changes in the way funding is distributed is to optimise social and economic independence and participation by increasing their choice and control** of the supports they need and receive. Reforms will not only impact people accessing services, but also industry, service providers and the community.

In terms of planning and evaluation of services on a broad scale, **current privacy and data regulation silos inhibit the ability to realise the potential of 'big data' in assessing** the evidence of **effectiveness of programs, providers and the Industry** as a whole.

## Policy environment: future state

Broad **policy trends** that are likely to continue emerging across State and Commonwealth Government include **greater client choice and control**; **integrated service design** and implementation; **improving productivity** as a driver of more effective and efficient services; a **focus on outcomes**; **evidence-based policy**; and **reducing compliance burden**.

Continued **devolution of funding and governance** will further enable development of **place-based approaches** and **integrated service delivery** to improve flexibility to meet community needs. This is in response to ongoing appreciation of the complex and varied needs of Queensland's culturally diverse, and geographically dispersed population. Emerging trends to move towards more integrated approaches are stemming from **increasing recognition of the interplay between social and economic policy agendas**, and will seek to maximise mutual benefits. A **transition to preventative and early intervention** models rather than reactive models is likely to yield better outcomes from investment in the long term.<sup>119</sup>

The **role of Government in the Industry is evolving**, with **focus starting to move away from service provision to system steward**, enabling new commissioning and investing arrangements, with continuing oversight of the quality of services being provided. There is likely to be an **increasing focus on social impact investment in the investor market**; regulatory frameworks are likely to emerge over the short to medium term to support this, however may not necessarily keep up with experimentation and innovation in this space.<sup>120</sup> In addition, the Federal Government is revisiting recommendations from the **Competition Policy Review**, of which the **Health and Human Services sector was recognised as a key area of reform**. At the centre of increased competition is the objective of better choice and quality for clients.

<sup>119</sup> Moore, T.G. and McDonald, M. (2013). *Acting Early, Changing Lives: How prevention and early action saves money and improves wellbeing*. Prepared for The Benevolent Society. Parkville, Victoria: Centre for Community Child Health at The Murdoch Childrens Research Institute and The Royal Children's Hospital.

<sup>120</sup> MaRS Centre for Impact Investing. *State of the nation: impact investing in Canada*. 2014

## 3 Industry implications and success imperatives

### 3.1 Industry implications

The Community Services Industry is undergoing a major structural transition. This transition is, in part, driven by the mismatch between investment in responding to social issues, and the progress that is required to improve them. Therein also lies an opportunity to rewrite the narrative about the Industry to **focus on not only the social contribution, but the Industry's economic contribution**. Through Industry inputs and outputs, as well as Industry outcomes such as increased social and economic participation, the **Community Services Industry has a role to play in economic growth and social prosperity across the State**.

Government investment in community services is unlikely to be able to keep pace with growing demand. This will drive organisations to **seek diversified revenue and funding sources**, and find new ways of delivering services and meeting client needs, manifesting itself in a number of implications for the Industry.

**Investors in service provision**, whether they be the Government, private partners, consumers, or organisations themselves, will be **seeking better value for money and return on investment**. Insufficient collection of, and access to, appropriate and accurate data will limit the **ability for Government and other organisations to strategically plan and evaluate programs**.

Policy and funding model directions towards **client choice, value for money and social impact investments are likely to generate a more competitive environment**. This will create an imperative for providers to become more efficient through innovative solutions, and to demonstrate the impact and outcomes of their service. At the same time, the **imperative to provide integrated services and place-based responses will lead organisations to establish more formal joint ventures and enterprise cooperatives** to better meet client and community needs.

The Industry is characterised by a large number of small providers across the State and the country. This low industry density reflects the heterogeneity of the services provided, and the geographical distribution of the service demand. **Many Community Service organisations are agile and have a deep understanding of needs of local communities** and/or specific population groups. New providers entering the Industry in the move to client-led funding may not have the same insights into communities or responsiveness to changing needs, and may not see some regional and remote service provision as viable. This presents an opportunity for smaller **community-led and place-based providers to gain a competitive advantage** by leveraging established insights and carving out niche markets. These niche markets may be oriented around service category, geography, or both. The **number of organisations may reduce over the forecast period** by way of partnerships, joint ventures, consolidation, mergers and acquisitions. In addition, there may also be some cases of financial failure or withdrawal from the market as a result of lack of demand for

service offerings. There are also **likely to be new entrants to the market, including social entrepreneurs, digital solution providers, social enterprises and new service models** that leverage existing assets or capture consumer demand in new and innovative ways.

With increasing demand for services comes increasing demand for workers to enter the Industry. The Industry will need **strategies in place to compete with other skilled sectors in attracting and retaining the right talent in an increasingly competitive labour market**. This will become particularly evident as other industries evolve and improve to offer flexible working arrangements for women and detract from the Community Services Industry being an employer of choice for women. Furthermore, as service demand increases there may be increased emphasis on qualifications within the Industry, in particular ensuring those transitioning into the Industry are appropriately skilled and qualified. This requires engagement beyond the Community Services Industry, needing **greater alignment between the capacity and focus of educational institutions and the needs of the Industry**. The supply of high quality training and education programs will be critical to developing a strong and appropriately trained workforce. The Community Services Industry may also find itself competing internally across service areas for the skilled workforce it needs. This challenge is amplified by the profile of the current workforce, with the prospect of the **replacement of a high proportion of the workforce as they reach retirement** over the next ten years.

Changing demographics and economic conditions are beginning to influence the makeup of the Community Services Industry workforce. **Increasing service demand is resulting in pressure to attract new workers, retain the knowledge and skills of existing workers, and increase workforce productivity**.

There is an **opportunity to highlight and market the desirable characteristics of the Community Services Industry** to attract workers. Roles in the Community Services Industry are increasingly diverse, including opportunities to travel. In addition, there are increasing opportunities in the non-traditional roles emerging with the uptake of new technologies and an increasing focus on data management and analysis.

High rates of **youth unemployment provide an opportunity to source workers** to fill the gap that will be left by the retirement of the older workforce. Training requirements for some roles within the Community Services are at Certificate III and Certificate IV levels, allowing a portion of future workforce demand to be met without long lead times. The use of traineeships and similar models allow for structured on-the-job training for some entry level positions and there is room to expand the use of these models in the industry.

Aligning with the opportunity to attract a younger workforce, there is the potential to engage younger people at school. **Improved promotion of community services careers to school students** has the potential to encourage more school leavers to enter community services roles and undertake related training and higher education after school. School-based traineeships and other Vocational Education and Training in Schools programs have been widely adopted in many other industries providing a pathway into industry careers. There is significant opportunity for increased use of these models in Community Services through **coordinated and supported partnerships between schools, training providers and community services organisations** at the local level. There are also young people already working within the Industry, presenting an opportunity for the Community Services Industry to leverage the experience of these workers to tap into the motivations of other prospective recruits.

The changing perception of the traditional roles that men and women play in the workforce presents an opportunity to attract more men to work in the Community Services Industry. This will positively contribute to the imminent diversification of skills occurring in the Industry. **Digital technology will drive, or complement many future opportunities** for attraction, retention and increased productivity.

The labour-dependent nature of the Industry presents an opportunity for an increasingly mobile workforce, as service provision is not generally tied to capital. A decentralised workforce enabled by technology will allow the Industry to lower traditional capital expenditure.

**Readiness to adapt and invest in technology** will be important to the Industry to continue to meet the needs of clients and communities, and enable **prioritisation of human resources in areas of service that necessitate human contact**. This increase in the flexibility of work will provide the opportunity to attract young skilled workers into back office and management roles. The current skills profile of the workforce will need to adjust to meet future needs of the Industry to **address skills shortages in growing areas** of need such as data management and analysis, outcome measurement, ability to adopt digital solutions, and finance and business acumen.

Current cost breakdown of the Industry indicates **small profit margins, which limits the capacity to invest in systems and infrastructure to improve service provision**. This highlights the need to **seek alternative sources of capital**.

Regional development will play an increasingly important role in Queensland's future. There is significant unrealised **potential for the Community Services Industry to be represented in regional and business development initiatives**. From a recent reliance of the Queensland economy on resources and construction is an **emerging imperative to diversify the economy to improve sustainability and robustness**. In some regional areas of Queensland there will be a transition from more traditional industries, with an opportunity for the Community Services Industry to be a viable employment option within these regional areas. In addition, a continued **focus on Aboriginal and Torres Strait Islander well-being outcomes will require ongoing community-led solutions** to improve social capital, and the health and safety of Aboriginal and Torres Strait Islander communities. The risk of entrenched disadvantage in particular geographies and population groups will need to be addressed with appropriate integrated responses.

## 3.2 Success imperatives

In considering the implications of the future direction of the Industry, and the context in which it will operate, desired future states in seven key domains have been identified alongside key success imperatives to enable the Industry to realise these future states. These domains are based on research and evidence regarding national and international trends in the Community Services Industry, as well as other industries transforming the way they meet the needs of clients:

- **Outcomes focus** – approaching service planning and provision of services based on the desired end state for the client or community;
- **Research and innovation** – the process of systematically investigating and studying new materials and methods (research), and the process of applying these materials and methods to improve products and processes (innovation);
- **Digital disruption** – the impact of digital innovation, including advances in computing, networks and devices, and the capabilities they hold;
- **Funding and financing** – the mechanisms by which services are commissioned and paid for, by private investors, Government, and clients;
- **Productivity** – focus on the efficient delivery of goods and services to achieve the desired outcome;
- **Collaboration and cooperation** – partnerships and collaborative models within the Industry, with other businesses, institutions, investors, clients and communities; and
- **Policy and regulation** – principles, plans and courses of action developed by Government to enable or discourage certain behaviours of individuals, communities and industries.

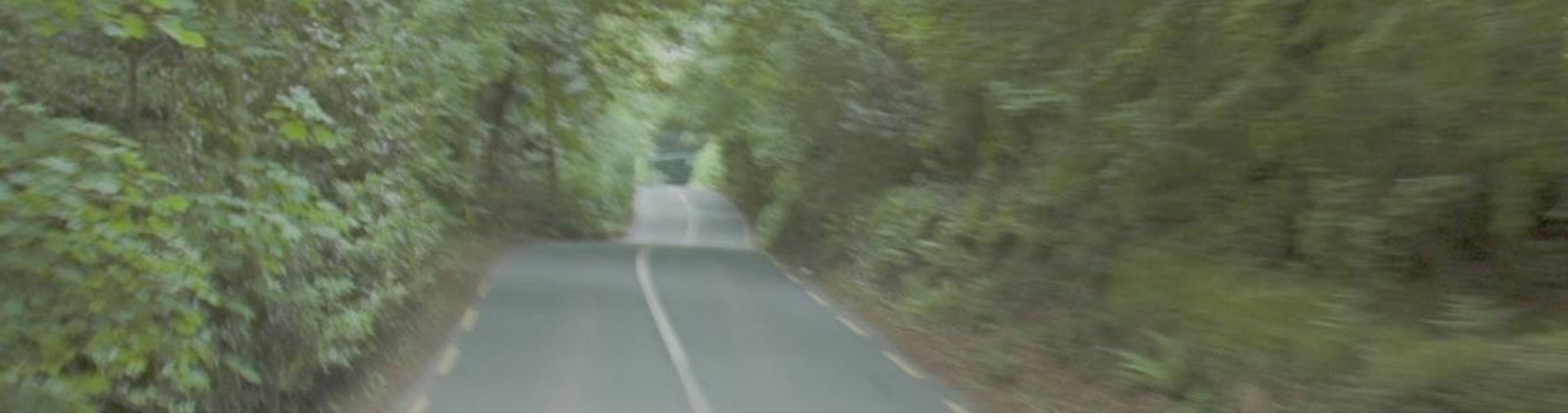
The following sections outline more detail on these success imperatives in the context of Queensland's Community Services Industry.



# Outcomes focus

*Approaching service planning and provision of services based on the desired end state for the client or community*





## Outcomes focus

### Consider a future...

*Where focus has shifted from counting outputs, to the outcomes delivered to people and communities. Inputs and outputs remain an important part of how required resources and interventions are defined, but they are now driven by the end goal, the outcomes sought. This change in mindset, and the way that services are designed, delivered and evaluated, has ultimately shifted the dial by improving and sustaining social and economic outcomes for Queenslanders.*

*The Industry cares deeply about performance and contract arrangements with investment partners, which has increased accountability and reporting. This has resulted in positive change in the lives of people the Industry works with.*

*Outcome-based funding models have moved beyond fringe status due to advances in measurement, data analytics, and significant public investment alongside inflows of private and philanthropic funding. Social Impact Investment and Payment by Outcome models are no longer considered 'alternative', but are part of a diverse mix of standard approaches to investing in community services.*

*The focus on outcomes in contracting and service planning has allowed services to be more flexible and responsive, and to develop highly customised and innovative approaches to achieve the desired outcomes. It has also allowed investors to move away from a focus on defining services and monitoring the activities of service organisations to a focus on measuring and monitoring community need, and evaluating the effectiveness of strategies and interventions at a system level. Services and government share accountability for community outcomes and all stakeholders are encouraged to develop innovative solutions to persistent areas of need.*

*Analysis of data has been key to the successful movement towards a focus on outcomes. Geospatial analysis is employed to examine complex data through the lens of place. This has provided the Industry with an intuitive way to make sense of individual and community situations.*

*Predictive analytics also play a key role in service design and delivery, providing new opportunities for early intervention and prevention programs. By predicting potential outcomes and trends based on current data, the Industry is able to make decisions about how to design services and allocate resources to effectively address community need. Predictive analytics is used in some parts of the service system to automate entire decision making processes, allowing for the realisation of further efficiency and productivity gains.*

An outcomes focus will require a **systematic mindset change**, by the Industry and its investors, including a shared understanding of its purpose.<sup>121</sup> Commissioning of services will demand a clear understanding of the desired outcomes, with tools used able to **align purchase of services with desired outcomes**.<sup>122</sup> Practically and technically, the Industry needs the skills to build an evidence base, and the capability to design outcomes, measure performance and learn in a way that facilitates continuous improvement.<sup>123</sup> This also demands clarification of roles and accountability at the system level, investor level and provider level.<sup>124</sup>

A key component is **data collection and analysis that efficiently provides an understanding of community-level outcomes, as well as effective data systems at other levels that provide markers of success and progress**.<sup>125</sup> Pursuing adoption of digital solutions to improve efficiency of data collection will be vital to ensure the accuracy of data sets, whilst preserving core service provision.

The transition to outcome-focussed services contracts will need to be supported, also recognising that not all services will lend themselves to these types of contracts. Despite this, a broader recognition and awareness of the impact of services on clients and communities, regardless of investing arrangements, should be central to the goals of Industry.

An outcomes focus should **allow investors and organisations to identify opportunities for investment and divestment**. Identifying successful services and programs to optimally scale should attract investment, and deliver better outcomes for communities. Large scale measurement and analysis of outcomes can be leveraged to plan distribution of services, and inform service models using predictive analytics.

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*“To make social change we need to be focused on two things: population-level outcomes and the causal factors that drive them”*

Matthew Cox – Director, Logan Together

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<sup>121</sup> Trocme, N. *The importance of process in developing outcome measures*. Keynote address: National Outcomes Symposium, Ottawa 2003. Available from: <http://www.mcgill.ca/files/crcf/Roundtable-ImportanceofProcessinDevelopingOutcomeMeasures.pdf>

<sup>122</sup> Australian Research Alliance for Children & Youth, *Measuring the outcomes of community organisations*. 2009. ISBN: 978-1-921352-57-7

<sup>123</sup> Ibid

<sup>124</sup> Houlbrook M, *Critical perspectives on results-based accountability: practice tensions in small community-based organisations*. Third Sector Review. 2011;17(2):45-68

<sup>125</sup> Carrilio, T. *Accountability, evidence, and the use of information systems in social service programs*. Journal of Social Work. 2008;8(2):135-48



# Research and innovation

*The process of systematically investigating and studying new materials and methods (research), and the process of applying these materials and methods to improve products and processes (innovation)*





## Research and innovation

### Consider a future...

*The Community Services Industry is an incubator of new ideas and thinking. Investment and partnership has enabled significant research advances, increasing the development of service models and products that are responsive to people and communities. The research provides an evidence base for innovation and is informed by contemporary trends nationally and internationally. The Community Services Industry is increasingly future focussed, and continually seeks to understand the effectiveness of interventions. Physical and virtual spaces are designed for innovation and collaboration. The resultant impact is that the Industry attracts a pool of people with diverse skills, knowledge and experience from within and outside the Industry. The application of this research through innovation has helped deliver better outcomes for clients and communities.*

*The Queensland Community Services Industry has earned a reputation as a leader both nationally and internationally, built on discipline and commitment to research and innovation. The expertise in the Industry is widely sought after. Aspects of research, and new services, products and responses arising have been commercialised and position the Industry as a key contributor to the Queensland economy. As a result, the Industry attracts diversified income streams.*

*Research and innovation is no longer the domain of a few organisations with the capacity to invest. Research and Innovation is part of the way that business is done. The Industry benefits from a range of incentive based investments in innovation consistent with other industries where economic value is recognised. This has placed the Industry in a position where it can engage across other parts of the economy, examining opportunities to synthesise ideas and break down traditional silos.*

*A key feature of research and innovation is the engagement of people and the community in the design process and the collection of evidence that supports change. It is no longer an exception to see people who are affected by significant social issues at the centre of research and innovation. This engagement has helped to design products and services, and provide real-time feedback to organisation; the result is responsive and tailored solutions in-line with clients' needs. The Industry has diversified, bringing with it skills to ensure engagement is undertaken with respect and regard.*

Leadership and access to new skills and disciplines will shape the Industry's ability to pursue research and innovation, and take advantage of the transformation that it brings. A number of success imperatives have been identified to realise opportunities the future holds, and relate to culture, partnership and investment.

Embedding evidence-based practice is a vital component of building an effective and sustainable industry. Evidence-based practice must be underpinned by investment in research, sharing of learnings, and a culture of continued evaluation and assessment.

Transitioning to an **Industry culture that encourages and rewards research and innovation** is critical to create a **safe and inspiring environment** for norms to be challenged, and new frontiers of service delivery and client outcomes to be realised. Such a culture has a **greater appetite for risk, and readiness to tolerate failure**.<sup>126</sup> This culture shift should promote organisations and funders to work together in different ways to explore new services, responses and products. This may be achieved by leveraging newer platforms such as peer-to-peer and crowd sourcing solutions, and optimal uptake of technology.

Given the insights of service providers to the needs of clients and communities, partnering with investors, technology firms, entrepreneurs and research institutes in the design of client and business solutions can ensure client and organisational needs are met. This also has **potential to establish alternative sources of revenue**.<sup>127</sup> Linkages with research and education institutes are likely to enable this transition, with exploration of **cooperative research and innovation models to encourage and enable organisations to engage in research and innovation processes**. Examples of where collaborative research institutes have been established include The Australian Centre for Social Innovation (TACSI) based in Adelaide, and The Auckland Co-design Lab.

To capitalise on an innovation culture, changes are required in investment patterns and funding models. Funding and contracting arrangements that are not risk averse and are

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*“The mindset needs to change... we need to understand the problem sets and define them well – when we have that, then it’s an attractive proposition for people to come and innovate around”*

Monica Bradley – Director, Purposeful Capital

focussed on outcomes will enable creativity, innovation and problem solving to thrive. Upfront investment is usually required, and the **profit margins of many organisations in the Industry currently limit capacity for this investment**. Research and innovative financial supports from the private and Government sector should focus on those who need it most.<sup>128</sup> Quarantining innovation investments assists in protecting and broadening existing research and innovation that has historically been at risk due to resource constraints. Sharing information about availability of, and preparedness for, investment via innovation grants will position the Industry to be competitive in taking advantage of these opportunities.

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<sup>126</sup> Boyd D, Goldenberg J. *Innovation competency model*. April 2011. Available from: [http://www.innovationinpractice.com/innovation\\_in\\_practice/2011/04/innovation-competency-model.html](http://www.innovationinpractice.com/innovation_in_practice/2011/04/innovation-competency-model.html)

<sup>127</sup> Spoehr J, Worrall L, Sandercock P, Eyre J, Molloy S. *Assisting transition: Assistive technologies opportunities and industrial transformation in South Australia*. April 2014. Australian Workplace Innovation and Social Research Centre

<sup>128</sup> Inslee J. *How government should promote innovation*. March 2011. Forbes Business. Available from: <http://www.forbes.com/2011/06/03/how-government-should-promote-innovation.html>

A culture of innovation should go hand-in-hand with an evaluation culture, resulting in timely identification of both investment and divestment opportunities. A key component of propagating research and innovation is **translation of research into practice, which can be supported by systems that encourage clinicians and organisations to change behaviours in line with better practice.**<sup>129</sup> A network to share learnings will also assist in improving efficiency of research and innovation, which is particularly important when resources are limited. Government, Industry and other investors will increasingly rely on an evolving and growing evidence base to assess value for money, and how to achieve the best outcomes for clients and communities.

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<sup>129</sup> Woolf, S. *The meaning of translational research and why it matters*. The Journal of the American Medical Association, 2008;299:211-3

# Digital disruption

*The impact of digital innovation, including advances in computing, networks and devices, and the capabilities they hold*





## Digital disruption

### Consider a future...

*Where digital technologies are enabling people and communities to seek out and connect seamlessly with each other and the support, information and services they need. Digital technologies are allowing those who choose to have their data shared across platforms access to customised timely information and services that respond to their particular wants and needs.*

*Where technology is a key enabler of efficient and effective business practice and drives new models of service delivery. Where technology is facilitating the convergence of data that assists the Industry to gain a deep understanding of the issues they are trying to address. Informing the Industry's ability to set goals and continue to improve the way it responds to people and communities.*

*Sensor-equipped "smart homes" mean that older people and people with disabilities, who are living in their homes, are able to do so safely and independently with less demand for disability and aged care assistance services.*

*Technology has also improved the reach of service provision for rural and remote populations. Telehealth has been embraced in community services, as it has been in health services, to improve access to care for geographically isolated clients, and those with mobility impairments. It has also enabled metropolitan, regional and remote organisations across program areas to interact regularly on a day-to-day basis.*

*Community service organisations use technology to increase effectiveness and efficiency, delivering significant productivity dividends. In some areas and organisations, savings in service delivery are being reinvested to expand services and reform the system. The workforce connects within and across organisations to develop and implement care plans, share information and data, and remain updated on client progress. This is enabled by mobile technology, cloud servers, open data platforms, customised secure social media networks, and policies and protocols.*

*Simulation and artificial intelligence-based training programs play key roles in preparing future workers for community services. This enables a faster transition for new workers to independent field work, and increased mobility of workers between services.*

*Personal devices and applications can also assist individuals to set goals and monitor their own progress. This has allowed for the creation of virtual communities where peer support is provided.*

The Community Services Industry requires a planned approach to get up to speed with other industries in adoption of digital technologies, and a future plan for the Industry to continue keeping pace. Uptake has the **potential to transform business operations, service**

**delivery and client experience.** Success imperatives have been identified that focus on investment, digital diffusion, workforce skilling and productivity.

The current cost breakdown of the Industry indicates small profit margins to reinvest in service improvement systems and infrastructure.<sup>130</sup> Hence, **investment in new technologies is currently constrained**, placing the Industry at a disadvantage relative to other industries. The democratisation of technology is critical to effective and efficient practice and therefore productivity. Investment in technology has the **potential to facilitate flexible working arrangements**, which will be important for the Industry to **attract sufficient workers**, as well as **improving productivity**, to better meet growing demand for services.<sup>131</sup>

The adoption of **assistive technologies** for client care will enable precious **human resources to be deployed with priority**, enabling the Industry to meet increasing demand and expectations of clients and investors. Coordinated investment in technology to allow sharing and analysis of big data over secure platforms, can assist the Industry in planning the density and diversity of services with more precision if applied appropriately.<sup>132,133</sup>

Careful consideration of the profile of workforce and clients, such as their age, digital familiarity, and access to reliable telecommunication networks, will help inform implementation approaches. In terms of technology for the purposes of business operation and service delivery, there will be variation in capacity and capability across the Industry to implement digital solutions. **Support will be needed to make the transition to technology use across the Industry**, this may be particularly important for small organisations with potentially less capacity to invest in the required capital and human resources. Identifying and addressing any barriers or challenges that may impede technology adoption for particular workforce segments is important for engagement and uptake. With the development and increased uptake of assistive technologies, and other wearable technology, it will be important to ensure the workforce is engaged and consulted regarding their changing role in service delivery.

To make the most of technology, governments and the Industry will need to consider how to **build a skills base in information and communication technology and data analytics**. Attracting and retaining these skills will enable implementation of digital solutions, implementation and management of predictive data analytics systems, and efficient collection and analysis of outcome data. In addition, **early action to address regulatory or legal implications associated with increased adoption of digital technologies** (e.g. privacy implications associated with cloud technology and wearable devices) will be important.<sup>134</sup> Importantly, the application of the knowledge acquired with these technologies will change business models.

<sup>130</sup> IBISWorld, 2015, *Industry Report Crisis and Care Accommodation*, No.Q8609; IBISWorld, 2015, *Personal Welfare Services*, No.Q8790, Accessed 6 October 2015

<sup>131</sup> Deloitte University: Deloitte, 2013, *Gov on the Go: Boosting Public Sector Productivity by Going Mobile*. Accessed 3 October, [http://d27n205l7rookf.cloudfront.net/wp-content/uploads/2013/02/DUP223\\_Gov-on-the-Go\\_vFINAL\\_2.18.pdf](http://d27n205l7rookf.cloudfront.net/wp-content/uploads/2013/02/DUP223_Gov-on-the-Go_vFINAL_2.18.pdf)

<sup>132</sup> Wilson ML, Tumen S, Ota R, Simmers AG. *Predictive modelling: potential application in prevention services*. American Journal of Preventive Medicine, 2015;48(5):509-19

<sup>133</sup> Cram F, Gulliver P, Ota R, Wilson M. *Understanding overrepresentation of Indigenous children in child welfare data: an application of the Drake Risk and Bias models*. Child Maltreatment, 2015;20(3):170-82

<sup>134</sup> Doughty K, Centre for Usable Home Technology. *Imagining the future: enabling technology*. December 2013.

Leveraging digital technology to improve social and community cohesion is continuing to emerge, with the **development of social networks specifically designed for those people excluded in the community, who are likely to be referred to social services for support.**<sup>135</sup>

Determining client acceptance of digital solutions through a consultative approach should precede implementation. An engaged and accepting client is likely to improve the uptake and safety of digital technologies.<sup>136</sup> This can also extend to involvement in designing, developing and testing new technologies, as discussed in Research and innovation.

Support for clients will be required as they transition to the use of new technologies, particularly for client cohorts not as familiar with the use of digital devices. Resource investment required for this transition should be considered in planning and assessing the cost of implementing new technologies.

A planned approach across the Industry to implementing information and communications technology systems will improve efficiency and reliability of data sharing, and continuity and integration of care. This will assist in mitigating significant challenges that have been seen in the health care system with interfacing of data silos.

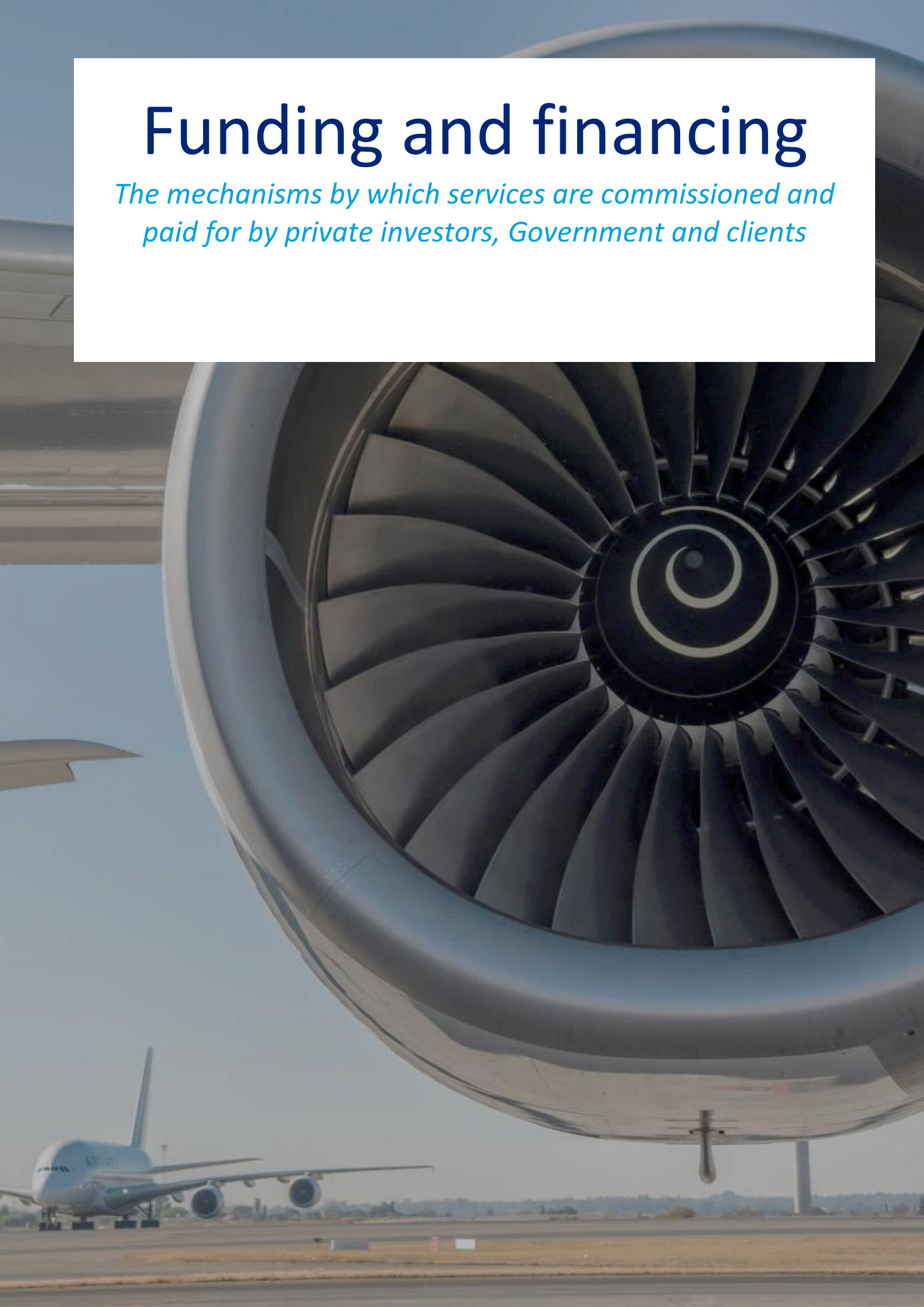
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<sup>135</sup> Institute for Research and Innovation in Social Services, 2014, *2025 Imagining the Future*, Accessed 22 October 2015, <http://content.iriss.org.uk/2025/img/imagining-the-future-dataworkbook-2014.pdf>

<sup>136</sup> Peek S, Wouters E, van Hoof J, Luijkx K, Boeije H, Vrijhoef H. *Factors influencing acceptance of technology for ageing in place: a systematic review*. International Journal of Medical Informatics. 2014;83:235-48.

# Funding and financing

*The mechanisms by which services are commissioned and paid for by private investors, Government and clients*





## Funding and financing

### Consider a future...

*Where public investment in social services continues to be critical to responding to issues of social and economic disadvantage, however, it is now complemented by a diverse range of income sources. Utilisation of social impact investment, philanthropy, corporate partnerships, and self-generated revenue are mainstay features of the investment base of the Community Services Industry. This translates to organisations having more adaptability to design, test and pursue solutions which are tailored to the needs of people and communities. Independence from the political cycle has increased and long-term plans can be implemented with more certainty.*

*The diversification of funding has allowed Government to invest in other areas, and assist with capability and capacity building. Where a commercial market for a service exists, organisations offer expertise and provide services on a user-pays basis in appropriate circumstances. Relevant expertise will also be commercialised and 'exported' creating additional income streams.*

*The improvement in the collection and accuracy of outcomes based data associated with these financing tools has provided all stakeholders with a better understanding of 'what actually works'. This developing evidence base has provided the foundation for improving, over time, both the cost effectiveness and sustainability of solutions as well as fostering a future orientated focus amongst investors and organisations. This longer-term view has been critical in fostering a shared commitment to ensuring constrained resources are tied to an evidence base. This has allowed priority clients and service needs to be targeted, better addressing many complex social issues.*

*Joint financing with other parties has led to stronger and more productive networks between service organisations, Government, the private sector and clients. Such partnerships have provided increased opportunity for skills and knowledge transfer across sectors; this has strengthened the relationship between parties who are invested both financially and in the social impact achieved. Furthermore, through involving clients in budget allocation decisions, including streamlined participatory funding models, the Industry has become more responsive and effective at meeting the diverse needs of their population.*

Increasing demand for community services in the context of the relatively static capacity of the Government to invest in services means that rethinking funding and financing is critical. Key success imperatives are related to value for money, diversity of revenue, and capability.

Over the next 10 years, to 2025, **expectations of Government and other investors and purchasers will be higher**, seeking better return on investment, which will necessitate a **stronger evidence base, continued innovation and cost efficiencies**. On a larger scale, commissioning of services will need to be evidence-based to optimise allocative efficiency, achieving the best outcomes and value for money across the State.

The Industry will be faced with increasing demand for services over the next 10 years, driven by population growth. A history of significant Government investment in the Community Services Industry is unlikely to be able to grow at the same pace as demand growth, with an increasing age dependency ratio in Queensland.<sup>137,138</sup> This scenario will necessitate the **need to better understand the value investment brings to individual clients and communities, as well as the broader impacts of improved productivity from social and economic participation facilitated by the Industry**. There may be a need for government agencies to invest in digital solutions, evaluation, investment readiness, and innovation capacity to ensure the Industry is able to provide best value for the community.

A complementary factor to understanding the value of investment will be **diversification of revenue and funding sources to maintain service provision**. This diversification may occur in a number of ways; for example, accessing capital through partnering with the private sector under social impact investment models and philanthropic contributions<sup>139</sup>; and earning revenue by commercialising products or service models, and identifying products and services that may be appropriate to provide on a user-pays basis to certain customers. This should also be supplemented by identifying and divesting from services that are not effective.

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*“There is an opportunity to embrace new investment models, client control and value for money.”*

Tim Reddel – Group Manager, Federal Department of Social Service

Diversification requires **capacity and capability to identify and attract new sources of revenue and finance**, as well as readiness to enter into new partnerships and agreements.<sup>140</sup> Examples include investment approaches which foster the sharing of capital such as social impact investment and social benefit bonds. It is also important to understand the role and purpose of other approaches such as crowd funding and participatory funding models. All of these arrangements come with a range of different

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<sup>137</sup> Australian Bureau of Statistics, 2015, *Australian National Accounts: Non-Profit Institutions Satellite Account, 2012-13*, viewed on 7 October 2015

<sup>138</sup> Deloitte Access Economics, Australian Bureau of Statistics, 2011, *Census of Population and Housing*, viewed 8 October 2015

<sup>139</sup> MaRS Centre for Impact Investing. *State of the nation: impact investing in Canada*. 2014

<sup>140</sup> Ibid

requirements and level of risk which should be understood in order to be addressed and mitigated.

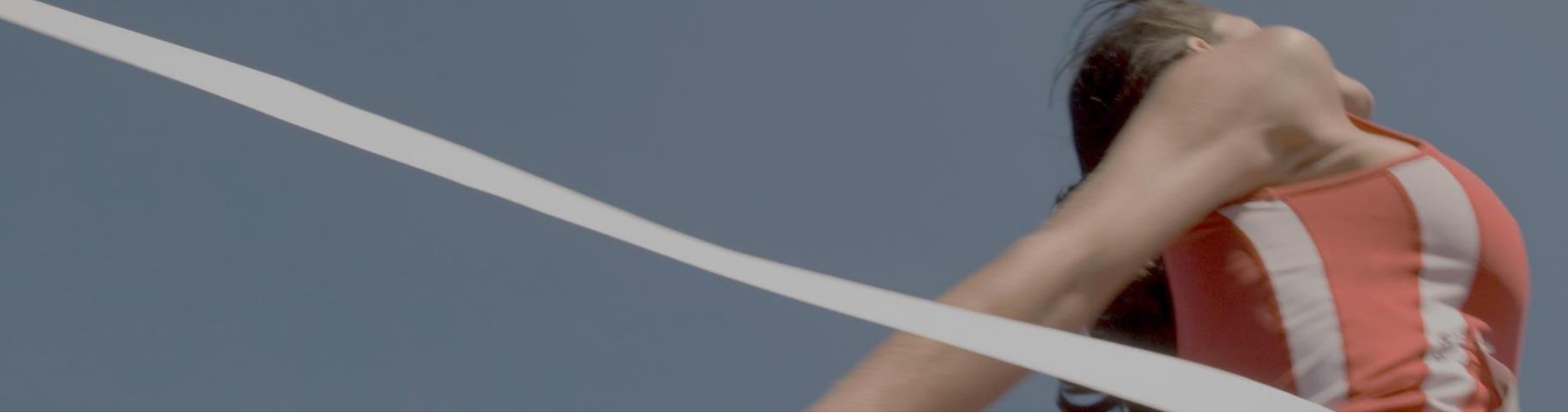
Investment readiness is an important aspect of transitioning to diversified revenue. **The demonstration of outcomes will be imperative for attracting investment in the future.** In addition, investment readiness will demand the ability of organisations to measure community need; capacity, labour and capital; and balance sheet strength.

Careful consideration should be given to challenges and appropriateness of newer funding models where market failure may occur, for example in certain geographical areas or client cohorts.

# Productivity

*Focus on the efficient delivery of goods and services to achieve the desired outcome*





## Productivity

### Consider a future...

*Where the Community Services Industry benefits from increases in the productivity of the workforce, with innovative technologies such as assistive technologies, peer-to-peer programs and cloud software now standard components of business models. Despite the adoption of transformative digital technologies, the human connection is still a vital component of service delivery.*

*A systemic appreciation of the value of optimising the productivity of the Industry has led to continued evaluation and review of processes and systems within and across organisations, to improve efficiency and reduce duplication. This has been achieved by leveraging updated productivity-enhancing digital technologies and systems, in addition to strategic partnerships to improve efficiency of service delivery.*

*Well-defined performance monitoring frameworks, as well as workforce plans that adequately incorporate the impact of both advancing technologies and new skill sets, are commonplace across the Industry. The approach to solving workforce challenges goes beyond simply increasing the volume of staff but investigating and critically analysing opportunities to increase the adaptability and productivity of current workforce resources. Formalised cross-sector relationships with education and employment services facilitate the creation of this productive and adaptive workforce.*

*Organisations that have been savvy and innovative in improving productivity and efficiency in the delivery of agreed outcomes are rewarded with the ability to reinvest dividends in further service delivery and system reforms.*

*Finally, and most importantly, the Community Services Industry is well known and recognised for its role in increasing the broader productivity of Queensland. The Industry's impact on the ability of individuals to participate both socially and economically is well reported. The Industry has a respected and valuable role on key economic development forums in Queensland and nationally, leading to effective development across the State which appropriately balances and integrates the social and economic needs of Queenslanders.*

The Community Services Industry is a labour-intensive Industry therefore **improving productivity of the workforce has the potential to improve efficiency and value for money of existing investment.**<sup>141</sup> In turn, this may also assist in meeting the increasing demand for services.

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<sup>141</sup> Social Policy Research Centre, 2009, *Labour dynamics and the non-government community services workforce in NSW*, Accessed 11 November 2015, [https://www.sprc.unsw.edu.au/media/SPRCFile/2009\\_Report10\\_09\\_LabourDyanamics\\_and\\_NGOs.pdf](https://www.sprc.unsw.edu.au/media/SPRCFile/2009_Report10_09_LabourDyanamics_and_NGOs.pdf)

Measuring productivity will go hand-in-hand with building capacity to measure impacts and outcomes of service provision. **Support will be required to develop and implement effective and evidence-based performance measurement and monitoring frameworks.** This will be an important component of an organisational culture shift towards promoting a productivity-enhancing mindset.<sup>142</sup>

Changing the culture of organisations to become focussed on productivity is likely to **increase identification of inefficient systems and processes.** System improvements that are likely to realise productivity gains include **reducing duplication of effort, supporting organisations to fully leverage advancing technologies, and reducing compliance burden.** Reducing compliance burden can impact productivity by ensuring that the resources required to collect and report against contracts is aligned with value the community gains from the information.

Given that the profile of the workforce is likely to change over the next 10 years, as well as the way services are planned, delivered and evaluated, a collaborative Industry-wide approach to workforce planning and human resource management will be necessary. This poses both a challenge and an opportunity to **reconsider models of service delivery and apply lean thinking to undertake business process improvement to maximise efficiencies.** This type of change could be transformative and facilitated through new relationships and partnerships. In addition, planning to support the upskilling and retention of the workers will be an important factor for both the paid and volunteer workforce.

In addition to considering productivity gains within the Community Services Industry itself, **the impact and outcomes of the Industry have the potential to significantly contribute to the broader productivity of the State;** this can be achieved by increasing social and economic participation of individuals and communities.<sup>143</sup>

Understanding, measuring and articulating outcomes that the Community Services Industry achieves in the broader economy, such as increased social and economic participation, will be critical for the Industry to be effectively engaged in economic development forums; this will establish and promote the impact of the Industry on the broader productivity of the State.

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<sup>142</sup> Australian Research Alliance for Children & Youth, *Measuring the outcomes of community organisations*, Accessed 4 December, 2015, [https://www.aracy.org.au/publications-resources/command/download\\_file/id/111/filename/Measuring\\_the\\_outcomes\\_of\\_community\\_organisations.pdf](https://www.aracy.org.au/publications-resources/command/download_file/id/111/filename/Measuring_the_outcomes_of_community_organisations.pdf)

<sup>143</sup> Australian Government, 2015, *2015 Intergenerational Report*, Accessed 4 December 2015, <http://www.treasury.gov.au/PublicationsAndMedia/Publications/2015/2015-Intergenerational-Report/HTML/Executive-Summary>



# Collaboration and cooperation

*Partnerships and collaborative models within the Industry, with other businesses, institutions, investors, clients and communities*





## Collaboration and cooperation

### Consider a future...

*Where private sector, Government, universities, community members and community services organisations participate in mutually beneficial partnerships to deliver robust and sustainable services across Queensland. Ongoing knowledge and skills transfer from the private sector has developed the business acumen of community services organisations. Likewise, private businesses have a greater understanding of and commitment to their local community. Community members are active participants in regional and local planning initiatives. This cohesion has contributed to creating a united approach and mutual accountability for addressing social challenges.*

*From a structural perspective, enhanced connectivity has brought greater consolidation amongst the Industry borne from joint ventures and cooperatives as well as dynamic sub-contracting arrangement to local and niche providers. Where mergers have occurred they have generally added value to the community by achieving economies of scale while maintaining the values and community connections of the respective organisations that merge. Furthermore, shared employment opportunities enabled through these partnerships provide diverse and challenging career paths for people involved in the Community Services Industry. Past challenges of burn out and turnover of staff have become less common.*

*Established cross-sector relationships with education and training institutions and employment services have delivered a consistent flow of appropriately qualified and skilled workers into the Industry. This has supported upskilling and career progression for the workforce. A well-coordinated and organised workforce, facilitated by connectivity-enhancing technology, has attracted a diverse range of jobseekers and career changers to the Industry. The advanced and broad skill set of these workers has contributed to diverse and innovative approaches.*

*A planned approach to client co-design exists with processes, policies and standards that facilitate meaningful client participation in the design and evaluation of services. This has fostered a strong relationship between planners, service organisations and clients. This collaboration and co-design is exemplified by the positive outcomes flowing from culturally appropriate services provided to Queensland's increasingly multi-cultural society.*

A collaborative and cooperative approach will be required to efficiently and effectively address many of the future implications for the Community Services Industry. This includes collaboration within and between the Industry, Government, businesses, researchers and communities. Success imperatives are largely related to capacity of the Industry and other stakeholders to successfully pursue and implement these collaborations.

As outlined in Industry implications, market forces and funding models are likely to favour more efficient and effective organisations and programs. The complex needs of clients, however, will continue to demand a diverse range of services. Establishing collaborative and **cooperative models, such as joint ventures and formal partnerships, can enable niche organisations to find efficiencies through economies of scale and/or subcontracting arrangements, whilst maintaining integrity of their core service provision.** In addition, there is also the opportunity for these collaborations to provide a more targeted, personalised, integrated and seamless client experience.

It is important to appreciate that formal partnerships and other collaborative business models can be complex and costly, and may not always succeed.<sup>144</sup> The success of such models hinges on **shared understanding of objectives, mission and values of constituent organisations, and the partnership itself**; this includes due diligence regarding financial viability. The complexity of these models means that organisations may require support to properly identify, negotiate, plan and implement effective partnerships. Improved collaboration may be facilitated by platforms allowing organisations to seek out potential partners filtered by desirable attributes such as size, service category, mission or geography.

The collaboration and cooperation between Government and the Industry is a key component of realising the future potential for the Industry, and achieving desired outcomes for individuals and communities across the State. As the role of the Government changes, this will be achieved by continuing the transition away from a 'Government versus Industry' mentality, fostering a relationship based on mutual respect and pursuit of achieving client outcomes.

Sectors such as **education, employment services, research, technology development and private enterprise** are likely to emerge as **key collaborators to address complex social issues through their capacity to research and innovate, and to fund services** through new investment models. A collaborative approach is also likely to assist changes in workplaces and communities that will be required to support more inclusive employment and community environments for workers with disability, and from different cultural backgrounds. Conditions of successful collaborative multi-sector approaches such as collective impact, have been cited as: a common agenda; shared measurement systems; mutually reinforcing activities; continuous communication; and backbone support organisations.<sup>145</sup> Backbone support organisations refer to a dedicated organisation or group

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*"We're saying if you can share back offices, let's get together, share resources ... if your purpose can be fulfilled through merging, with greater impact, we should talk about it."*

Tim Costello – Chair, Community Council for Australia

<sup>144</sup> Australian Institute of Company Directors, 2015, *NFP Governance and Performance Study*, viewed 25 November 2015

<sup>145</sup> Kania J, Kramer M. *Collective impact*. Stanford Social Innovation Review, Winter 2011: 36-41.

to coordinate, plan, manage and support the initiative; lack thereof is suggested as a common reason such collaborations are unsuccessful.<sup>146</sup>

Increased demand for an appropriately skilled workforce, along with a need to attract new skills to the Industry, amplifies **the focus on relevant education programs, requiring greater collaboration between the Industry and educational institutions to plan for the future workforce**. Collaboration with the education sector will also be an important enabler for fostering research and innovation, leveraging the scale of large institutions to develop programs to incentivise and attract innovation.

The community-focused nature of the Industry provides the **opportunity to take advantage of the emerging profit-with-purpose movement amongst private business and corporations**.<sup>147</sup> These relationships may be with larger corporations, or smaller businesses partnering with local community-led organisations to strengthen sustainability, community engagement and social capital. In a similar vein to collaboration within the Industry, developing platforms and forums to **facilitate networking and establishment of cross-sector relationships may assist the Industry to seek out appropriate partners** in investment, research and innovation. This will also assist in connecting regional and remote organisations with their urban and global counterparts.

Engaging clients and communities in design and delivery of services is another emerging trend within Community Services and other industries.<sup>148,149</sup> **Investment in evaluating collaborative approaches** such as co-design, place-based initiatives, and peer-to-peer delivery are **important to enable the Industry to share learnings and implement these models appropriately to maximise community outcomes**.<sup>150,151</sup> Articulating the benefits of these partnerships will help shift the culture of the Industry to look both within and beyond its walls for partners in problem solving. This will naturally lead to an increased desire to invest in building capacity to collaborate, including skills, technology and infrastructure.

<sup>146</sup> Kania J, Kramer M. *Collective impact*. Stanford Social Innovation Review, Winter 2011: 36-41.

<sup>147</sup> Hagel C. *Profit with purpose: the business of campaigning*. The Economist (online). 26 January 2013. Available from: <http://www.economist.com/news/business/21570763-how-profit-firm-fosters-protest-profit-purpose>.

<sup>148</sup> Australian Government Department of Human Services. *Co-design community engagement prototype: outcomes report*. 2012

<sup>149</sup> Pitt V, Lowe D, Hill S, Prictor M, Hetrick S, Ryan R, Berends L. *Consumer-providers of care for adult clients of statutory mental health services*. Cochrane Database of Systematic Review 2013. Issue 3. Art. No.: CD004807

<sup>150</sup> Wilks S, Lahausse J, Edwards B. *Commonwealth place-based service delivery initiatives, key learnings project*. Australian Government's Department of the Prime Minister and Cabinet and the Australian Institute of Family Studies, April 2015.

<sup>151</sup> Social Policy and Research Unit, *Integrated social services for vulnerable people*. November 2015. Available from: <http://www.superu.govt.nz/>

# Policy and regulation

*Principles, plans and courses of action developed by Government to enable or discourage certain behaviours of individuals, communities and industries*





## Policy and regulation

### Consider a future...

*Where proactive engagement of the Industry to develop an appropriate national quality framework and regulations has given organisations, clients and the community certainty regarding quality of care and outcomes achieved, as well as safety and protection for community members. At the same time, regulation reform has provided a risk-adjusted approach that removes compliance burden for trusted organisations with a strong record, as well as facilitating an environment that encourages innovation and responsiveness to changing needs. Furthermore, there is consistency of quality of care across client groups, including particularly vulnerable or high need groups.*

*A policy framework that provides a strategic and committed approach to achieving client and community outcomes beyond political cycles has provided organisations with the confidence and resources to invest in long-term solutions. In recognition of the contribution of the Community Services Industry, a range of policies have been adjusted to enable the Industry to leverage innovation, technology, finance and research agenda. This has contributed to the achievement of sustainable changes and enabled organisations to continually build their knowledge base and improve on client solutions developed.*

*Policy promoting coordination between town planning, regional planning and social services planning has reduced the duplication of effort and inconsistencies prevalent in the previous decade. Communities benefit considerably with adequate and appropriate community services and community infrastructure required for meeting the needs of the local population.*

The overarching policy and regulatory environment will play a part in determining the extent to which the Community Services Industry is able to transition to the desired future state. Success imperatives in the policy area relate to **commissioning and investing in services, consumer protection** and **productivity**. Increasing collaboration between the Government, Industry, clients and communities in policy development has the potential to produce effective and sustainable policy through increased engagement and input from key stakeholders. This will require the Industry readiness and preparedness to be engaged in these collaborative and consultative processes.

An increasingly competitive environment is likely to result from changes in the way that services are purchased and funded. This system-wide shift will require **holistic and evidence-based policy and regulatory reform**. Regulatory frameworks need to ensure standards of services are upheld, and consumers are protected.<sup>152</sup> **Consumer protection is**

<sup>152</sup> Commonwealth of Australia, 2015, *Competition Policy Review Final Report*, Accessed 4 December 2015, <http://competitionpolicyreview.gov.au/final-report/>

**particularly critical in the context of clients with impaired capacity and/or where an asymmetry of information exists.** It will also be important to ensure regulatory frameworks do not impose unnecessary impost on service providers which may impact on efficiency, flexibility, innovation, and may detract from the focus on community outcomes.

Commissioning of community service provision has historically been tied to purchase of inputs and outputs, with limited understanding of the impact and outcomes that services are producing.<sup>153</sup> **Reform of commissioning process will benefit from clear research and an evidence base for identifying the desired outcomes, types of interventions, and priority populations.** This may be enabled through the development of service strategies that provide the framework for procuring services. Contracting and reporting arrangements that support evidence-based outcomes are also likely to encourage innovation.

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*“Reform of human services must be holistic; it isn't a matter of changing a few regulations here and there. What this looks like in practice requires careful thought and the design of experimental trials.”*  
 Prof. Ian Harper – Former Chair Competition Policy Review Panel

Developing policy that is evidence based, and incentivises good practice and value for money will inherently **continue the transition away from input- and output-based funding arrangements.** An **imperative for innovative and good value services and models driven by evidence-based policy should also attract investment in research and innovation.** As a system steward, the Government can play a role in facilitating collaboration across sectors, and ensuring funding processes, commissioning, contracting and regulation enables collaboration.

Government will be well placed to **provide direct and indirect influence new investment models by sharing learnings, clarifying and simplifying regulation, and incentivising the integration of outcome measurement.**<sup>154</sup> Reporting to meet regulatory and investment requirements will need to be balanced to reduce compliance burden for organisations. Taking a critical view to **focus on reporting that adds value**, and demonstrates impact and outcomes of services, will improve productivity and likely improve quality of reporting.

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<sup>153</sup> Department of Communities, Child Safety and Disability Services, *Future State Forecast Project Role of the Department of Communities*, Accessed 4 December 2015.

<sup>154</sup> MaRS Centre for Impact Investing. *State of the nation: impact investing in Canada*. 2014

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## Appendix A – Defining the Community Services Industry

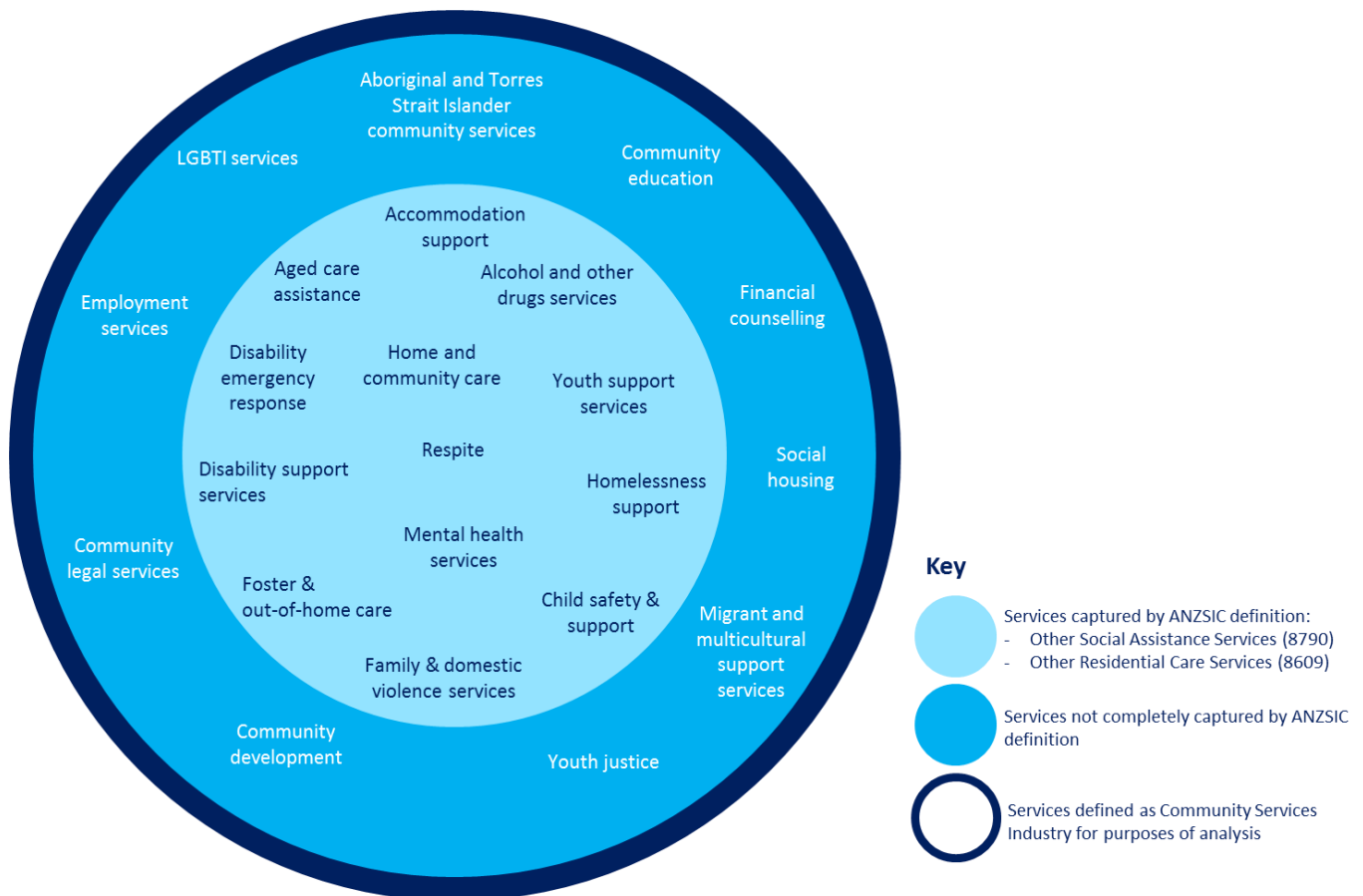
The Community Services Industry in Queensland provides support and assistance to facilitate community participation, enable independence, and protect and provide accommodation and respite for vulnerable population groups and those in crisis.

For the purposes of defining the Industry for future industry and workforce forecasts, a process was undertaken in consultation with the Community Services Industry Alliance (CSIA) and the Department of Communities, Child Safety and Disability Services (DCCSDS) to identify relevant Australian and New Zealand Standard Industrial Classification (ANZSIC) codes that most accurately represented the Community Services Industry. The CSIA and DCCSDS provided a list of core service precision categories, encompassing activities of programs and providers:

- Aboriginal and Torres Strait Islander community services;
- Accommodation support;
- Aged care assistance;
- Alcohol and other drug services;
- Child safety and support;
- Community development;
- Community education;
- Community legal services;
- Disability emergency response;
- Disability support;
- Employment services;
- Family and domestic violence services;
- Financial counselling;
- Foster care and out-of-home care;
- Home and community care;
- Homelessness support;
- Lesbian, gay, bisexual, transgender and intersex services;
- Mental health services;
- Migrant and multicultural support services;
- Respite;
- Social housing;
- Youth justice services; and
- Youth support services.

This service activity list was cross-matched against ANZSIC groupings. Major service categories were largely reflected in two ANZSIC codes to define the Industry: Other Residential Care Services (8609), and Other Social Assistance Services (8790). Both of these industry classifications are part of Division Q, Health and Social Assistance Services. The employment concentration of core Community Services Industry occupations were subsequently cross-matched against the selected ANZSIC codes, which validated the definition. Figure A.1 demonstrates community service categories that are adequately encompassed within these ANZSIC codes in the centre circle. It is apparent that many important community service categories are not specifically listed within ANZSIC. Such services included Aboriginal and Torres Strait Islander services, migrant services, legal aid, and employment readiness.

**Figure A.1: Defining the Community Services Industry according to ANZSIC**



## Appendix B – Data framework

A data framework was developed in consultation with CSIA and DCCSDS in three key domains of interest: economic trends, industry profile and social context. Domains were agreed based on their relevance to establish a picture of the current and future demand for Community Services, and the context of, and capacity for, supply.

All metrics of interest were included in the data framework, regardless of availability, with a view to identify gaps in the ideal data framework, representing data both which may not be collected or, indeed, may not be made available.

The data framework is shown in Table B.1, including categorisations. In the absence of quantitative data, qualitative research was used to supplement findings.

**Table B.1: Data framework**

Category	Item
<b>Economic trends</b>	
<i>Economy</i>	Unemployment
	Gross State Product
	Industry contributions
	Income growth
	Inflation
	Interest rates
	Investment trends
	Regulatory impact
<i>Population and demographics</i>	Population growth rate
	Age
	Gender
	Cultural diversity
<i>Unemployment</i>	Employment by industry
	Wage price index
	Unemployment by region
	Qualifications
<b>Industry profile</b>	
<i>Composition</i>	Organisation size
	Corporate structure
	Organisation category
	Volume
	Economic contribution
	Turnover
	Activity
	Reach
	Geographical distribution
	Range of sectors
	Types of services (Aboriginal and Torres Strait Islander, CALD, LGBTI, community-controlled organisations)
	Queensland founded/based organisations
	Exporting of services
	Sole traders
<i>Workforce and skills</i>	Volume of workforce
	Employment types (FT,PT, casual, volunteer)
	Demographic profile of occupations
	Demographic profile of workers
	Skills, industry, occupations and qualifications

Category	Item
<i>Capital and Resources</i>	Funding inputs Investment profiles Assets Volunteer contribution Informal carer contribution
<i>Output</i>	Industry output
<b>Social context</b>	
<i>Poverty</i>	Income distribution Welfare Socio-economic status Domestic and family violence Imprisonment and recidivism Access to education Gender equality Community safety Personal safety Child mortality Obesity Drug use Teen pregnancy
<i>Ageing</i>	Population ageing Income of older people Employment of older people
<i>Aboriginal and Torres Strait Islanders</i>	Growth of population Distribution of population Income distribution Life expectancy Employment
<i>Disability</i>	Growth of population Employment Income Degree of impairment of people with a disability
<i>Mental health</i>	Prevalence Employment Income Suicide rates
<i>Lesbian, Gay, Bisexual, Transgender, Intersex</i>	Employment Income distribution
<i>Culturally and linguistically diverse</i>	Growth of population Employment Income distribution Life expectancy

Category	Item
<i>Children and families</i>	Family composition
	Out-of-home care
	Features of low-income families

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## Appendix C – Methodology

The volunteer contribution has been calculated according to the following methodology:

**Table C.1: Volunteer contribution valuation, unit cost components**

	% Loading	Hourly Rate (\$)
Base rate per hour – May 2014		27.20
Loading for growth in AWE May 2014 to November 2014	4.22	1.15
Loading for on-costs	2.72	0.74
Loading for capital	6.2	1.69
Loading for supervision & administration	2.13	0.58
Total hourly rate including overheads		31.35

### Quantity of Volunteering

Number of volunteers hours in 2014 <sup>155</sup>	28,900,000
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### Value of Volunteer Contribution

= Total hourly rate including overheads **(31.35)** X Number of hours per year **(28,900,000)**  
 = \$906,015,000

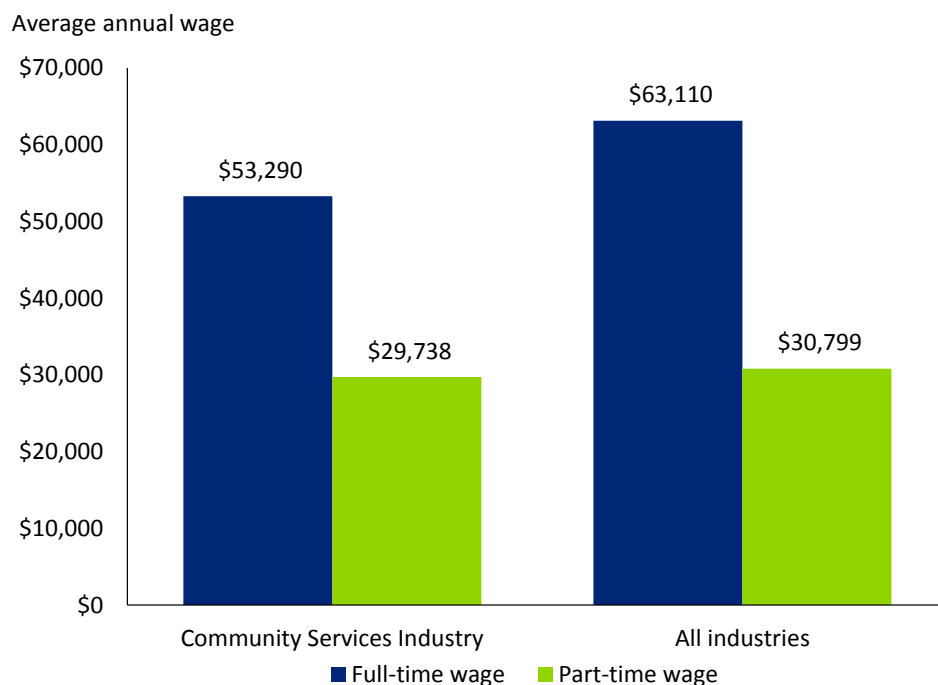
<sup>155</sup> Australian Bureau of Statistics, 2014, *General Social Survey*, viewed 16 March 2016, <http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/4159.02014?OpenDocument>

## Appendix D – Data supplement

This section includes data on the current state of the Industry profile and social context in Queensland to supplement findings and analysis outlined in [Current and future state of the Industry](#).

### Industry profile

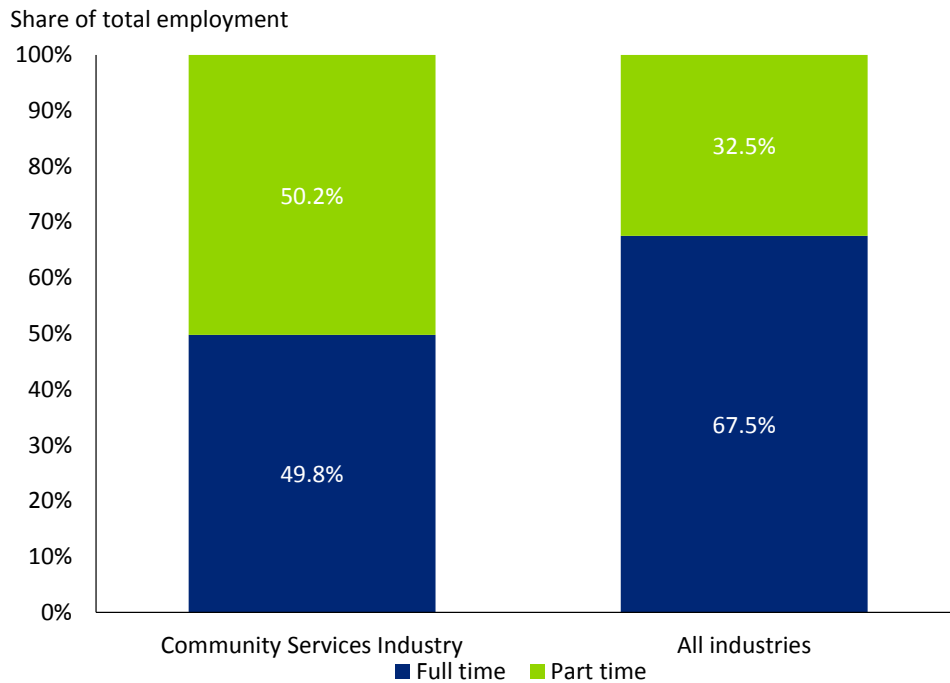
**Chart D.1: Average wages in the Community Services Industry, Queensland, 2015 estimate**



Source: ABS 2011<sup>156</sup>

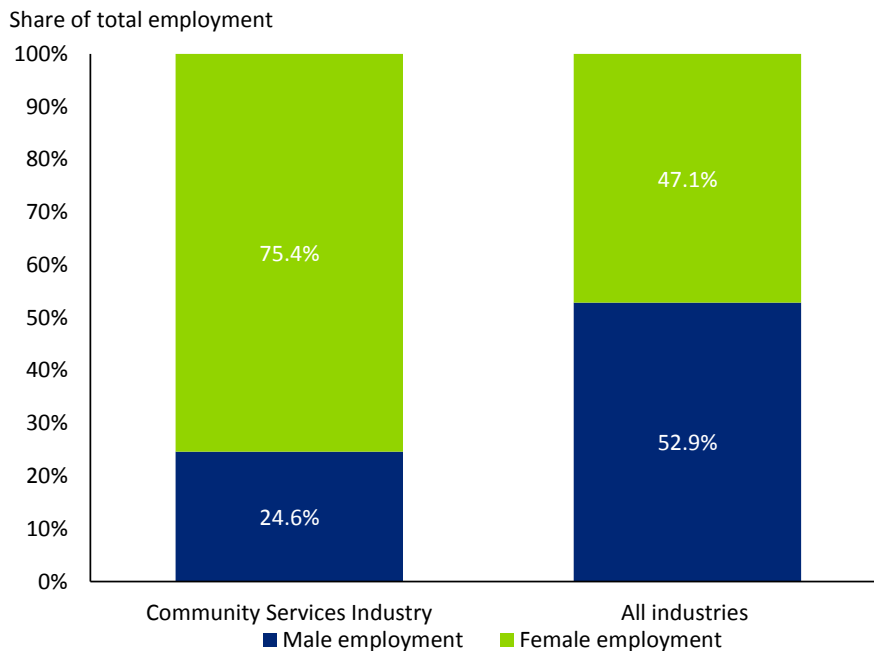
<sup>156</sup> Australian Bureau of Statistics, 2011, *Census of Population and Housing*, viewed 8 October 2015, <http://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/2940.0Main+Features12011?OpenDocument>

**Chart D.2: Employment in Community Services Industry, by type, Queensland, 2011**



Source: ABS 2011<sup>157</sup>

**Chart D.3: Gender mix of employees in Community Services Industry, Queensland, 2011**

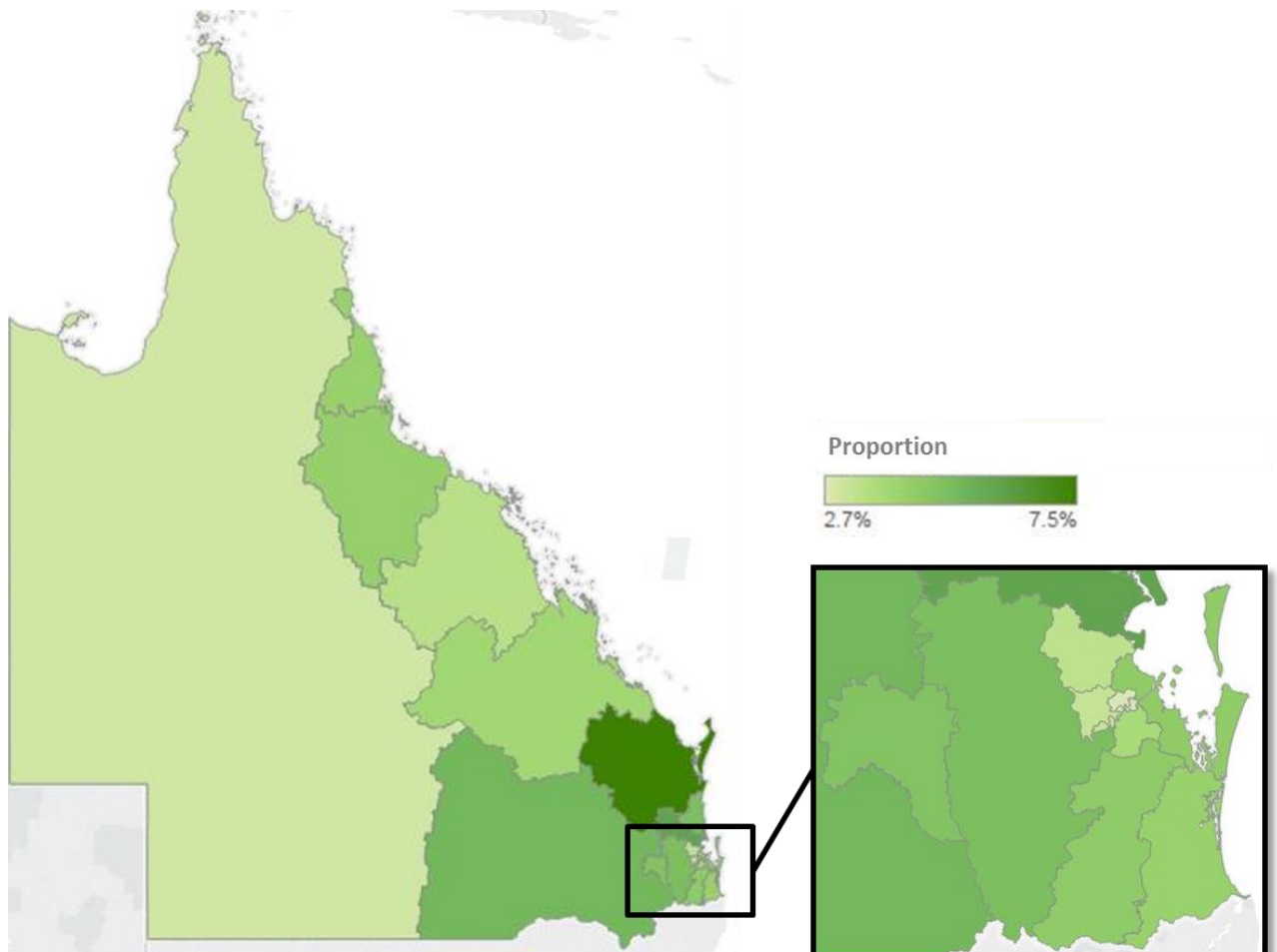


Source: ABS 2011<sup>158</sup>

<sup>157</sup> Australian Bureau of Statistics, 2011, *Census of Population and Housing*, viewed 8 October 2015, <http://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/2940.0Main+Features12011?OpenDocument>

## Social context

**Figure D.1: Proportion of population receiving welfare assistance, by region, Queensland, 2012**

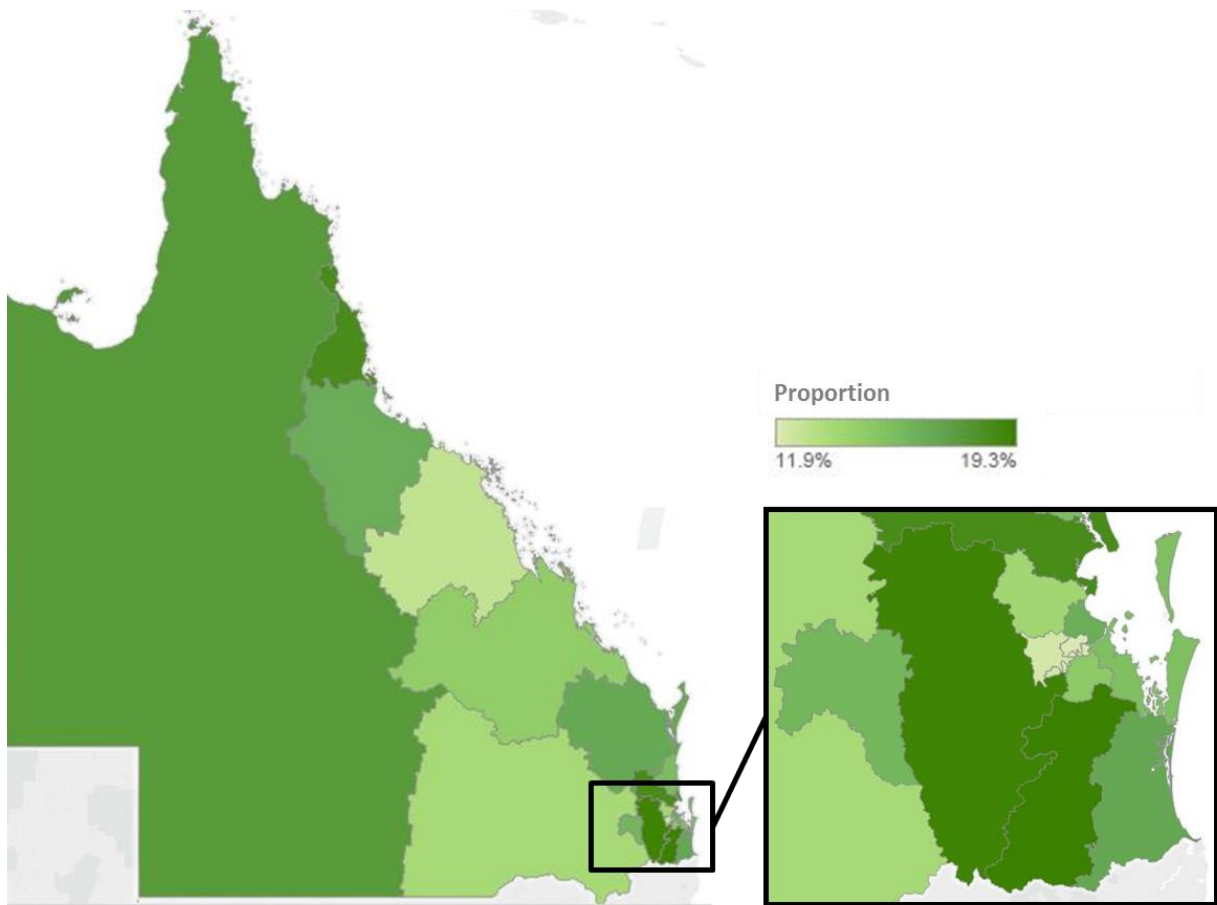


Source: ABS 2011<sup>159</sup>

<sup>158</sup> Australian Bureau of Statistics, 2011, *Census of Population and Housing*, viewed 8 October 2015, <http://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/2940.0Main+Features12011?OpenDocument>

<sup>159</sup> Australian Bureau of Statistics, 2011, *Census of Population and Housing*, viewed 8 October 2015, <http://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/2940.0Main+Features12011?OpenDocument>

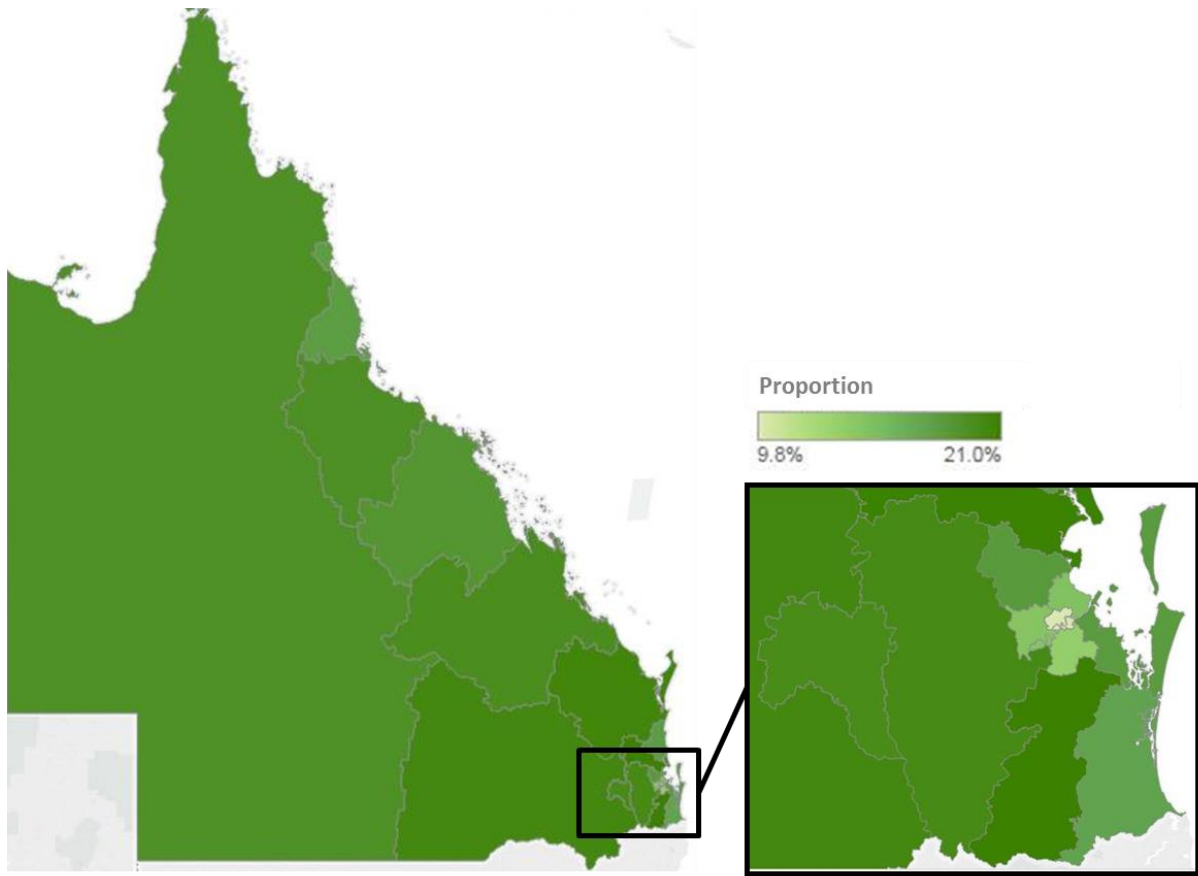
Figure D.2: Proportion of one parent families, by region, Queensland, 2011



Source: ABS 2011<sup>160</sup>

<sup>160</sup> Australian Bureau of Statistics, 2011, *Census of Population and Housing*, viewed 8 October 2015, <http://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/2940.0Main+Features12011?OpenDocument>

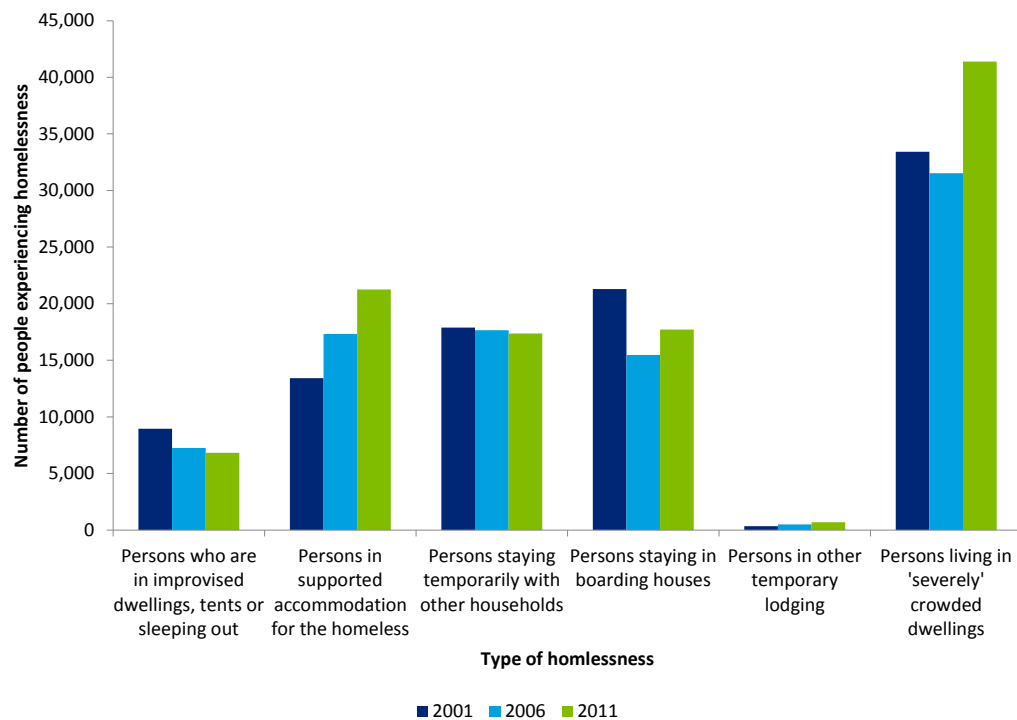
Figure D.3: Proportion of early school leavers, by region, Queensland, 2011



Source: ABS 2011<sup>161</sup>

<sup>161</sup> Australian Bureau of Statistics, 2011, *Census of Population and Housing*, viewed 8 October 2015, <http://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/2940.0Main+Features12011?OpenDocument>

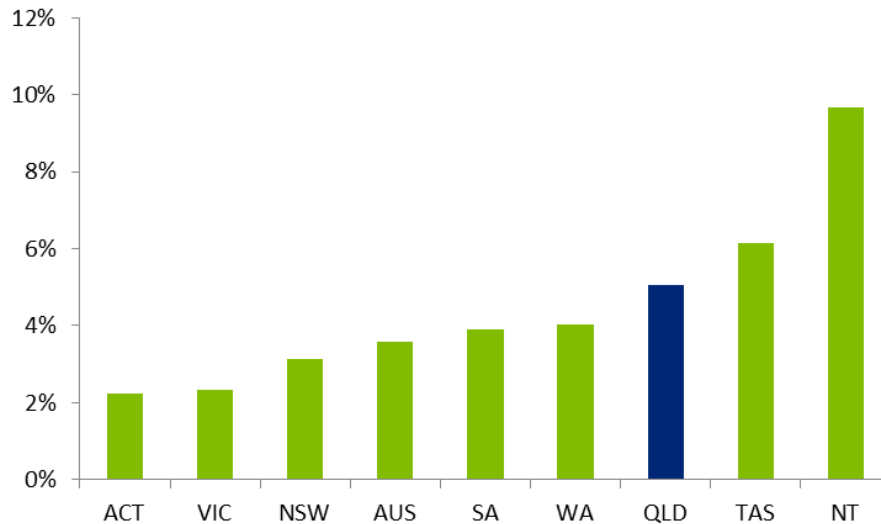
**Chart D.4: Homelessness by type, by year, Australia, 2001-2011**



Source: ABS 2012<sup>162</sup>

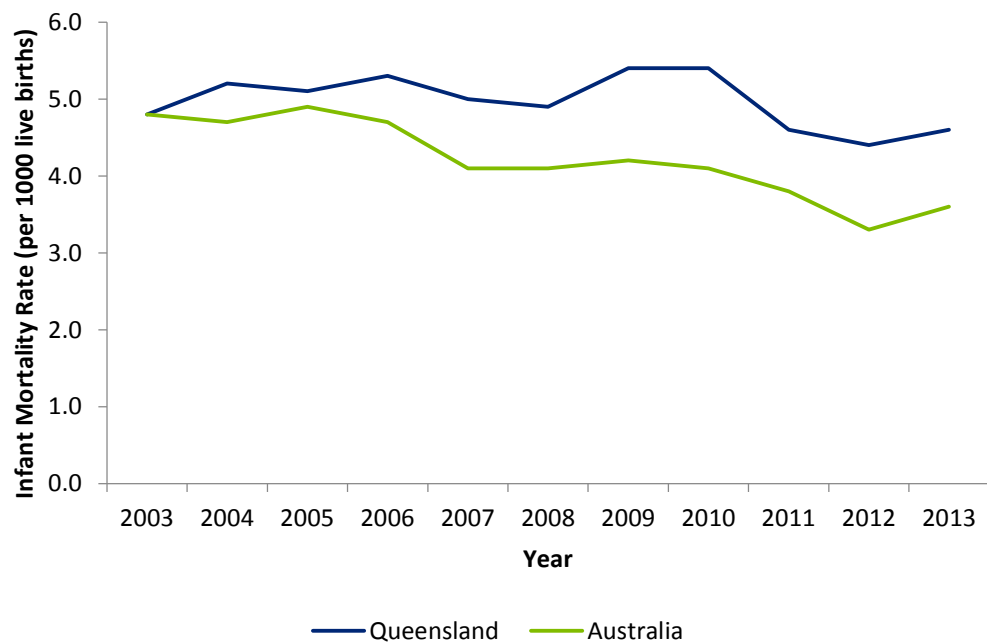
<sup>162</sup> Australian Bureau of Statistics, 2012, *Census of Population and Housing Estimating Homelessness 2011*, Cat. No. 2049.0, viewed on 6 October 2015  
<http://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/2049.0Main+Features12011>

**Chart D.5: Proportion of women who gave birth younger than 20 years, by State or Territory, 2012**



Source: Australian Institute of Health and Welfare 2012<sup>163</sup>

**Chart D.6: Infant mortality rate, Queensland and Australia, 2003-2013**

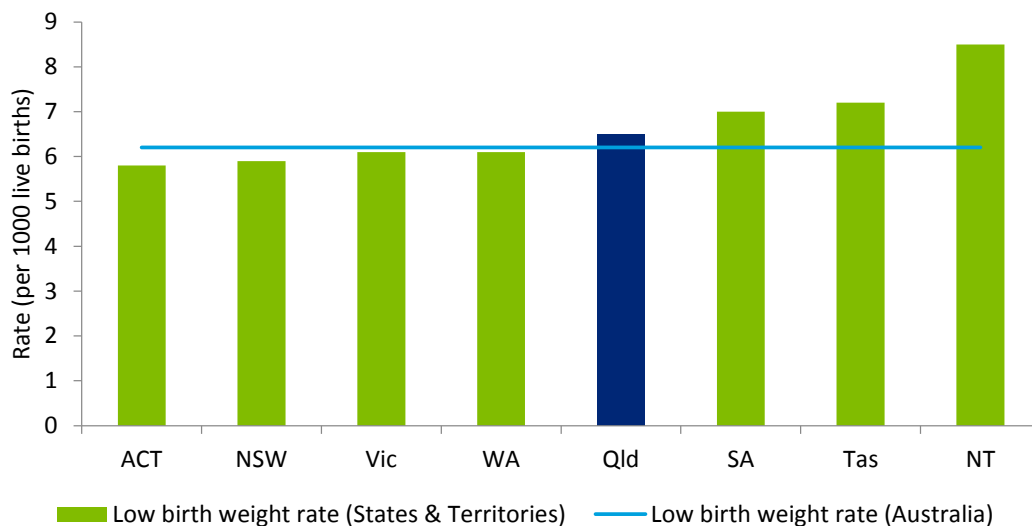


Source: ABS 2013<sup>164</sup>

<sup>163</sup> Australian Institute of Health and Welfare, 2012, *Australia's mothers and babies 2012*, Accessed 8 October 2015, <http://www.aihw.gov.au/publication-detail/?id=60129550033>

<sup>164</sup> Australian Bureau of Statistics, 2013, *Deaths, Australia 2013*, Cat. No. 3302.0, viewed 8 October 2015, <http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/3302.02013?OpenDocument>

**Chart D.7: Live born infants with a birth weight of less than 2,500 grams, by State or Territory, 2012**



Source: Australian Institute of Health and Welfare 2015<sup>165</sup>

**Chart D.8: Suicide rate, by State or Territory, 2012**

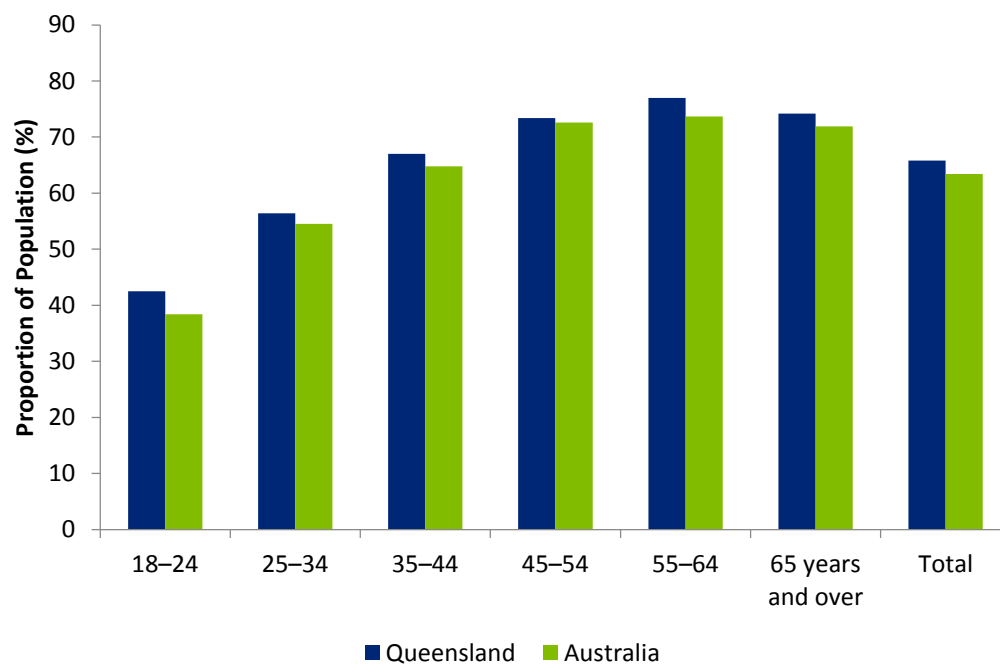


Source: ABS 2013<sup>166</sup>

<sup>165</sup> Australian Institute of Health and Welfare, 2015, *Children's headline indicators*, Accessed 19 October 2015, <http://www.aihw.gov.au/chi/>

<sup>166</sup> Australian Bureau of Statistics, 2013, *Causes of Death, Australia 2013*, Cat. No. 3303.0, viewed 8 October 2015, <http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/3303.02013?OpenDocument>

**Chart D.9: Overweight and obesity, by age, Queensland and Australia, 2012**



Source: ABS 2012<sup>167</sup>

<sup>167</sup> Australian Bureau of Statistics, 2012, *Australian Health Survey: First Results, 2011-12*, Cat. No. 4364.0.55.001, viewed 8 October 2015, <http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/4364.0.55.0012011-12?OpenDocument>

# Appendix E – Industry implications

This Report has identified a number of key Industry implications given the analysis of current and future state of the economic trends, social context, industry profile and policy environment. Key implications are summarised in Table E.1, and have been categorised into industry composition; workforce and skills; capital and resources; industry output; and policy environment.

**Table E.1: Summary of implications for the Community Services Industry in Queensland**

Industry implications	
Industry composition	<ul style="list-style-type: none"> <li>• Number of organisations may reduce over the forecast period by way of partnerships, joint ventures, consolidation, mergers and acquisitions;</li> <li>• Likely to be new entrants to the market, including social entrepreneurs, digital solution providers, social enterprises and new service models that leverage existing assets or capture consumer demand in new and innovative ways;</li> <li>• An imperative to provide integrated services and place-based responses will lead organisations to establish more formal joint ventures and enterprise cooperatives to better meet client and community needs;</li> <li>• Community Service organisations that are agile and have a deep understanding of needs of local communities and/or specific population groups, such as smaller community-led and place-based providers, will have the opportunity for to gain a competitive advantage by leveraging established insights and carving out niche markets.</li> </ul>
Workforce and skills	<ul style="list-style-type: none"> <li>• Growth in the Industry in Queensland of over 20,000 jobs in the next 10 years is combined with the prospect of replacing of a high proportion of the workforce reaching retirement over the same period;</li> <li>• Workforce and skills strategies will be required to compete with other skilled sectors in attracting and retaining the right talent in an increasingly competitive labour market;</li> <li>• Opportunity to highlight and market the desirable characteristics of the Community Services Industry as an employer;</li> <li>• Greater alignment between the capacity and focus of educational institutions and the needs of the Industry will be required to meet future workforce and skills needs;</li> <li>• Community Services Industry may also find itself competing internally across service areas for the skilled workforce it needs;</li> <li>• High rates of youth unemployment provide an opportunity to source workers to fill the gap that will be left by the retirement of the older workforce;</li> <li>• Potential to engage younger people at school, with improved promotion of community services careers to school students, and adoption of school-based traineeships and other Vocational Education and Training programs;</li> <li>• Current skills profile of the workforce will need to adjust to meet future needs of the Industry to address skills shortages in growing areas of need; there will be increasing opportunities in areas such as data management and analysis, outcome measurement, adoption of digital solutions, and finance and business acumen, as service models and the landscape of the Industry evolves.</li> </ul>

Capital and resources	<ul style="list-style-type: none"> <li>• Government investment in community services is unlikely to be able to keep pace with growing demand;</li> <li>• It will be necessary to seek diversified revenue and funding sources, and find new ways of delivering services to meet client needs;</li> <li>• Investors in service provision are likely to seek better value for money and return on investment in an increasingly competitive market for investees;</li> <li>• Providers will need to become more efficient through innovative solutions, and be able to demonstrate the impact and outcomes of their service;</li> <li>• The labour-dependent nature of the Industry presents an opportunity to optimise mobility of the workforce, as service provision is not generally tied to capital. A decentralised workforce enabled by technology will allow the Industry to lower traditional capital expenditure;</li> <li>• Small profit margins currently limit the capacity to invest in systems and infrastructure to improve service provision; this highlights the need to seek alternative sources of capital;</li> <li>• Providers' readiness and ability to adapt and invest in technology can enable prioritisation of human resources in areas of service that necessitate human contact to maintain service provision.</li> </ul>
Industry output	<ul style="list-style-type: none"> <li>• Community Services Industry has a role to play in Queensland's economic growth and social prosperity;</li> <li>• There is an opportunity to rewrite the narrative about the Industry to focus on not only the social contribution, but the Industry's economic contribution;</li> <li>• Unrealised potential for the Community Services Industry to be represented in regional and business development initiatives.</li> </ul>
Policy environment	<ul style="list-style-type: none"> <li>• Policy and funding model directions towards client choice, value for money and social impact investments are likely to generate a more competitive environment;</li> <li>• Insufficient collection of, and access to, appropriate and accurate data will limit the ability for Government and other organisations to strategically plan and evaluate programs;</li> <li>• The continued focus on Aboriginal and Torres Strait Islander well-being outcomes will require ongoing community-led solutions to improve social capital, and the health and safety of Aboriginal and Torres Strait Islander communities.</li> </ul>

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## Contact us

Deloitte Access Economics  
ACN: 149 633 116

Riverside Centre  
123 Eagle Street  
Brisbane Queensland 4000

Tel: +61 7 3308 7000  
Fax: +61 7 3308 7001

[www.deloitteaccesseconomics.com.au](http://www.deloitteaccesseconomics.com.au)

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