



Community Sector Leaders Forum

Emerging Issues 2015

Our vision is an inclusive, just and equitable society



Emerging Issues 2015

Welcome

Craig Spencer
Head of Community Engagement, Bankwest

Acknowledgement of Country

Kaya!
Ngala kaaditj Wadjuk Noongar moort
Keyen kaadak nidja boodja

We acknowledge the Wadjuk Noongar people as
the original custodians of this land.

We share our respect for their elders past and present
and express our support for the recognition of
Australia's first peoples in our Constitution.





Emerging Issues 2015

Master of Ceremonies

Irina Cattalini
CEO, WACOSS

Forum Outline

2:00	Welcome	<i>Craig Spencer Bankwest</i>
2:05	Introduction	<i>Steve Joske WACOSS President</i>
2:15	Economic Scan	<i>Prof. Alan Duncan BCEC Curtin</i>
2:30	Political Scan	<i>Andrew O'Connor ABC News</i>
2:45	Social Scan	<i>Chris Twomey WACOSS</i>
3:05	<i>Afternoon tea</i>	
3:35	Federal Issues	<i>Lin Hattfield-Dodds UCA</i>
3:50	Panel Q&A Session	<i>Irina, Alan, Andrew, Chris & Lin</i>
4:25	<i>Closing remarks</i>	<i>Irina Cattalini WACOSS CEO</i>





Emerging Issues 2015

Introduction

Steve Joske CSC
President, WACOSS

About WACOSS

The WA Council of Social Service is a peak membership based council of community service organisations and individuals. In collaboration with our membership, and as part of a national network, we advocate for social change to improve the wellbeing of Western Australians and to strengthen the community services sector that supports them.

WACOSS is committed to collaboration and cross-sector partnerships with governments, industry and community services – as demonstrated by today's event.

Our vision is an inclusive, just and equitable society



Our Purpose Today

**An environmental scan of emerging issues
affecting social policy
and community services in WA**

***Information & analysis to assist
strategic thinking and leadership
in the community service sector***

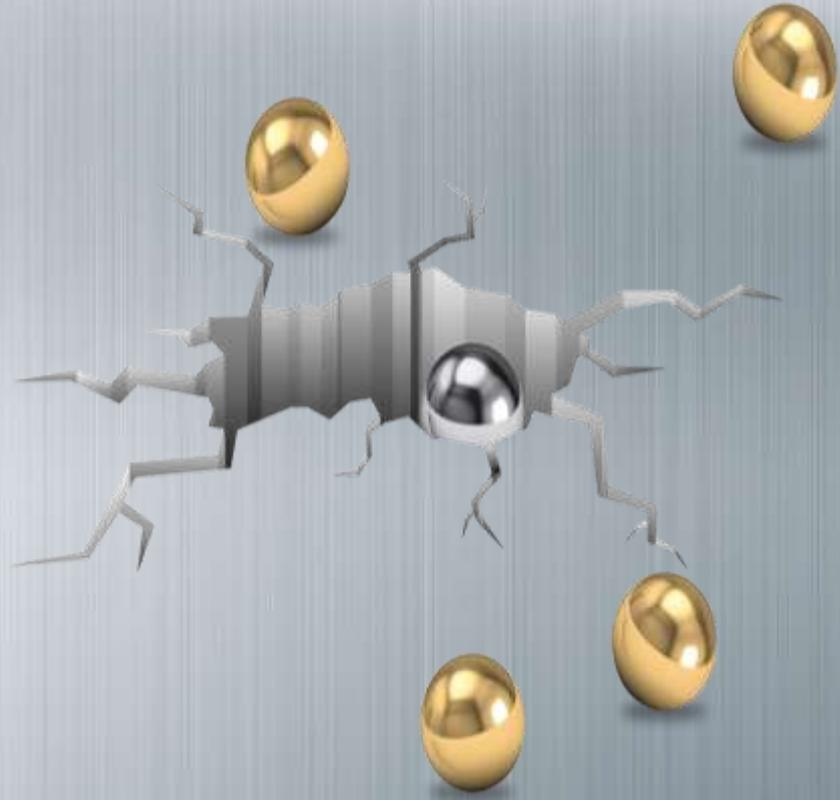




BANKWEST CURTIN ECONOMICS CENTRE

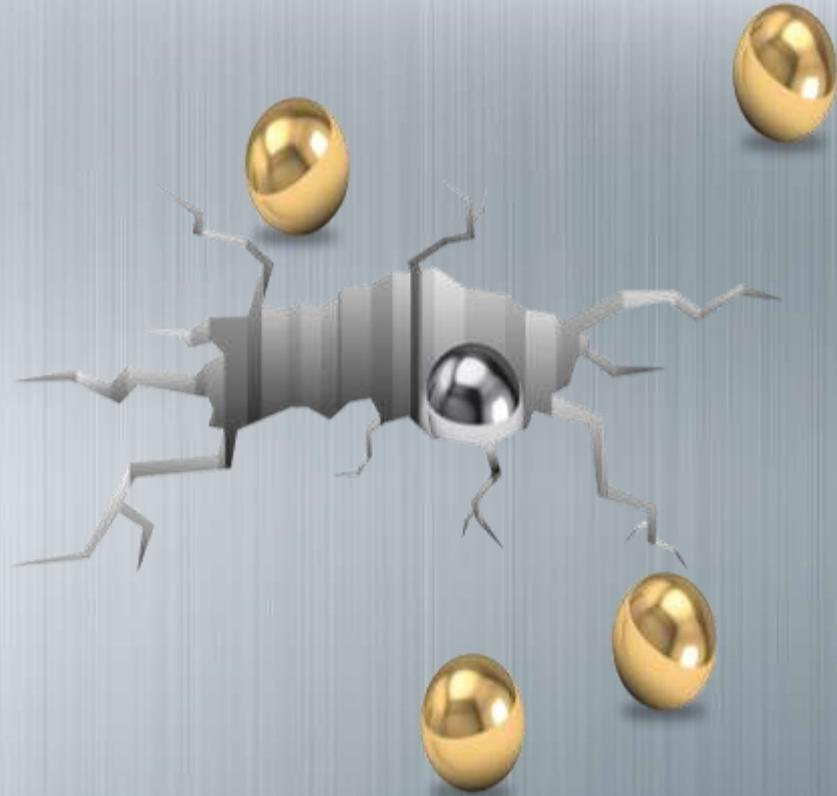
ECONOMIC AND SOCIAL OUTLOOK FOR WA – WHO IS FALLING THROUGH THE CRACKS?

WACOSS Emerging Issues conference
1 April 2015, Bankwest Pavilion



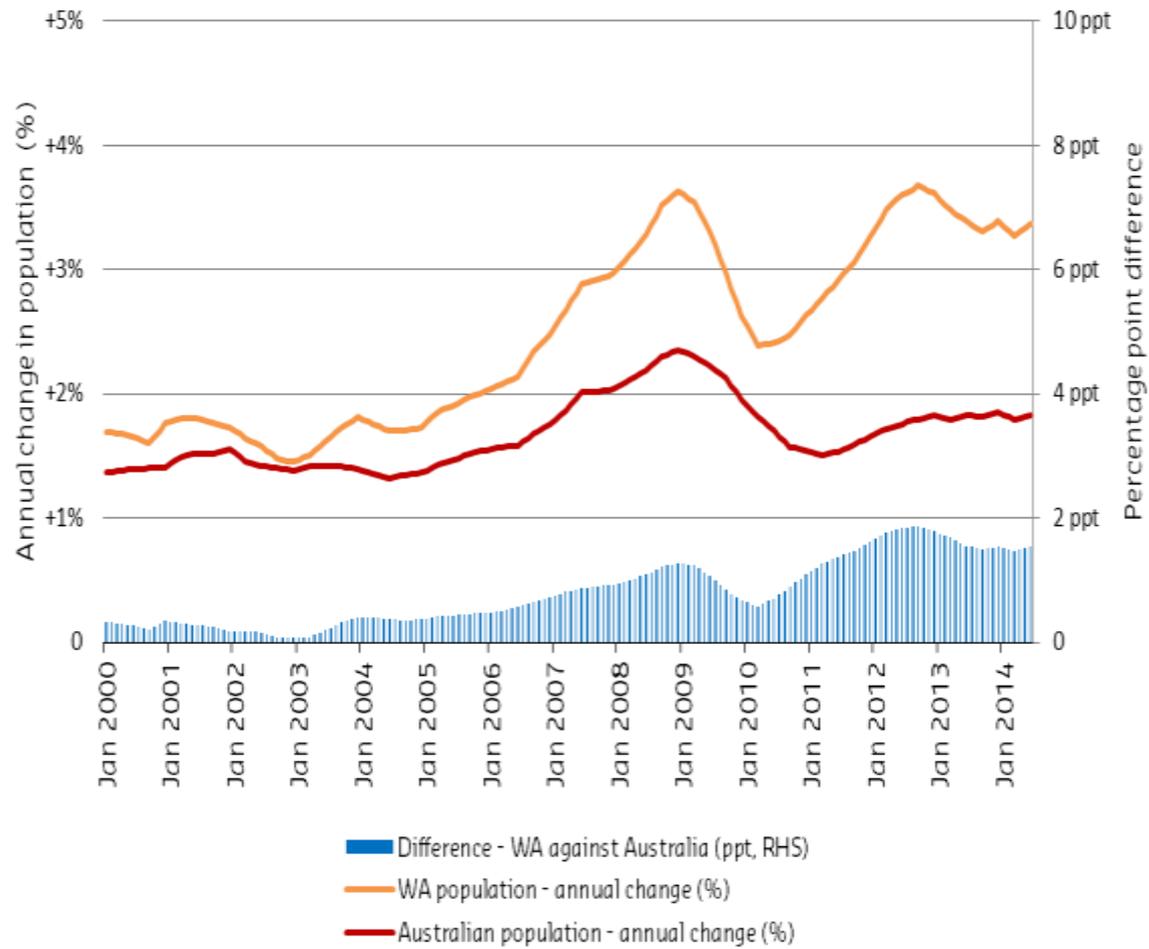
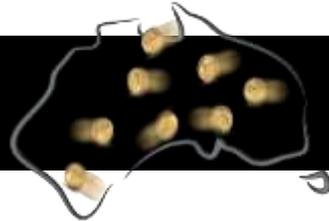
Alan Duncan

Director, Bankwest Curtin Economics Centre



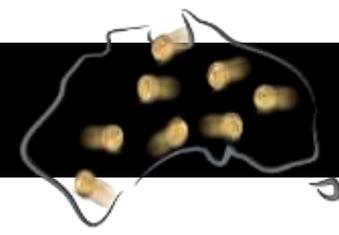
OUTLOOK

Annual percentage change in population, WA and Australia 2000 to 2014

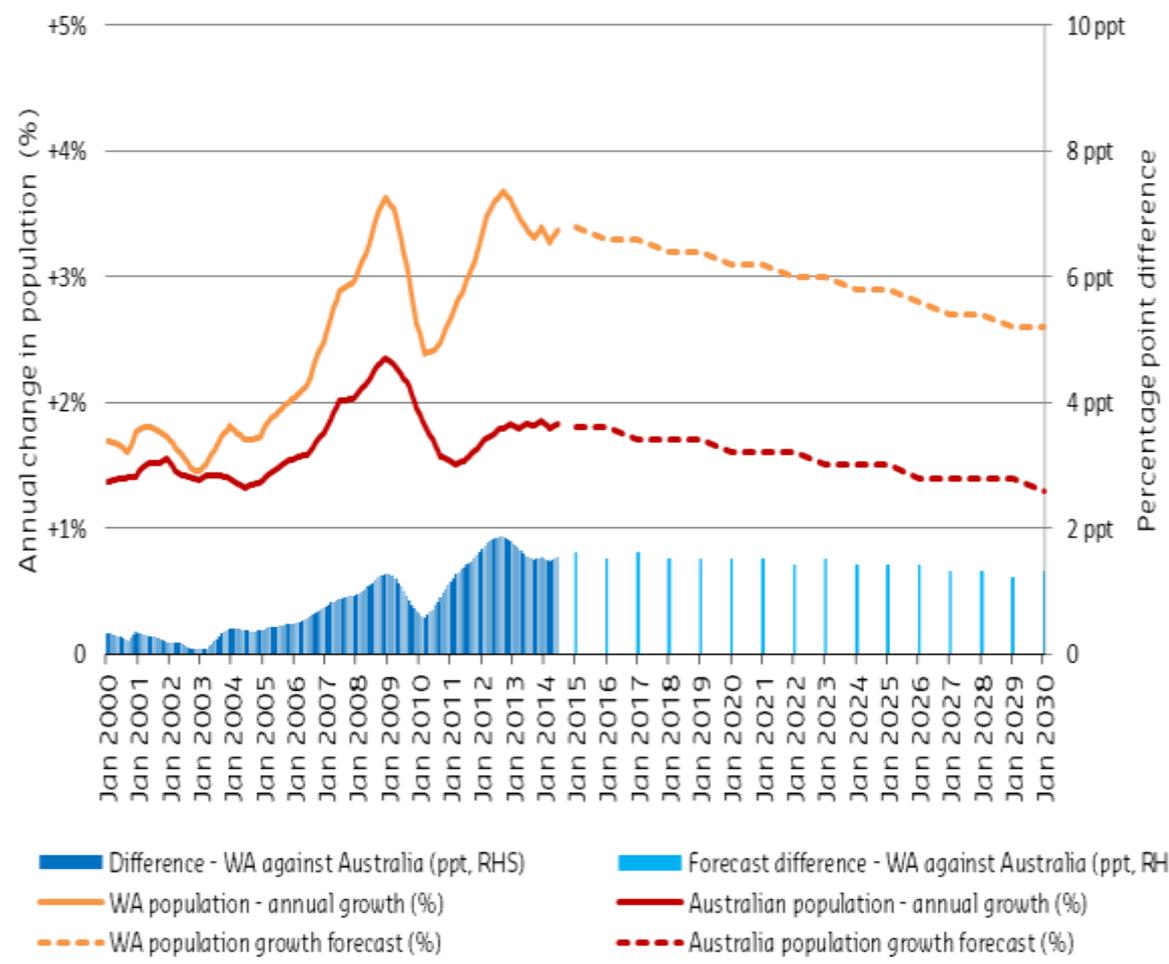


Source: BANKWEST CURTIN ECONOMICS CENTRE | Centre calculations from ABS Cat No 3101.0 - Australian Demographic Statistics





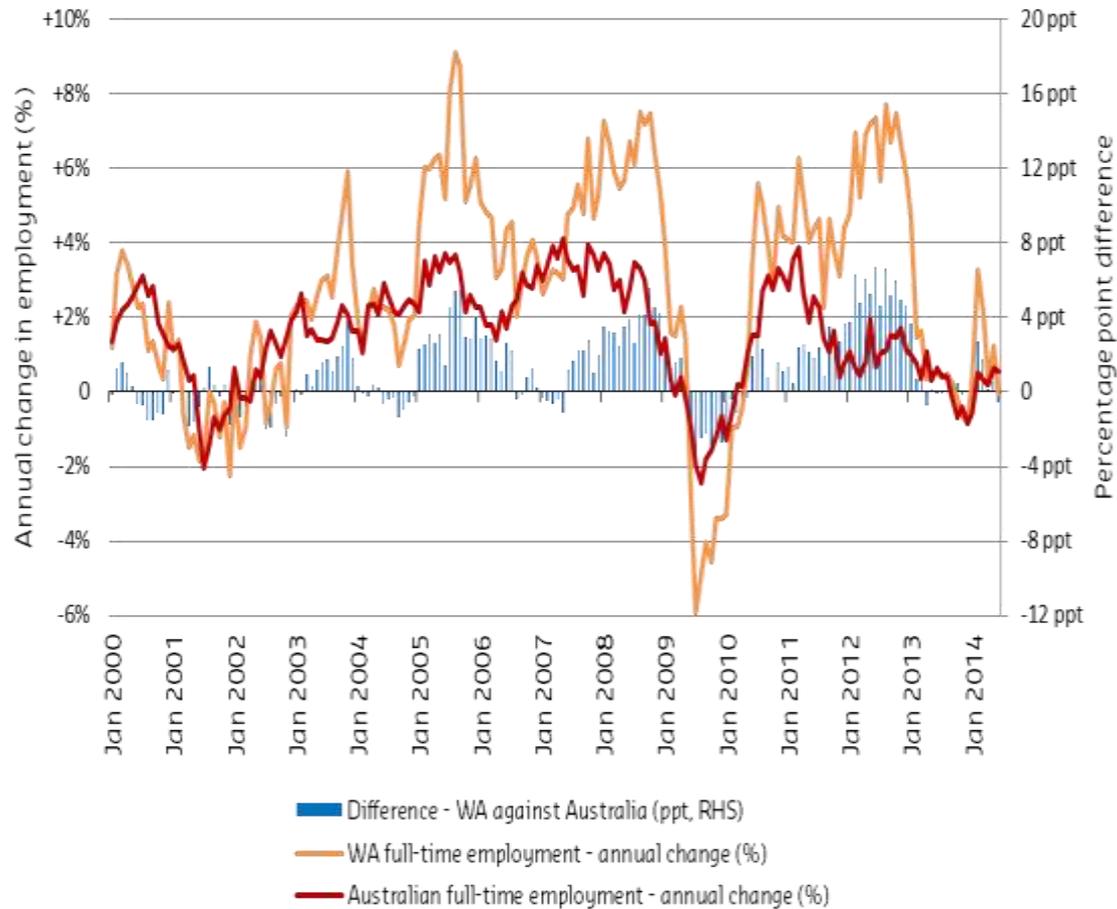
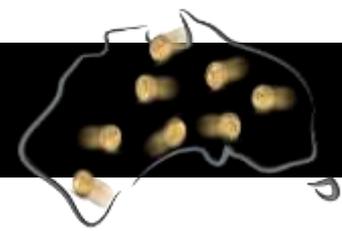
Annual percentage change in population, WA and Australia 2000 to 2014 (actual) and 2015 to 2030 (forecast)



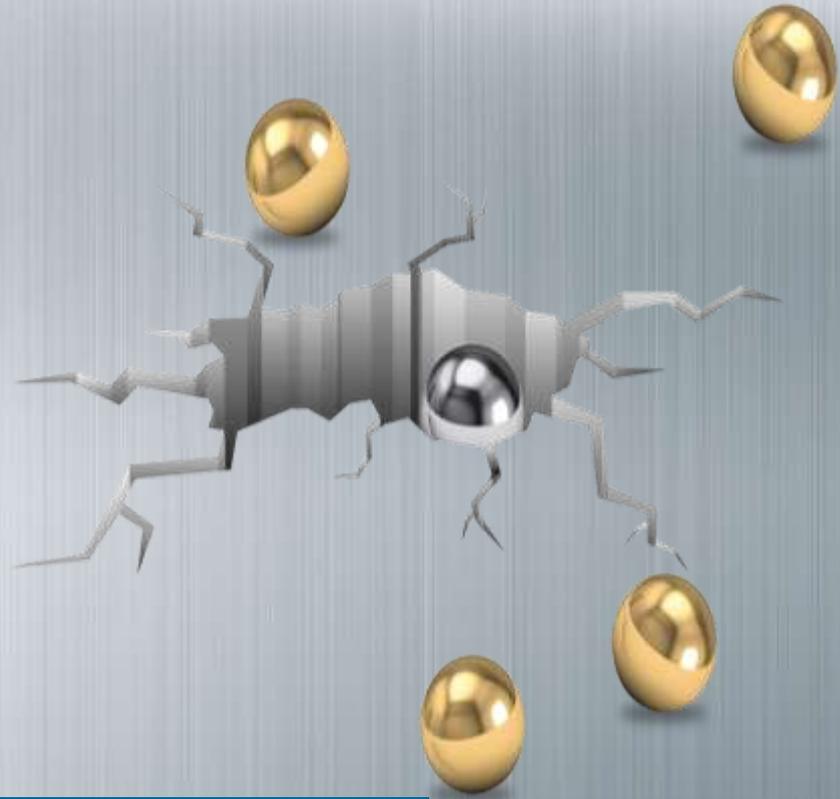
Source: BANKWEST CURTIN ECONOMICS CENTRE | Centre calculations from ABS Cat No 3222.0 - Population Projections, Australia, 2012 to 2030



Annual percentage change in full-time employment, WA and Australia: 2000 to 2014



Source: BANKWEST CURTIN ECONOMICS CENTRE | Centre calculations from ABS Cat No 6202.0 - Labour Force, Australia



INEQUALITY AND POVERTY

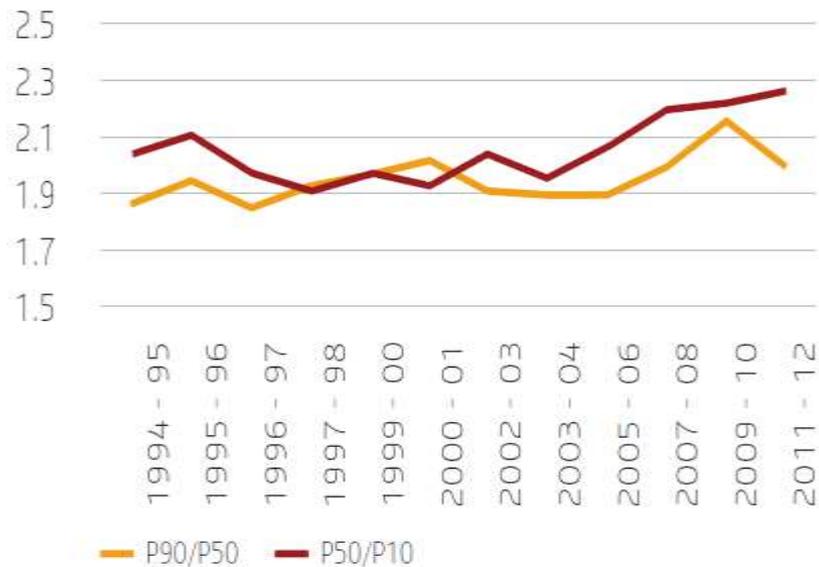


Income inequality in WA – income ratios

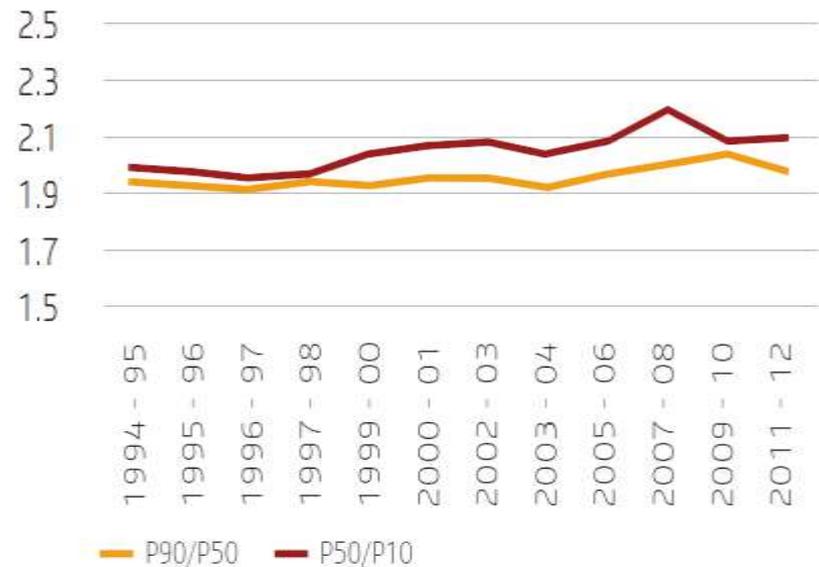
Low income households in WA have fallen behind over the course of the resources boom, in relative terms:

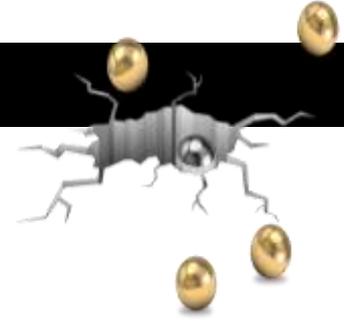
- the poorest 10 per cent received **51 per cent** of median income in 2003-4;
- this figure falls to **44 per cent** of median income by 2011 - 12.

Western Australia



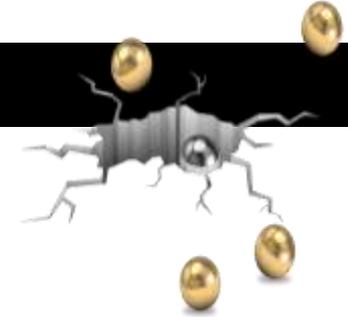
Australia



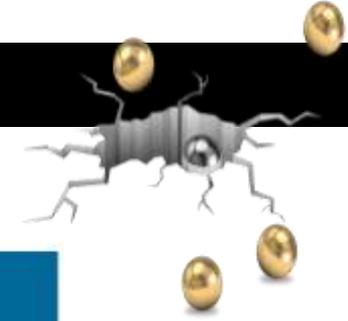


- Adequacy of income relative to a benchmark.
- 'Standard' income poverty measure is 50% of median equivalised disposable income after housing costs.
- More severe measure – 30% median.
- *Equivalised* = a method of standardising income to account for household size.

Depth of income poverty



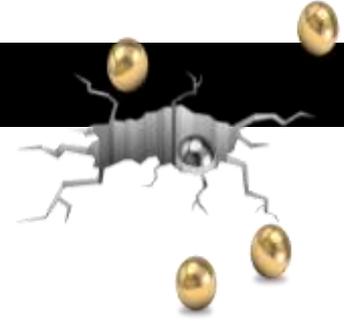
Poverty line	Households		Persons		Children	
	No.	%	No.	%	No.	%
30% median	488,016	5.7%	1,106,707	5.0%	312,999	5.9%
40% median	779,394	9.1%	1,719,972	7.8%	479,863	9.0%
50% median	1,273,455	14.8%	2,836,066	12.9%	812,931	15.3%
60% median	2,005,628	23.4%	4,359,009	19.8%	1,180,985	22.2%



Depth of income poverty across states and territories

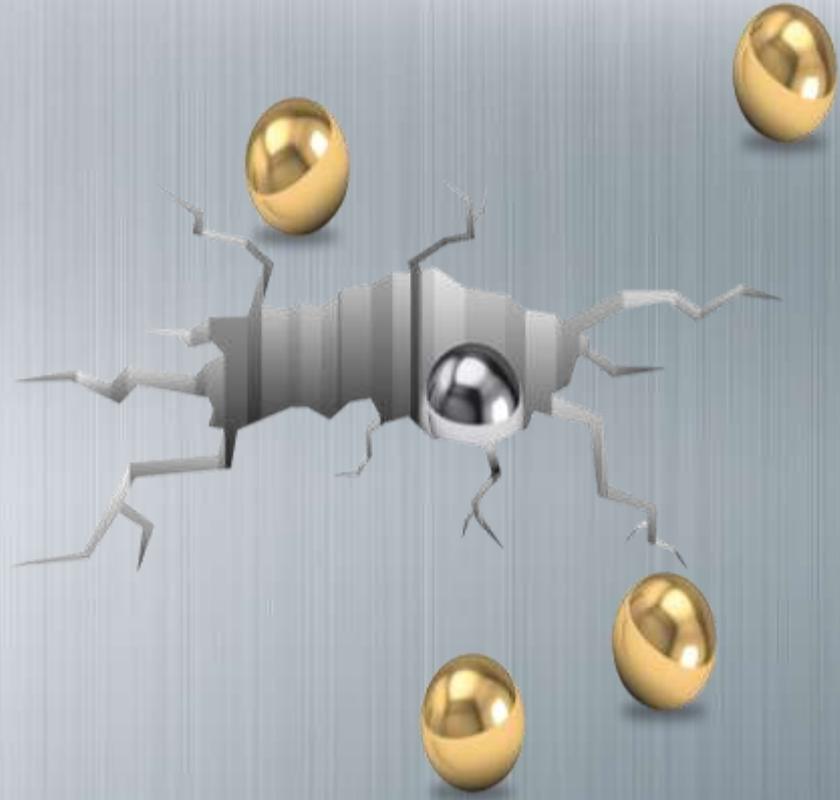
Table 15 Poverty rates by capital city/balance of state

Proportion of people in different depths of poverty	Proportion of people falling below different fractions of equivalised household disposable income (after housing costs)				Change in the proportion of people in poverty since 2009-10 (percentage point)		Ranking of the poorest regions city/balance of state	
	Moderate	'standard'	significant	severe	Below 50%	Below 30%	Below 50%	Below 30%
	Below 60% median	Below 50% median	Below 40% median	Below 30% median	Below 50% median	Below 30% median	Below 50% median	Below 30% median
By capital city/balance of state								
Sydney	19.9	15.0	8.9	6.0	+0.2	-0.0	1	1
Hobart	18.1	13.7	7.8	4.3	+0.5	-0.1	2	5
Melbourne	19.0	12.3	7.9	4.8	+0.7	-0.8	3	3
Brisbane	18.6	12.3	7.2	4.7	+2.4	+0.9	4	4
Adelaide	18.4	11.0	6.7	3.7	-0.2	-0.8	5	6
Perth	17.2	10.5	6.7	4.9	-2.4	-1.5	6	2
ACT and NT	11.5	8.2	4.4	2.8	-0.1	+0.2	7	7
Balance of Tasmania	25.3	14.1	7.9	5.1	-0.0	+0.6	1	3
Balance of Queensland	21.8	14.1	9.3	6.5	-2.0	+0.1	2	1
Balance of New South Wales	21.7	13.2	7.2	4.1	+0.2	+0.7	3	4
Balance of Victoria	23.8	12.7	7.8	5.3	+0.0	+1.5	4	2
Balance of Western Australia	18.0	11.8	7.5	3.9	+0.2	-0.2	5	5
Balance of South Australia	20.9	11.8	5.6	3.2	-1.7	+0.4	6	6
ALL PEOPLE	19.8	12.9	7.8	5.0	-0.04	-0.03		

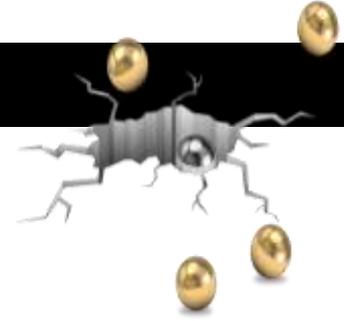


Characterised by:

- Single parent and lone person households
- Renting – and more so for older age groups
- Low qualifications
- Jobless – but also the ‘working poor’
- Those living with disabilities

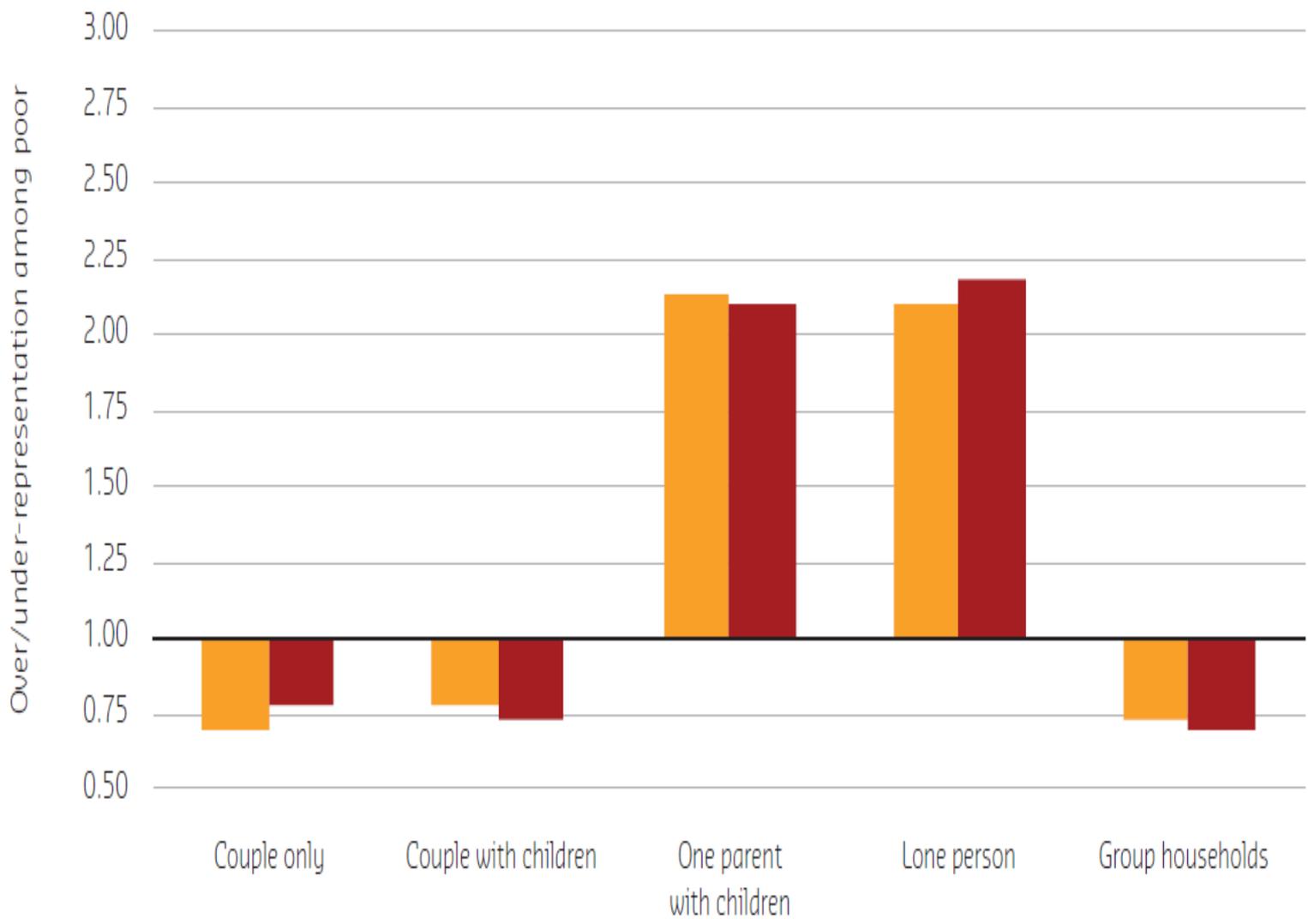
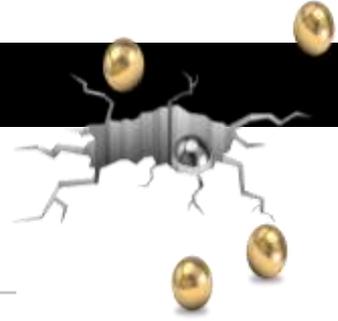


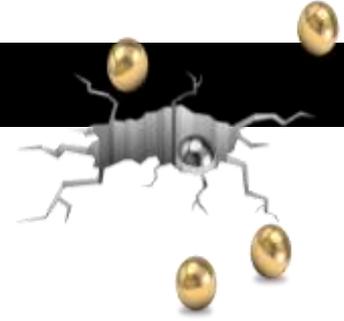
BEING SINGLE



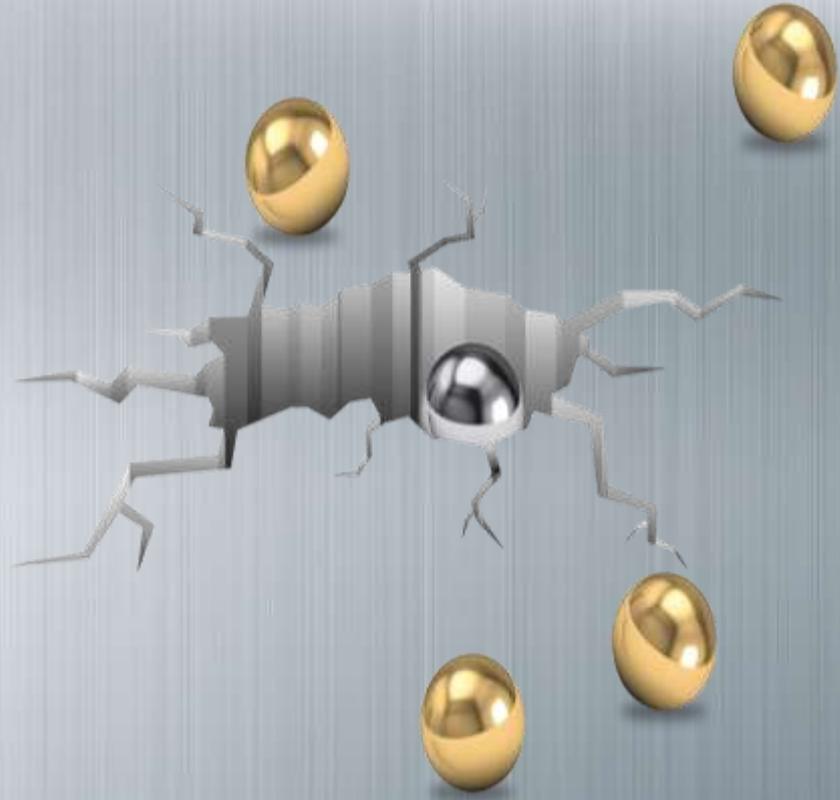
- Single (with or without children) increases risk of poverty
- More likely to be experiencing financial hardship and material deprivation.
- Over a **quarter** of persons in single parent households are in poverty and **one in seven** in severe poverty.
- Lone persons in severe poverty typically have **no more than \$130** to live on after housing costs; for single parents the figure is \$260 per week

Being single – how much more likely to be in poverty?





- More likely to be in poverty for longer
- Nearly **one-quarter of a million** single parents have been in poverty for at least **five** years of the last ten,
- **One in four** elderly single male or female households have been in poverty for four or more years.



HOUSING



- High housing costs are a major contributor to financial hardship and disadvantage in WA
- The WA market hasn't yet found a solution to the challenge of supplying properties of the right type, at the right price, in the right locations:
 - the median house in Perth costs 6.6 times the median income of a 'typical' Perth household
 - for lower income households seeking a lower priced house, this rises to 10.4
 - this places many who own property under significant financial pressure
 - many are forced to compromise on location choice



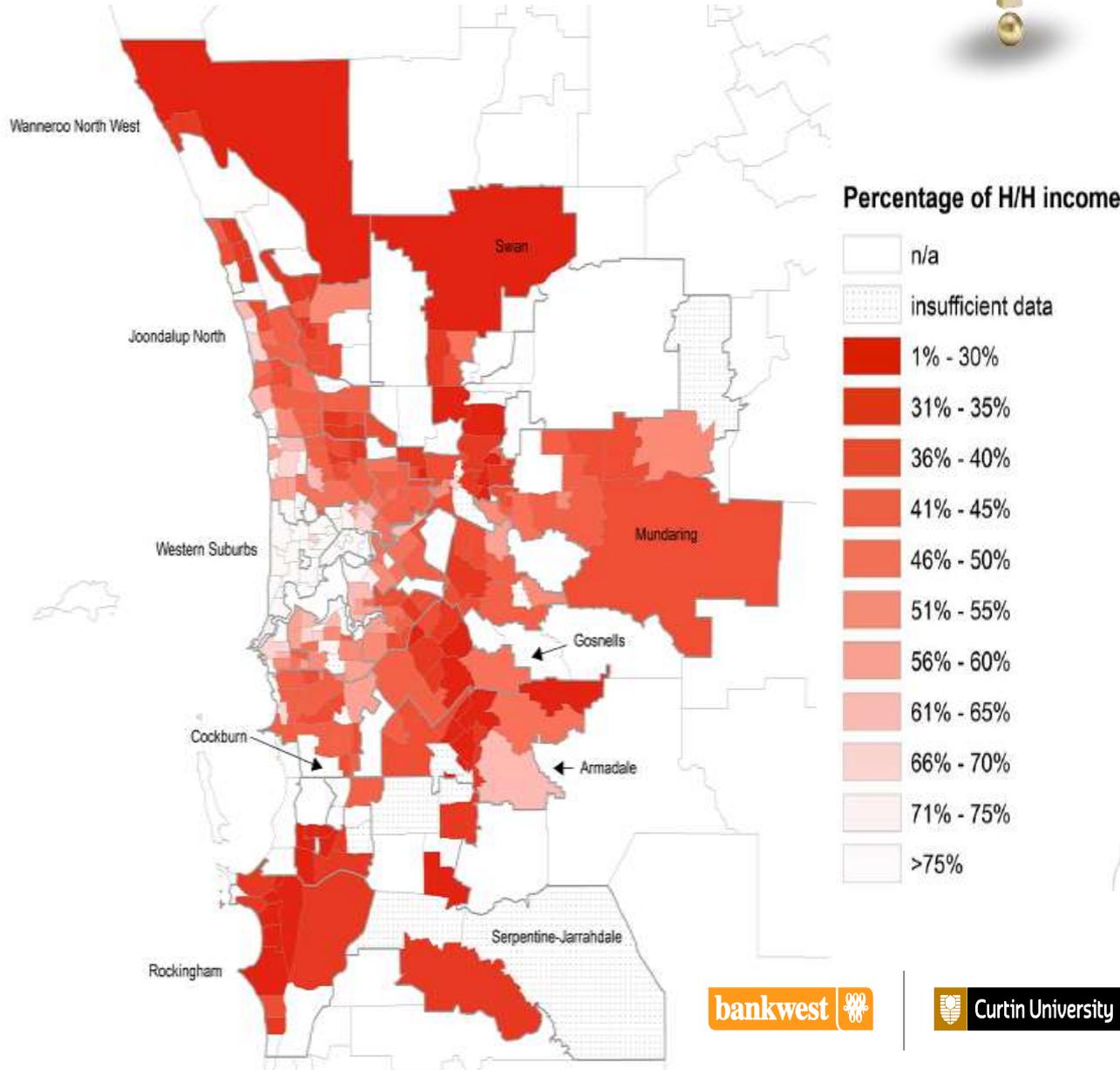
- Neither does the rental market work sufficiently well in providing affordable housing options for those on low incomes or not yet in a position to buy:
 - median rental cost burdens run at 29 per cent overall but with wide variation across WA suburbs
 - rental cost burdens more severe for lower income renters – 50 per cent overall, no suburb lower than 42 per cent
 - especially severe for older couples on low incomes in rental accommodation



Percentage of median income to pay for median-priced house

Affordable housing for the 'median household':

- Household with median level income can attain a house in all but the inner ring without too large a commitment out of annual income



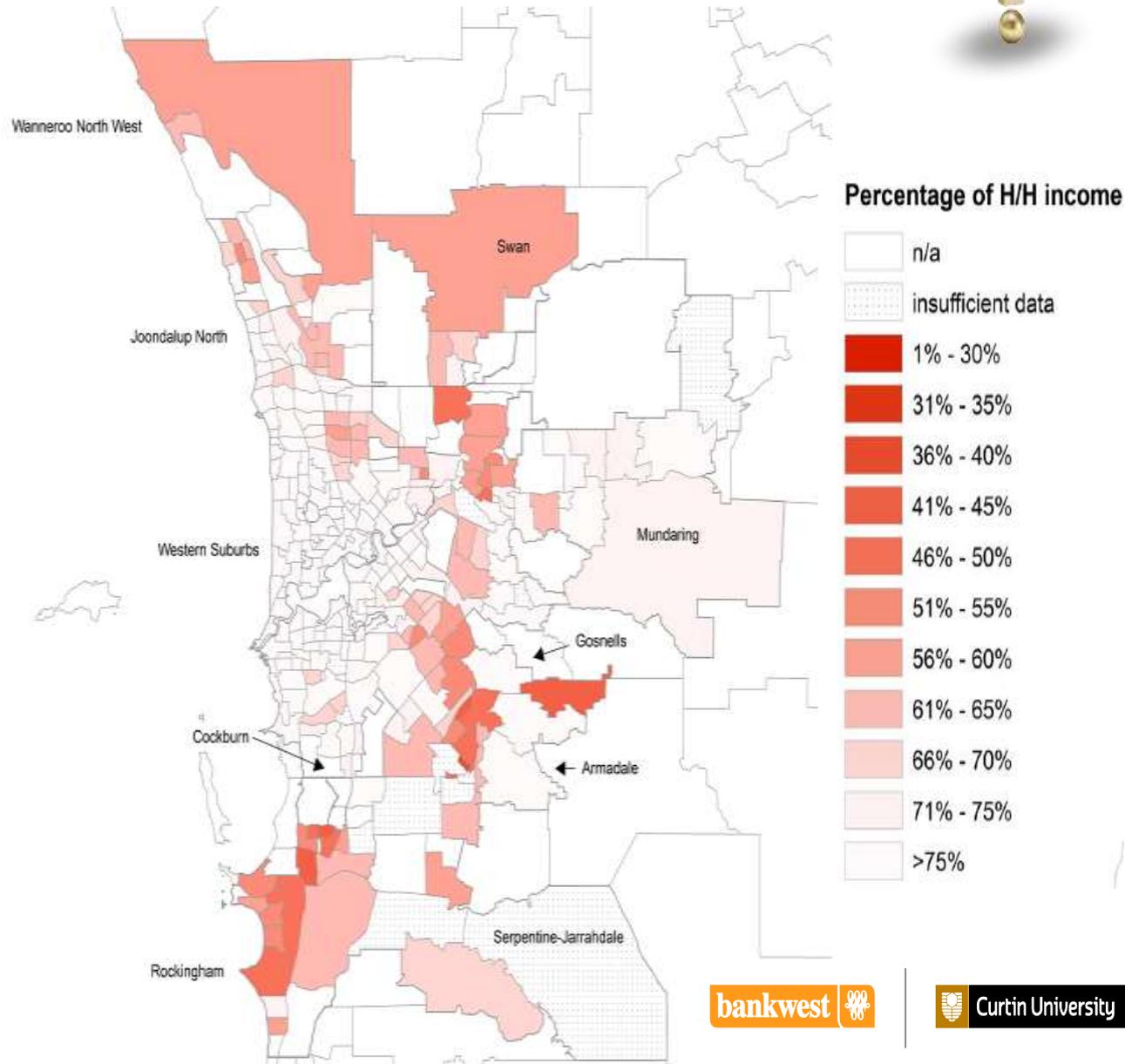
Source: REIWA, 2013Q4 data

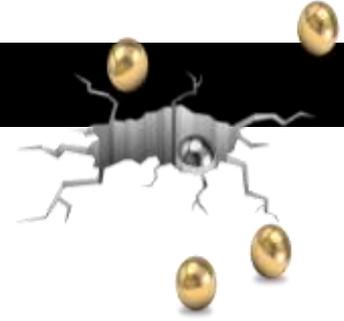


Percentage of lower quartile income to pay for LOQ-priced house

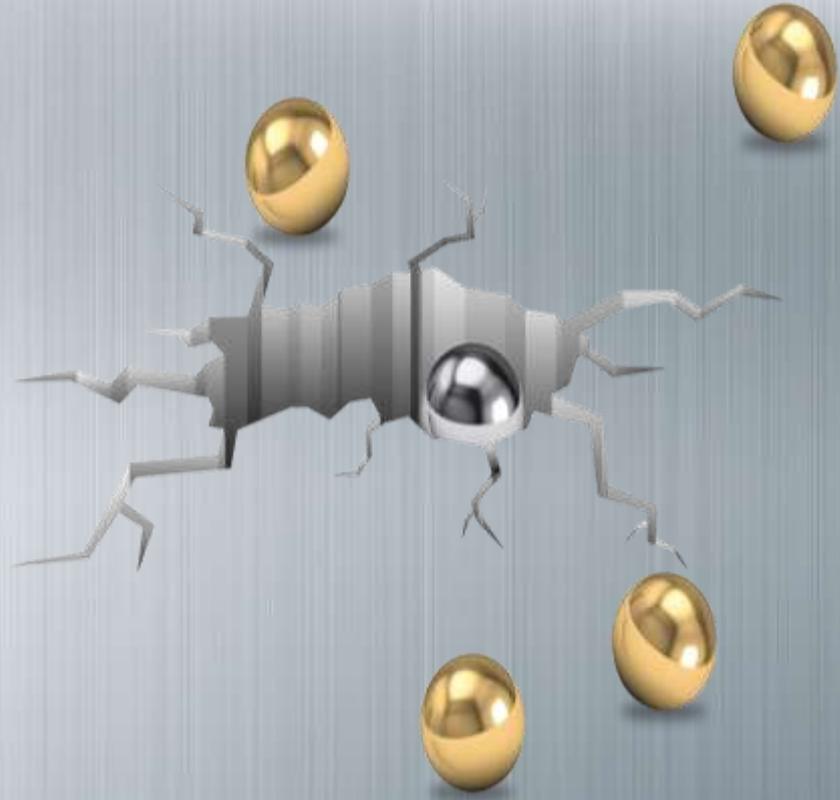
Different story for lower income households:

- lower income households are far less likely to be able to afford lower priced houses at reasonable income multiples
- illustrates a clear asymmetry in the WA housing market

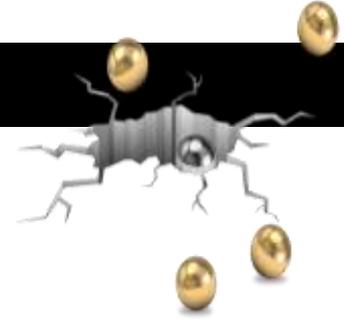




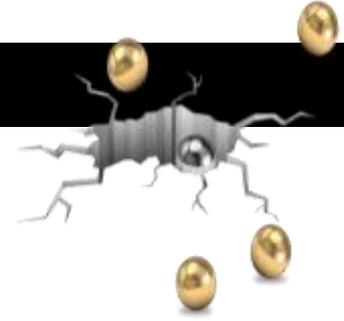
- Poverty rate for renters in Australia more than **twice** that for mortgage holders and **three times** the rate for owners without mortgages.
- Huge increase in poverty across the life-course for single people in rented accommodation:
 - around **29%** of lone renters aged less than 35 are in poverty, but
 - the rate rises to **nearly 40%** for lone persons aged 35 to 54, and
 - to **more than half** for those approaching retirement age.



EMPLOYMENT

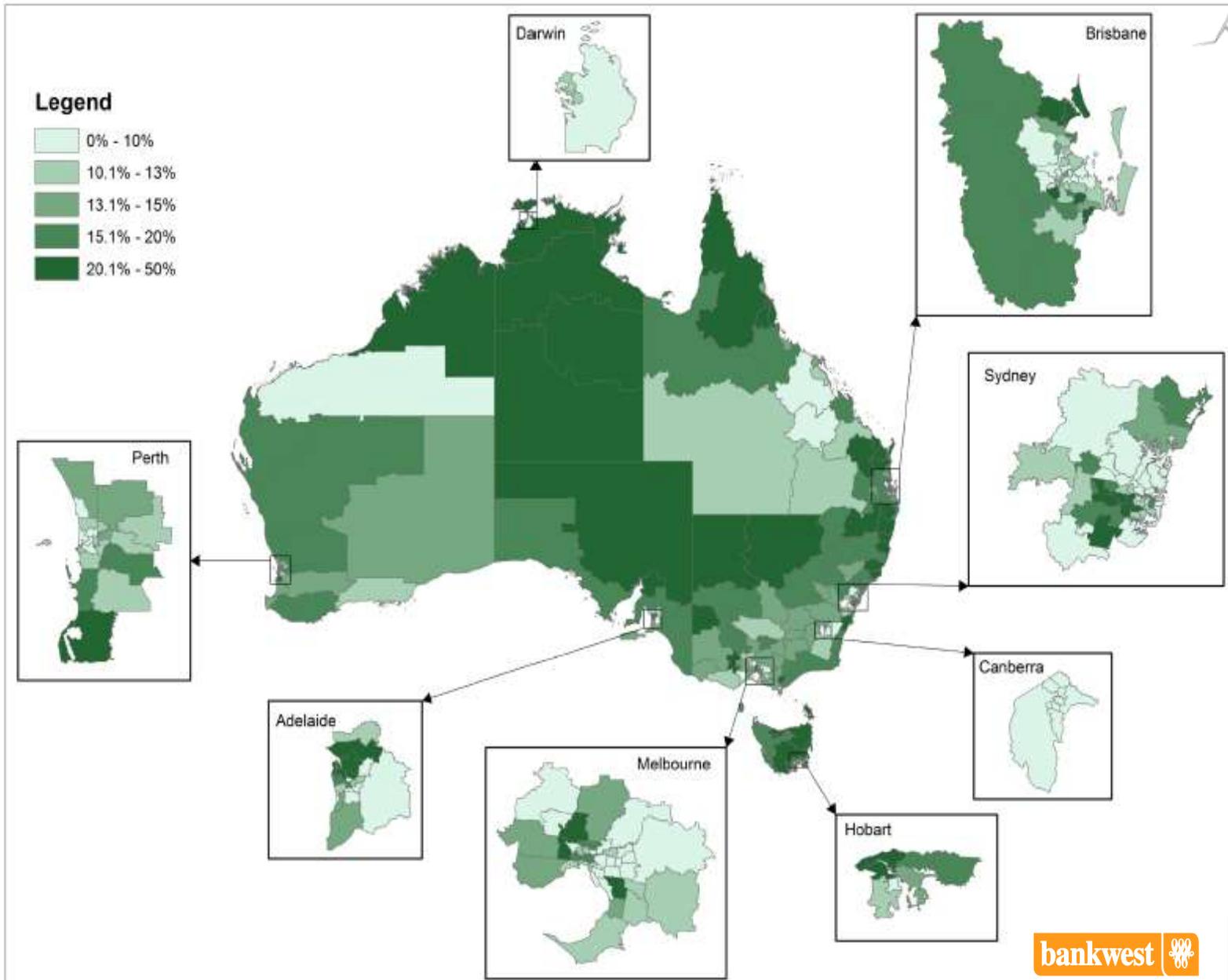
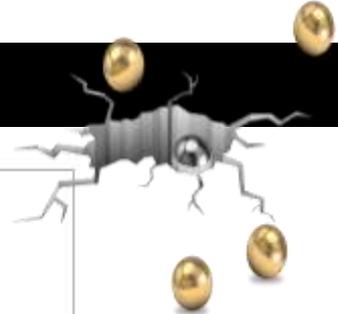


- Strong relationship between joblessness and poverty
- Jobless households are over-represented at various poverty depths, and are **seven times** more likely to be in severe poverty than other households
- Severe poverty rises significantly with the duration of unemployment

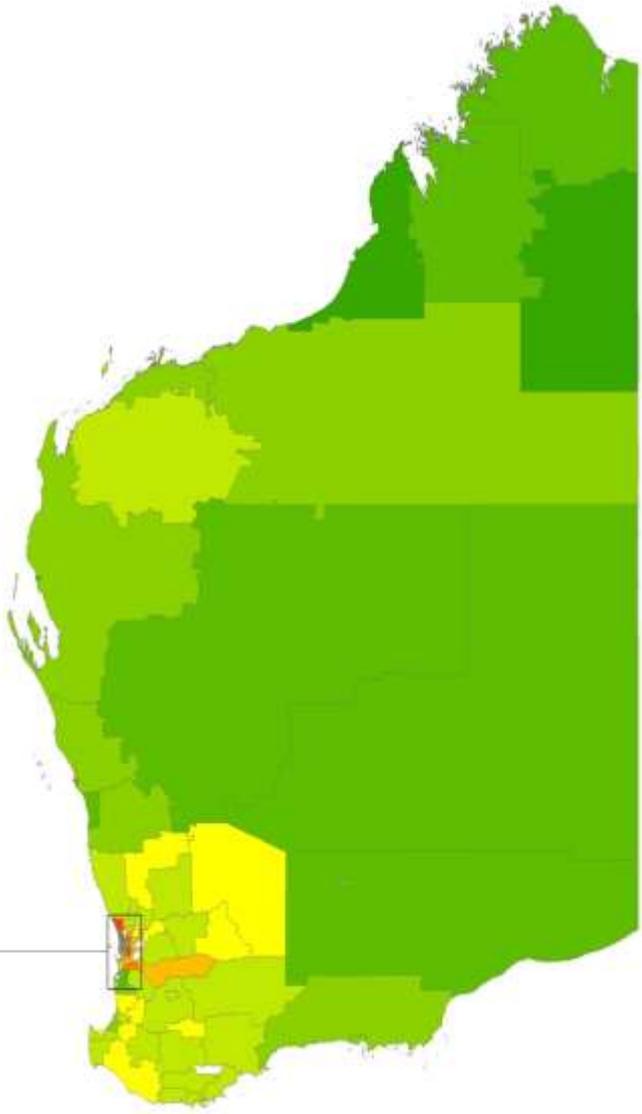
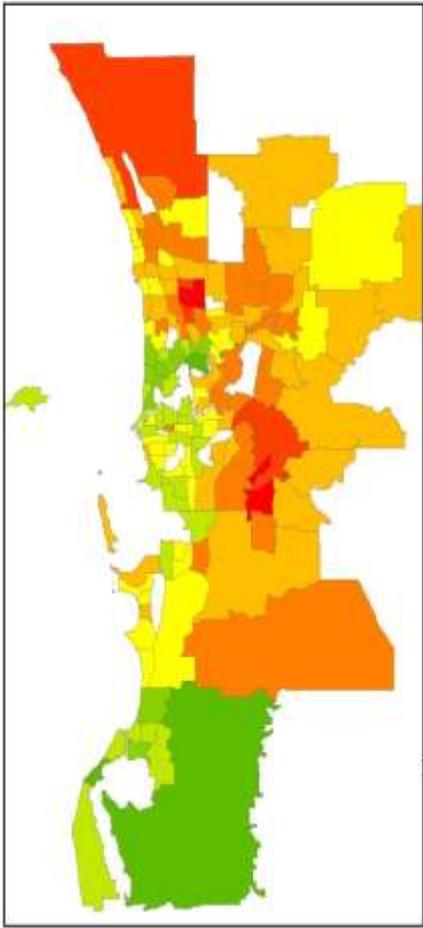
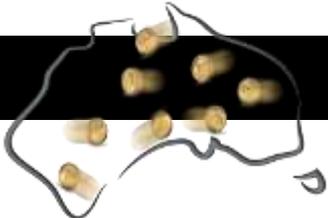


- **But** – journey to employment and employment as a means of escaping poverty isn't straightforward.
- Working poor
- Locational Disadvantage
- Indigenous
- Disability

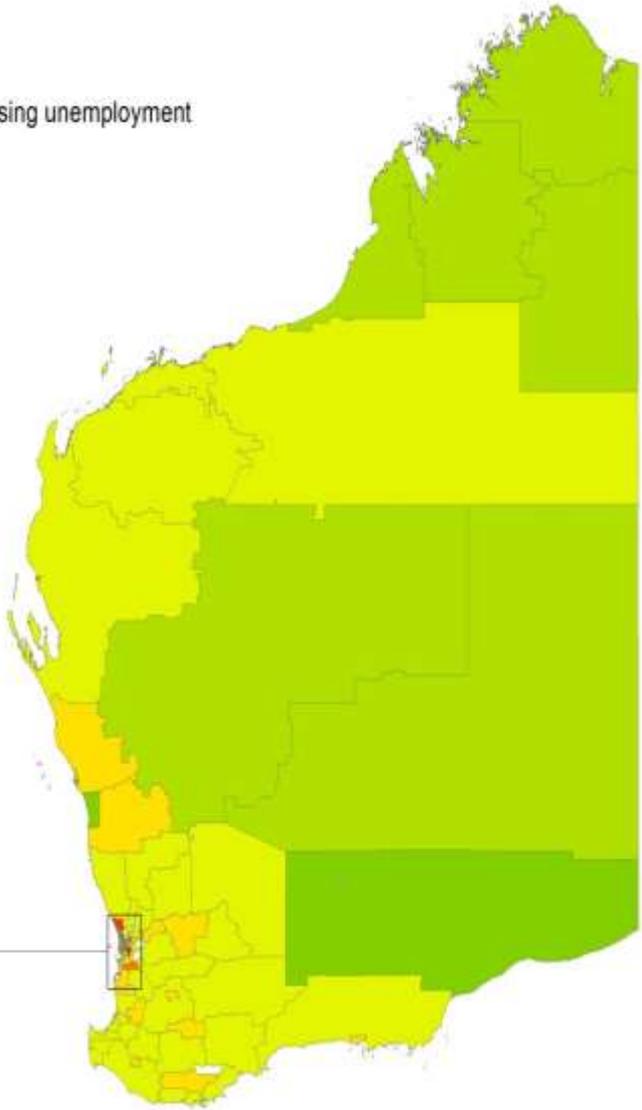
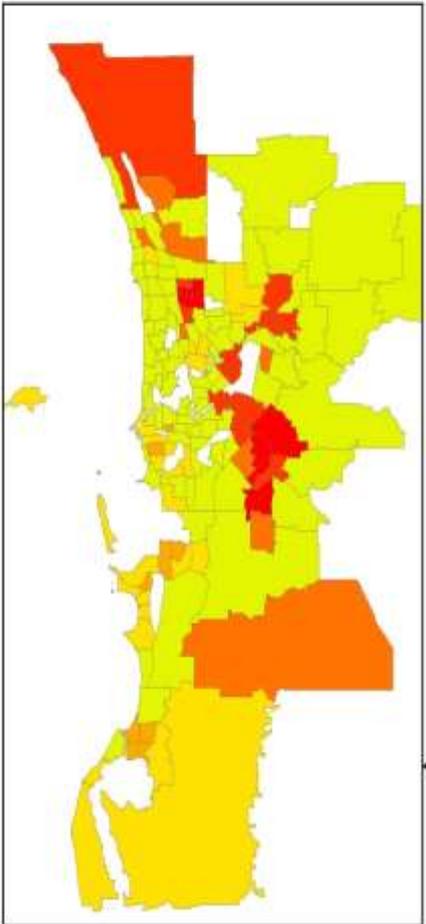
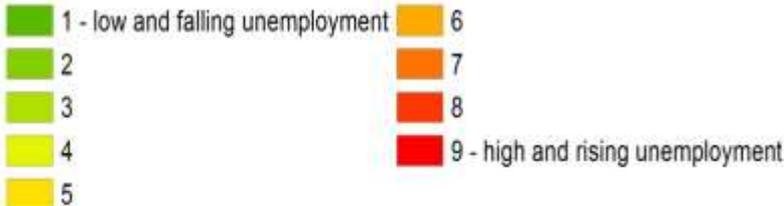
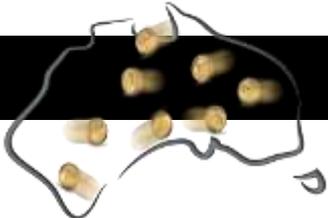
Percentage of jobless families by geographical region



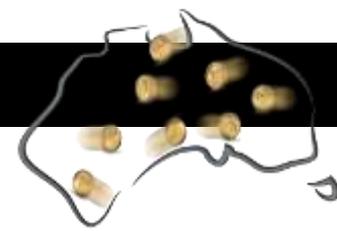
Quarterly change in unemployment , to December 2014



Rate and change of unemployment , December 2014



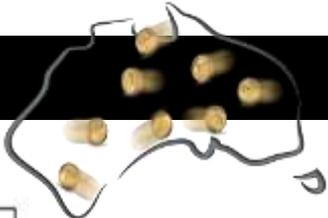
Youth unemployment by WA region, 2014



- Although lower in aggregate, we see pockets of high youth unemployment
- **Mandurah, South West Perth** and **Wheatbelt** are of particular concern

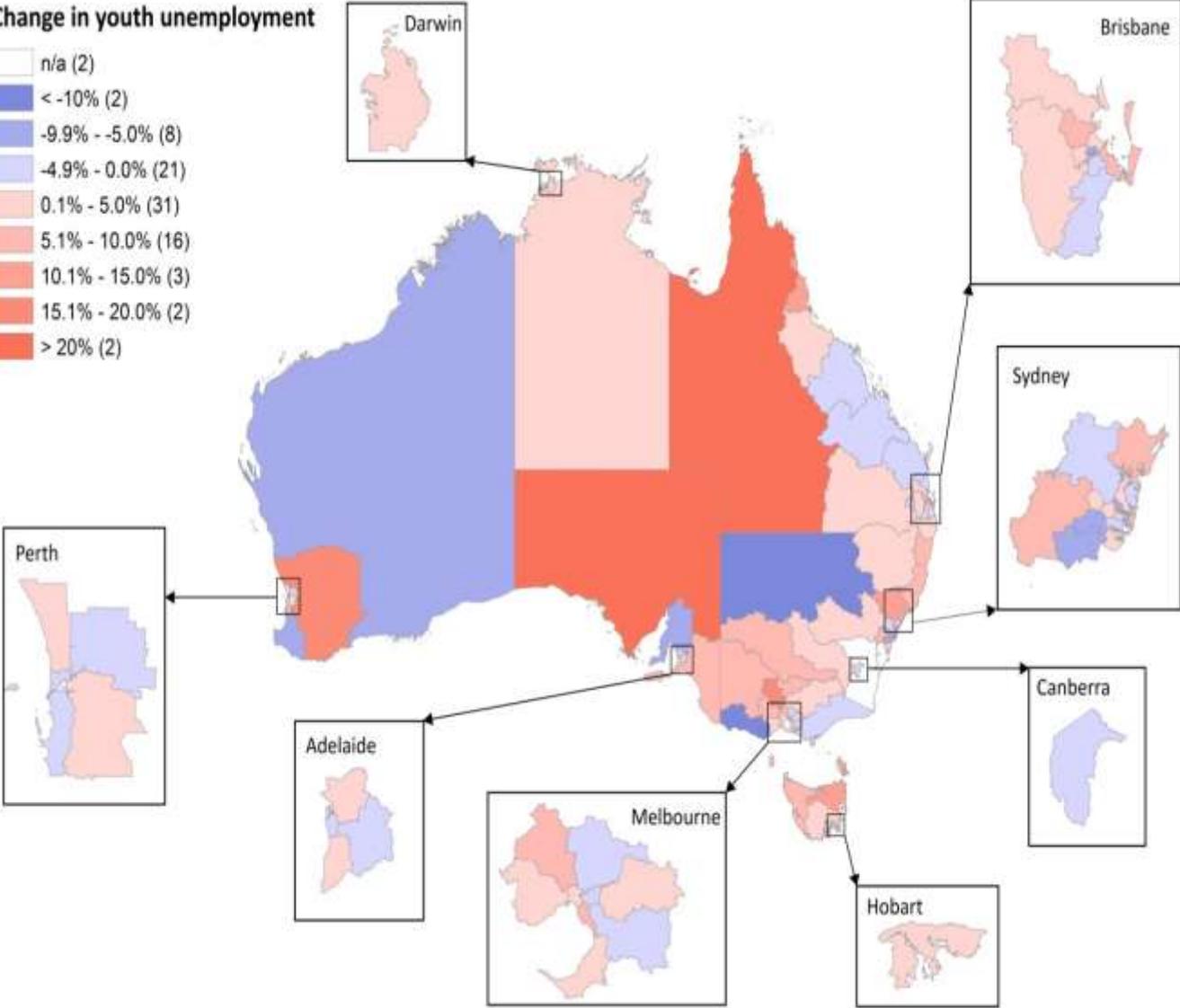


Change in youth unemployment by region, 2004-2014



Change in youth unemployment

- n/a (2)
- < -10% (2)
- 9.9% - -5.0% (8)
- 4.9% - 0.0% (21)
- 0.1% - 5.0% (31)
- 5.1% - 10.0% (16)
- 10.1% - 15.0% (3)
- 15.1% - 20.0% (2)
- > 20% (2)



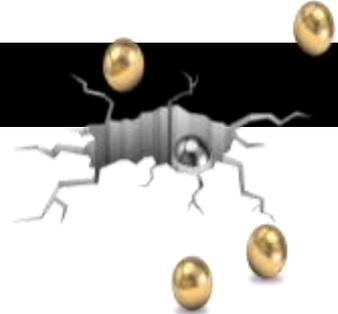
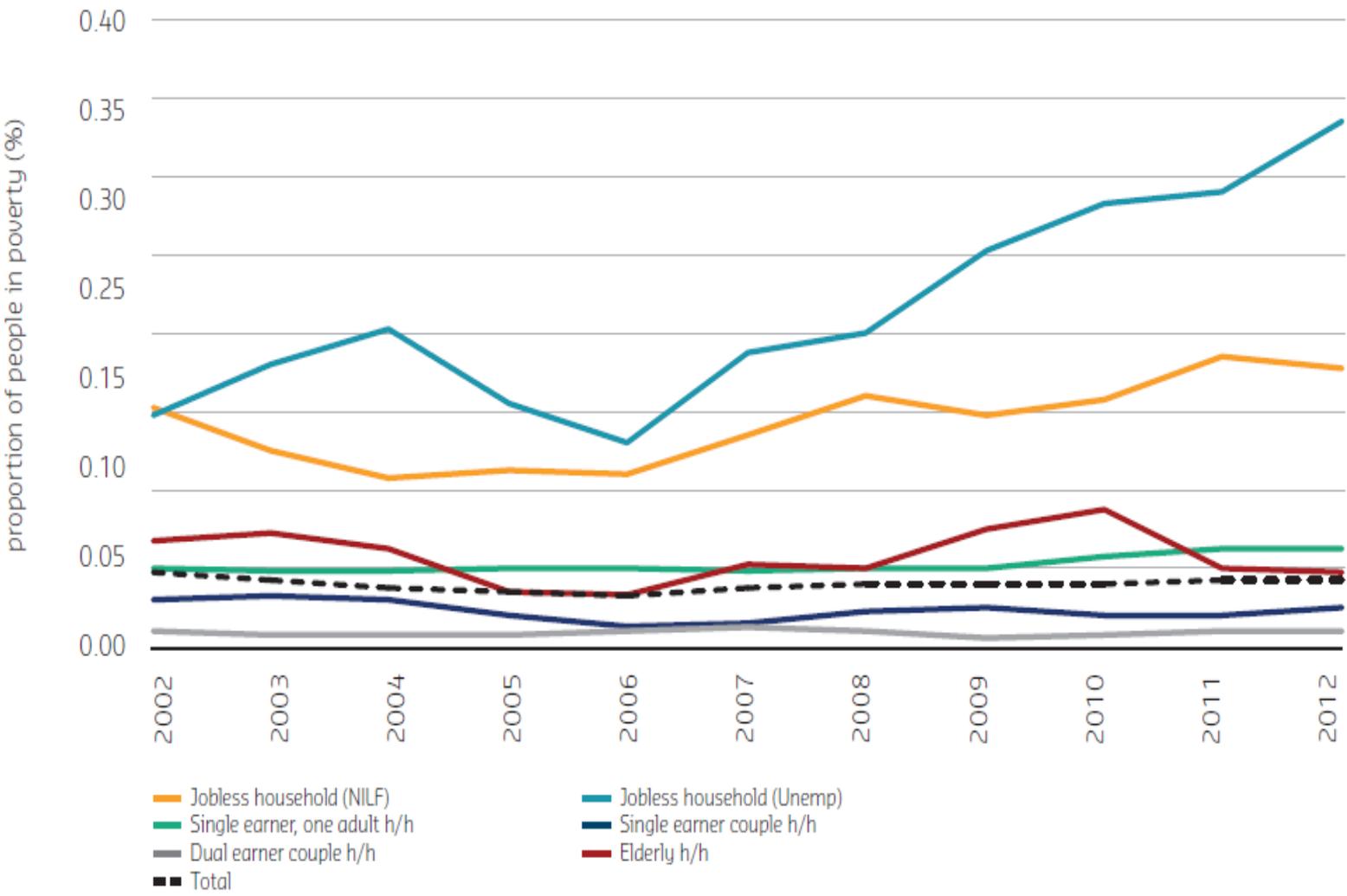
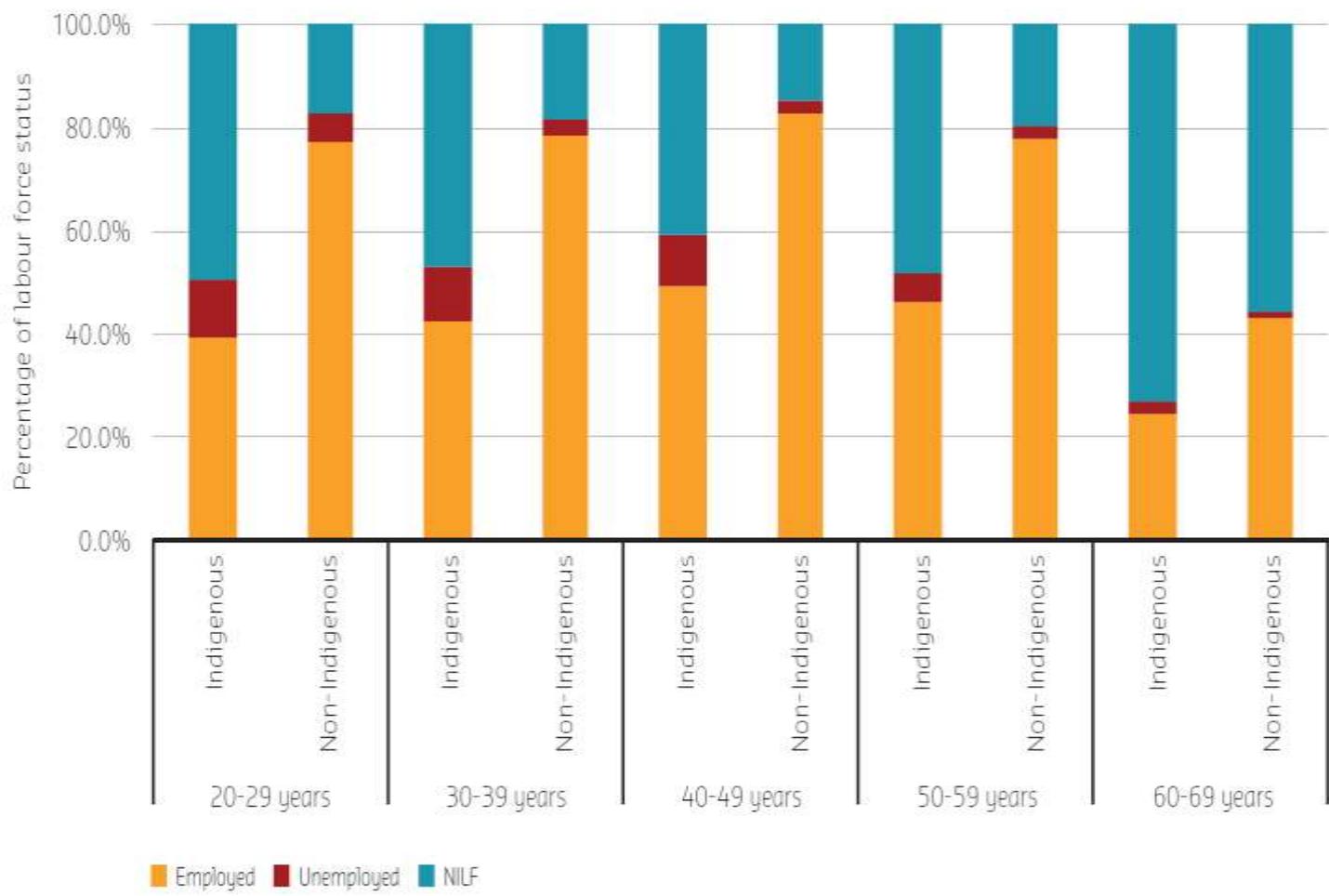
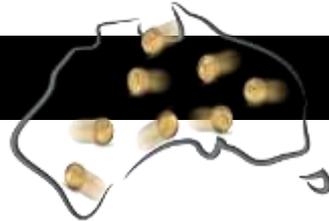


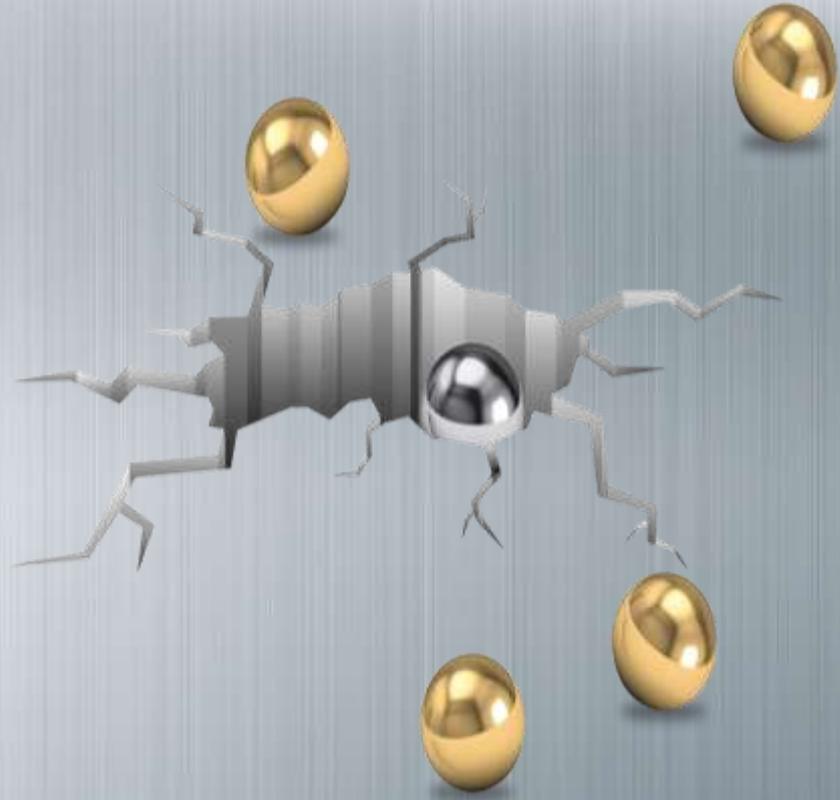
Figure 10 Severe (<30%) income poverty and labour market status of households, 2002-2012



Low participation among Indigenous Australians

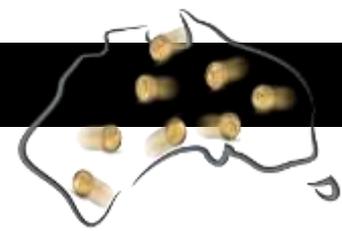


Source: BANKWEST CURTIN ECONOMICS CENTRE | AUSTRALIAN BUREAU OF STATISTICS Census 2011.

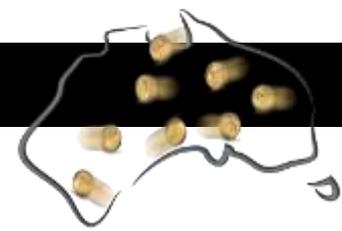


EMERGING PRIORITIES

What conclusions do we draw?



- **WA labour market is in transition**
- **WA population is forecast to grow to beyond 3.6 million by 2030**
- **Some danger that this may exceeds employment growth - some forecasts of around 2.5% growth annually to 2030**



- **MUST find a solution to housing affordability**
- **Important for WA to develop diversified portfolio of strengths**
- **Adaptable workforce requires an integrated strategy to link education/training to new employment opportunities**
- **Address the potential barriers to future economic growth in WA through employment**
- **Shouldn't neglect broader priorities and goals**
 - **equality of access and opportunity**
 - **balance between work, family and community**
 - **support for those at the margins of society**



BANKWEST CURTIN ECONOMICS CENTRE

ECONOMIC AND SOCIAL OUTLOOK FOR WA – WHO IS FALLING THROUGH THE CRACKS?

WACOSS Emerging Issues conference
1 April 2015, Bankwest Pavilion



Emerging Issues 2015

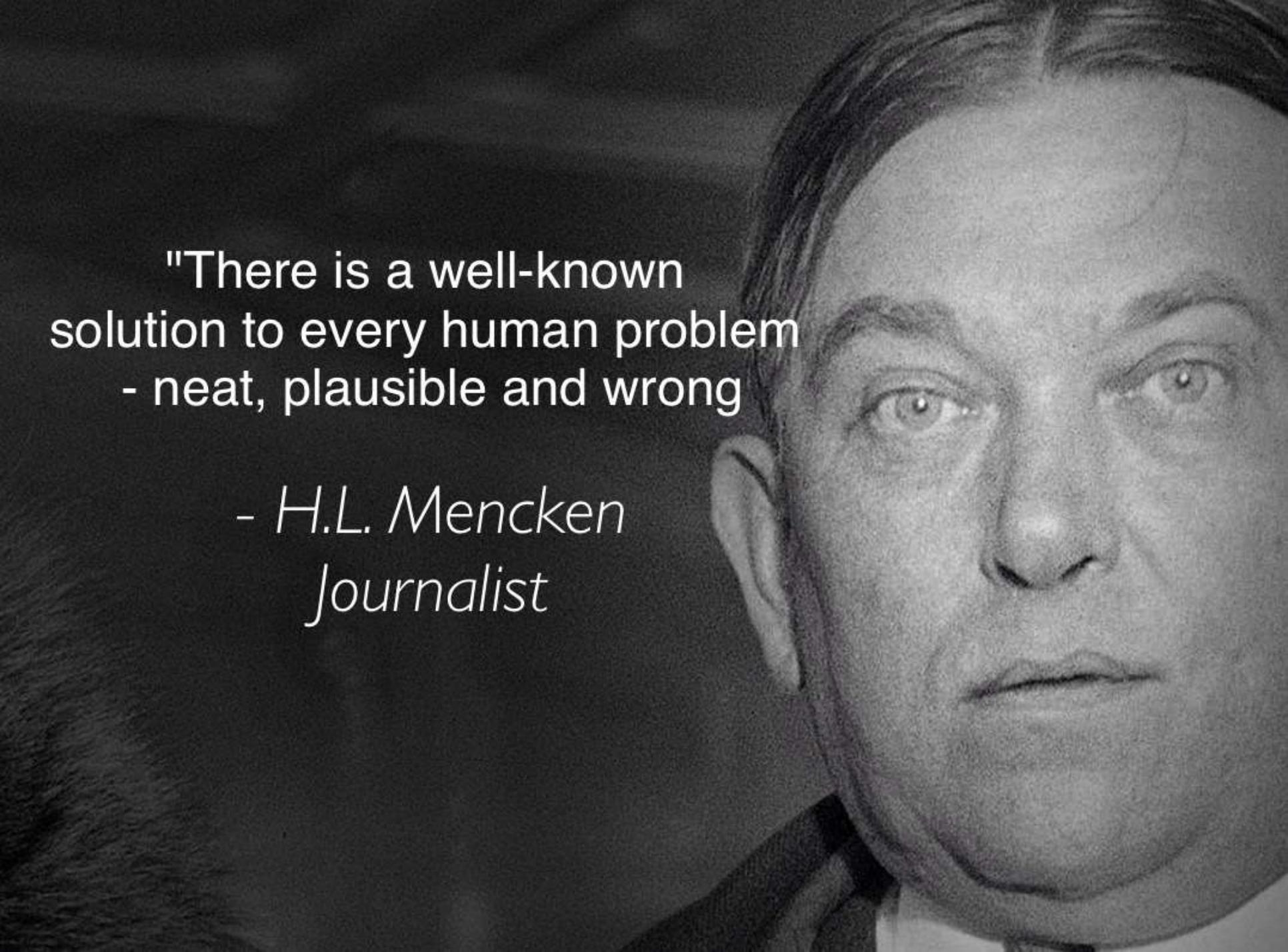
The Political Environment

Andrew O'Connor
Political Editor, ABC News WA



The Politics of Scarcity

A reporter's
perspective



"There is a well-known
solution to every human problem
- neat, plausible and wrong

- *H.L. Mencken*
Journalist

A close-up photograph of a man with short brown hair, wearing a dark suit, white shirt, and blue tie. He is shown from the chest up, looking slightly to his right with his mouth open as if speaking. His right hand is raised, palm facing forward, with fingers slightly spread. In the background, a flag with red, white, and blue elements is visible but out of focus. The overall lighting is dramatic, with strong highlights on the man's face and hand against a dark background.

Retreat or
reprieve?

A close-up photograph of a middle-aged man with light hair and blue eyes, wearing a dark suit, white shirt, and patterned tie. He is looking slightly upwards and to the left, with his mouth open as if speaking. A microphone is visible in the lower right corner, with the number '111X945' printed on it. The background is a blurred outdoor setting with a building. The text 'Going light' is overlaid in a white, serif font on the right side of the image.

Going light

Push towards
partnerships





Emerging Issues 2015

**The Social, Service
& Sector Environments**

Chris Twomey
Director of Policy, WA Council of Social Service

Outline

- 1. Reform of our social safety net**
- 2. Emerging experience in co-design**
- 3. Collective service models**
- 4. Emerging trends in sector collaboration**
- 5. New directions for outcome-based service-systems**



1. Reform of our social safety net

- **Reform processes risk harm to vulnerable groups**
McClure, Forrest, Federation, Tax...
- **Aim: ‘a simpler, fairer & more sustainable system’**
Our priorities - simplicity & adequacy
Based on financial need ... not work capacity
- **Vulnerable groups at risk**
Seniors, DSP, older unemployed, youth, ATSI, PPS...
- **Narrative of welfare dependence**
Reality: structural unemployment 6.3%, skills gap...



1. Reform of our social safety net

Our Safety Net model:

1. One single income support payment

- *Set by an Independent Commission, based on community standards, linked to wages...*

2. Supplements to meet major non-discretionary costs

- *Rent (CRA)*
- *Disability (to complement NDIS)*
- *Caring for a person with a disability (...ditto)*
- *Raising a child alone*
- *Searching for a job*

Retain a separate Family Tax Benefit system



2. Emerging Experience in Co-Design

Recognition and interest in overcoming fragmentation

Policy & Planning

- *Federation case studies*
- *Scenario Planning*

Citizen engagement in Co-design

Emerging Experience

- *Need for a mechanism..*
- *The Good Practice Guidelines (GPGs)...*



2. Emerging Experience in Co-Design

Good Practice Guidelines:

- *Clear purpose and scope for consultation*
- *Allow time for co-design process before tender*
- *Shared understandings, clear process*
- *Informed by shared data and analysis*
- *An iterative process – continual improvement*
- *No one size will fit all...*

Better services, better outcomes, smoother tenders.



3. Collective Service Models

Growing interest in collective service models

Examples:

- *Cockburn-Kwinana Early Years*
- *Youth Partnership Project*
- *South West Metro Partnership Forum*
- *Family Support Networks ... & CPCs*

Mechanisms to deliver collective outcomes

1. *Collective contract mechanisms*
2. *Guidelines for multi-agency co-design process*



4. Trends in Sector Collaboration

Increasing attention on collaboration & competition

Driven by the sector - independent of government

Trends in scope & scale of service funding

- *Federal vs State approaches*
- *Mergers & acquisitions*

Priorities and Principles for Youth Services

How do we pursue 'inclusive growth'?



4. Trends in Sector Collaboration

A Model – the APONT principles

- consider your capacity
- recognise existing capacity - *research options*
- seek partnerships - *don't directly compete*
- partner to build and strengthen - *not displace*
- recognise & support existing practices
- create strong & viable Aboriginal orgs - *ensure control*
- a clear exit strategy
- evaluation and accountability
- cultural competency & development practice



4. Trends in Sector Collaboration

The way forward:

- *Put community development practice first.*
- *Explore a full range of options for strategic alliances ... including the potential for mergers.*
- *Extend GPGs to include ‘inclusive growth’.*
- *Govt. support in co-design practice & in contracts.*



5. Outcome-based service systems

Increasing interest in an outcomes agenda

Individual CSOs investing in service impact systems

Data needs to drive:

- *Investment decisions*
- *Policy development*
- *Program design*

The critical gap is at the program level

Need mechanisms to drive outcome-based planning

Test, monitor, learn, apply...



5. Outcome-based service systems

Outcome-based Program Model:

- **A process to develop planning mechanisms**
 - Agencies share aggregated program data
 - Share analysis (*...and share the task of analysis*)
- **Ensure it informs decision-making**
 - *Programs & Funding & Policy*
- **Build mechanisms for Co-design**
 - Trial, monitor, learn, apply – *close the loop*
- **Develop overarching frameworks & policy**



Take-home messages...

- 1. Reform of our social safety net**
- 2. Emerging experience in co-design**
- 3. Collective service models**
- 4. Emerging trends in sector collaboration**
- 5. New directions for outcome-based service-systems**





wacoss

Western Australian
Council of Social Service Inc

Emerging Issues 2015

Afternoon Tea



Emerging Issues 2015

**Federal Perspectives
on Emerging Sector Issues**

Lin Hattfield-Dodds
National Director, Uniting Care Australia

1. Federal Government Position



Their position is being constrained by three forces, not always pulling in the same direction:

- *Strong ideological commitment to limiting the scale of government, & ensuring that the welfare is only a safety net.*
- *Difficult fiscal circumstances of a large deficit, which is rising as terms of trade are deteriorating.*
- *Challenges with implementing electorally unpopular measures ...*



2. Welfare Reform



Welfare reform is an important theme:

- *It is not clear what direction it is going to go in following the ministerial reshuffle.*
- *NZ 'investment approach' still has oxygen.*
- *Morrison/Abbott's 'families package' ... an indication?*
- *A big sector challenge to support prevention and early intervention, while not buy into unproven or punitive models.
(debate on NZ measures)*



3. Sector Sustainability



Competition Review:

- *How do we strike a balance between efficiency and maintaining quality and innovative service delivery?*
- *How to maintain informed and empowered choice as a keystone of competition policy?*

Workforce, funding, regulation, reporting complexity.

Consumer Directed Care:

- *Presents a business challenge.*
- *Principally through the NDIS and aged care...*



4. Tax Reform ...



Tax reform is perhaps the most important issue for the next two years ... but also for the next generation.

- *What do we want a reformed system to look like?*
- *How do we strike a balance between simplicity and fairness in the system?*
- *Progress might look at tax expenditures, but will have to involve hard conversations beyond that area.*



4. Tax Reform



- *Are we, as a sector, ready for a conversation about consumption taxes in an environment where other direct taxes may not be able to deliver the sort of revenue streams we would support? What do we do with GST?*
- *The sector needs to think about how to position itself so that it has a chance of influencing the outcome of the process.*
- *For example, arguing for higher income tax rates would fail that test.*



5. Federation Reform ...



Federation reviews tend to be graveyards of ideas:

Do we engage, when the likelihood of influence seems low?

1. Early Childhood Education and Care

- *We have a national quality framework to ensure consistency and high standards.*
- *Debate foreshadowed on who should be responsible for pre-schooling (systems vary between states).*



5. Federation Reform



2. Housing and Homelessness:

- *Mitigating uncertainty for people accessing housing and homelessness services through:*
 - *Focussing on fiscal sustainability*
 - *The appropriate division of responsibilities for service provision*



6. Aged Care



The Minister is signalling an appetite for further reform – *in line with directions the sector has supported in the past.*

- He will need support to be able to carry this forward.
- What is the long term strategic role of the NFP sector ?
in a sector that is no longer a welfare service, but a mature human service business, with healthy, innovative and mature for-profits doing it well.
- What role should individuals play in paying for their ageing?
The conversation has started, and needs to continue, about the role of superannuation and retirement income.



7. The Royal Commission



Challenges all of us in children's services
to reflect on and reform our practices.

- *For church-based organisations such as ours, ensuring we have good governance and accept legal responsibility consistent with the constitution and theology of the church*
- ***Guaranteeing adequate redress schemes** will present fiscal challenges for some agencies.*
- ***Will these at threaten the viability of services?** directly, or through problems with insurance coverage?*





Emerging Issues 2015

Panel Discussion

Your Questions & Comments Welcome...

Irina Cattalini, Alan Duncan, Andrew O'Connor,
Chris Twomey & Lin Hattfield-Dodds



Emerging Issues 2015

Summary & Close

Irina Cattalini
CEO, WACOSS

Sector Budget Briefing

12 May - Federal Budget

14 May - State Budget

**15 May - WACOSS Members
Budget Briefing**



Share your feedback on DropIN

On the WACOSS website there is a button to take you the following link:

<https://dropin.org.au/display/WEC/WACOSS+Engagement+and+Consultation+Home>

Please share your feedback and views from today's session





Emerging Issues 2015

Thank you!



wacoss

Western Australian
Council of Social Service Inc

*Ways to make
a difference*