Comment

on the

Inquiry into *Appropriation Bill 2008-09 (No. 3)*

(March 2009)

INTRODUCTION

ACTCOSS acknowledges that modern day Canberra has been built on the traditional lands of the Ngunnawal people. We pay our respects to their elders and recognise the displacement and disadvantage they have suffered since European settlement. ACTCOSS celebrates the Ngunnawal's living culture and valuable contribution to the ACT community.

The ACT Council of Social Service Inc. (ACTCOSS) is the peak representative body for not-for-profit community organisations, people living with disadvantage, and low-income citizens of the Territory. ACTCOSS is a member of the nationwide COSS network, made up of each of the state Councils and the national body, the Australian Council of Social Service (ACOSS).

ACTCOSS' objectives are representation of people living with disadvantage, the promotion of equitable social policy, and the development of a dynamic, collaborative and sustainable community sector.

The membership of the Council includes the majority of community based service providers in the social welfare area, a range of community associations and networks, self-help and consumer groups and interested individuals.

ACTCOSS receives funding from the Community Services Program (CSP) which is funded by the ACT Government.

Introduction

In a time of economic uncertainty the ACT Government's prompt and substantial investment in capital infrastructure is commendable. It is important, however, that in this focus on capital investment, the human aspect of the global financial crisis is not forgotten or ignored.

The financial crisis has and will continue to have disproportionate impacts on people in the ACT experiencing disadvantage. ACOSS research shows that one in ten ACT residents are already suffering multiple deprivations and missing out on essential items for living.[1] Financial counselling services are already reporting an increase in demand on their services, as more people fall behind on their mortgages or rental payments and experience financial stress. Financial stress can lead to a range of other health and mental health related conditions.

The ACT Community Sector is well placed to assist those people most unable to cope with the current economic situation, if it is resourced and supported to do so.

Many of the initiatives set out in the third appropriation[2] are welcome, particularly those around investment in community sector facilities and housing stock. It is essential, however that these measures are accompanied by an equal investment in support and services for people most affected by the financial crisis and most unable to absorb the resultant impacts on cost of living.

Community Sector Viability

Investment in the ACT Community Sector in a time of economic downfall and uncertainty has a number of benefits. A 2003 report into the *Contribution of Community Services to the ACT Economy* found that expenditure on community services promotes economic development by:

- Creating a high number of jobs per dollar spent;
- Directly contributing industry value added and stimulating value added in the economy as a whole;
- Promoting local employment beyond the sector through consumption effects;
- Providing avenues for volunteer work;
- Facilitating the economic participation of disadvantaged people who otherwise have limited access to the labour market.[3]

The report also found that the community sector offers cost-effective options for the provision of community services, as community organisations:

- Have the ability to operate with lower overheads;
- Effectively target programs;
- Understand the needs of the community;

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[1] ACOSS (2008) *Who is Missing Out? Hardship among Low Income Australians.*
[2] ACT Supplementary Budget Papers, *Appropriation Bill 2008 -09 (No.3).*
[3] ACTCOSS (2003) *The Contribution of Community Services to the ACT Economy*, page 35.

- Have access to volunteers; and
- Are noted for their efficiencies related to small management infrastructures.[4]

As a result of the financial crisis people and families who have not previously sought support in financial counselling, housing or crisis services are turning to community organisations as they find it more difficult to cope. However many community organisations are reporting they are unable to meet the needs of their current clients, and have little capacity to increase service delivery to people feeling the effects of the economic crisis.

Steps taken in the second appropriation of 2008-09[5] to assist community organisations to provide crisis support were welcome. However, organisations who received funding are reporting far higher demand than the funds can provide for. Additional funding needs to be allocated to organisations to assist them to meet the increasing demands on their services in the current economic climate.

In *Prioritising People: A person centred approach to today's challenges*[6] it is noted that community organisations continue to have inadequate infrastructure, and be housed in old, dilapidated or otherwise inadequate facilities. The capital investment in buildings and facilities used to provide services to our community is therefore very welcome. In particular we welcome the $1.16 million allocated to the upgrade of community and childcare facilities in a number of areas across the ACT.

ACTCOSS also welcomed the additional $1.5 million allocated in the *Second Appropriation to the 2008-09 Budget* for the community hubs at Cook, Village Creek and Holt. With the implementation of these initiatives under both appropriation bills it is important that the community is involved in all stages of the development of the hubs. It is already apparent that organisations will have a variety of needs, around security, accessibility, parking, shared spaces and more. In order to best meet the needs of all prospective tenants it is important that the Government commits to ongoing consultation and involvement.

It is essential to ensure the investment in facilities is matched by an equal investment in the workforce that supports the community and people experiencing disadvantage. Community Sector organisations continue to report difficulties in attracting and retaining quality staff. During consultations for *Prioritising People* organisations reported vacancies were going unfulfilled for long periods of time, frequent turnover of staff and costs of recruitment and training were high.

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[4] Ibid.
[5] ACT Supplementary Budget Papers, *Appropriation Bill 2008 -09 (No.2).*
[6] ACTCOSS (2009) *Prioritising People: A person-centred approach to today's challenges: ACTCOSS Submission to the ACT Budget 2009-10,* p 21.

ACTCOSS draws your attention to the recommendations made in *Prioritising People* in relation to community sector workforce viability, including:

- Raising funding levels to close the wage gap between community sector and public sector staff;
- Ensuring all community sector contracts include resources for staff training, development, administrative support and supervision; and
- Resourcing community organisations to better support their volunteers through supervision, training, management and allowances.[7]

Housing Initiatives

A broad cross-section of community agencies, covering a range of services and sub-sectors, has reported that housing is a major concern for the majority of their clients.

Prioritising People stated that in order to meet the goal of 10% public housing stock that was set out in the *ACT Labor-ACT Greens Agreement*,[8] public housing stock would need to increase by at least 1,400 over the number reported in the *Department of Disability, Housing and Community Services 2007-08 Annual Report*. Investing in public housing infrastructure will not only benefit people experiencing homelessness and on public housing waiting lists, but will provide a boost to the economy through capital development.

While the $2.5 million allocated to fast track construction of dwellings on 10 blocks of land is very welcome, there is still a need for more housing stock to meet the goal of the *ACT Labor – ACT Greens Agreement.* Having said that, we expect there will be a substantial investment in social housing as part of the Commonwealth Government's recently announced financial stimulus package.

ACTCOSS is very supportive of the tailored support mentioned in the third appropriation papers to enable families to sustain longer term tenancies in public housing. In many cases, simply providing a property is not enough. We also encourage the Government to develop other innovative strategies to support people experiencing homelessness or who require more affordable housing. Suggestions made in *Prioritising People* include:

- A rental subsidy scheme;
- Increasing levels of Commonwealth Rent Assistance;
- Additional funding for tenancy and other support services to assist people at risk of homelessness;
- Land tax concessions schemes for low income housing; and
- Relaxing eligibility requirements for public housing.

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[7] *Prioritising People*, p 18.

[8] *ACT Labor – ACT Green Agreement,* Parliamentary Agreement for the 7th Legislative Assembly of the ACT.

The Federal Government's White Paper on homelessness *The Road Home* also recognises the critical issues facing homelessness services around staff retention and development:

> A key priority is to address the need for increased skills and competency in special homelessness services to achieve sustainable outcomes for people with high and complex needs.[9]

With every addition to the social housing stock the need for support staff to facilitate better outcomes for those accessing such support, must be considered.

Impacts of Climate Change

The social, environmental and economic impacts of climate change are likely to impact disproportionately on low income households. The mechanisms and means adopted to reduce greenhouse gas emissions must be equitable and not result in further disadvantage to vulnerable people already feeling the effects of the financial crisis.

ACTCOSS welcomes the additional funds allocated in the third appropriation for energy improvements in community and childcare facilities. Community organisations and other not-for-profit services often lack the funds to modify and adapt their facilities to increase energy and water efficiency. By improving energy efficiency for these facilities we are assisting organisations to make savings on energy and water bills and ensuring the maximum resources are available for service delivery.

The third appropriation, however, appears to include few measures to assist low-income households to become more energy efficient and adapt to rising costs of energy and water. The Commonwealth financial stimulus package has allocated funding for both new social housing stock and the upgrade of existing public housing stock. Increasing energy efficiency of these older properties should be an essential element of the upgrades. This should be done in conjunction with the *ACT Labor – ACT Greens Agreement* commitment to energy efficiency makeovers for Canberra homes, with the aim that all homes should have improved to above 3 stars for energy efficiency within 10 years. The focus of these makeovers should first be low income and disadvantaged households who are least able to absorb increases in water and energy prices.

ACTCOSS also understands that the Commonwealth financial stimulus package will provide assistance to home owners in installing solar hot water heaters. Many people on low incomes are in private or public rental accommodation so will not have access to this measure. The Government should be looking at innovative ways to encourage private landlords in particular to make energy efficient modifications to their rental properties, such as providing tax or other incentives and education programs.

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[9] Commonwealth Government *The Road Home: A National Approach to Homelessness* p. 42

Conclusion

It is essential that the Government keep open the lines of communication, and continues consulting with the community sector about the effects of the financial crisis on service provision and on people experiencing disadvantage. The first hand experiences of front line community sector workers and consumers will be invaluable to the Government in their efforts to best protect and promote the needs of ACT residents in the current financial climate.