

Submission to the National Commission of Audit	
Organisation (if applicable)	Queensland Youth Housing Coalition Inc
Title	■
First name	■■■
Surname/Family name	■■■■■

## Preamble

The National Commission of Audit has been provided the task to review and report on the performance, functions and roles of the Commonwealth government. In a prosperous, diverse and democratic society the interaction of government with the community is not limited to business but is inclusive of a third sector. The third sector is referred to as the “nonprofit sector, social economy, civil society” (Lyons 2001, p.xii).

There are a range of nonprofit providers that make up the sector. The contribution of the nonprofit sector is often overlooked or disregarded when the debates of economic efficiencies and effectiveness measures are analysed. However by not fully acknowledging the third sectors’ contribution to society there is failure in understanding their full cost contribution to the community both economically and socially. The cost of not having a robust nonprofit sector requires government to offset the negative consequences through the provision of higher financial subsidies in health, justice, income support and housing.

The Queensland report examining the role of the nonprofit sector (in this report defined as the health and community services industry) titled *‘Health and Community Services Industry – Building a stronger economy and a fairer Queensland’* found that the nonprofit sector:

- injects more than \$16.2 billion (gross value added) to the state’s economy each year (see figure 1 below);
- is the state’s largest industry employer providing jobs for more than 272,000 Queenslanders;
- purchases around \$2 billion worth of goods and services annually from other Queensland industries and businesses;
- contributes to the economic prosperity of regions by offering employment and business opportunities; and
- providing essential support for individuals and families.

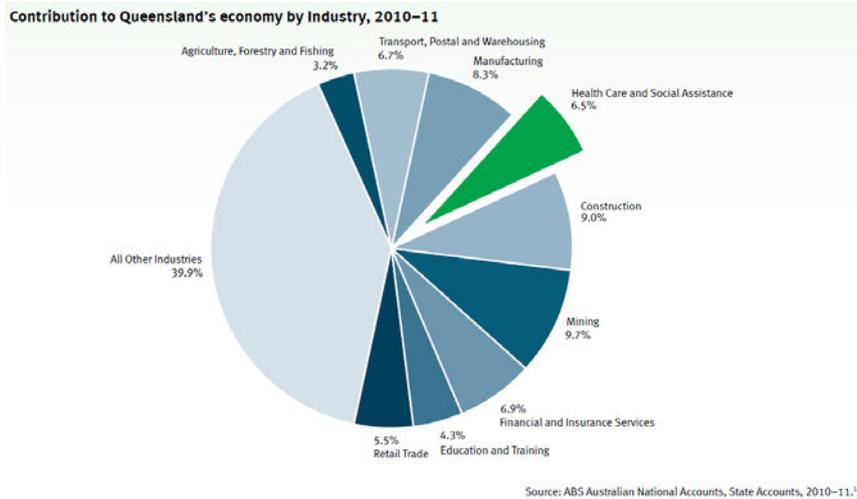


FIGURE 1: COMPACT WORKFORCE SUBCOMMITTEE (2012, P.2)

The *'Health and Community Services Industry – Building a stronger economy and a fairer Queensland'* report acknowledged the significant contribution of volunteers and carers; that the value of their work was estimated to be worth \$10.5 billion annually. It also found that the industry contributed significantly to the economy and was the largest single industry employer constituting 11.7 of the state's total labour market in 2011 (see figure 2 below).

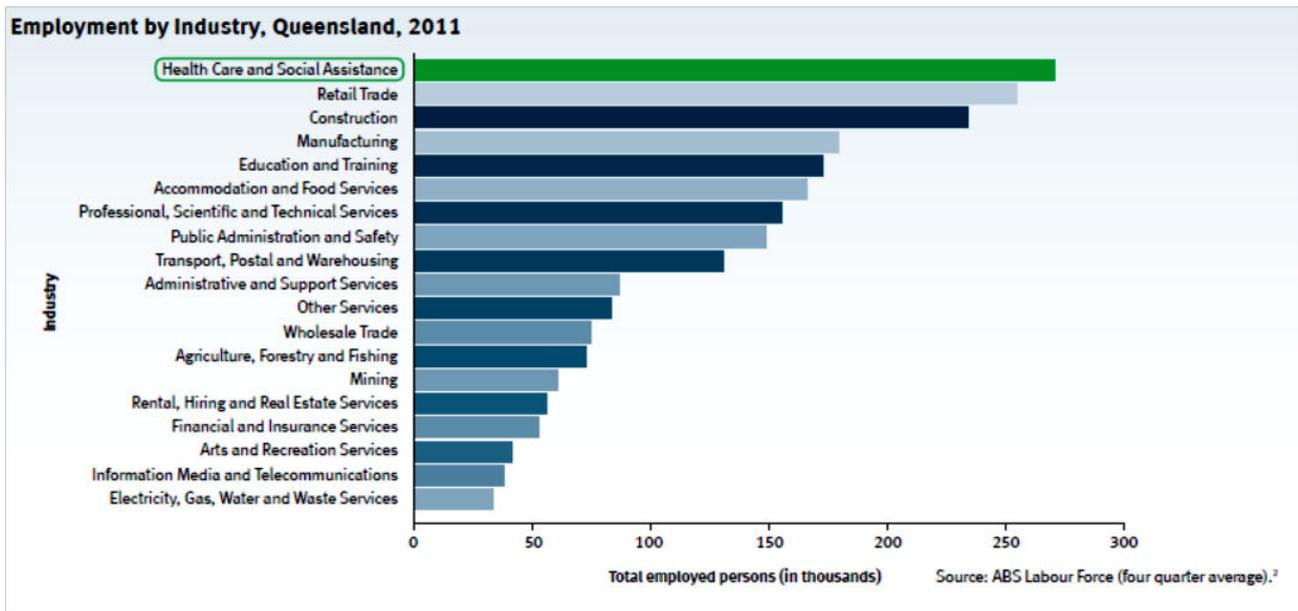


FIGURE 2: COMPACT WORKFORCE SUBCOMMITTEE (2012, P 3.)

The *'Health and Community Services Industry – Building a stronger economy and a fairer Queensland'* (2012, p.6) strongly highlights the contribution of this sector to other industries noting that “all other industries rely on the health and community services industry to help maintain productive workforces and viable enterprises”.

The perspective of the nonprofit sector can sometimes be perceived as only large charitable providers, and ignores the diversity and scope of the nonprofit sector. The Industry Commission

report into 'Charitable Organisations in Australia' (1995) documented the role of small to medium sized providers and their contribution to the community. This has been reaffirmed by the Australian Charities and Not-for-profit commission in terms of the size of organisations in the sector.

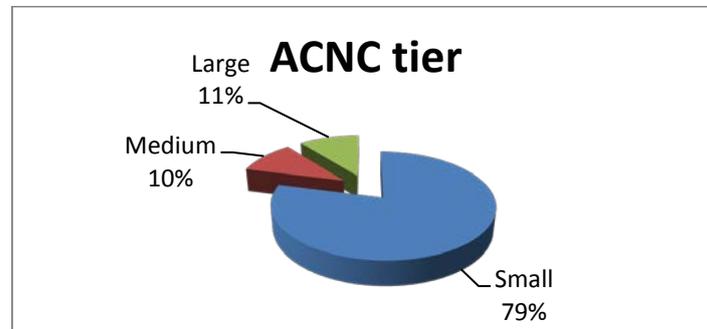


FIGURE 3: ACNC TIER

QYHC has noted that small to medium sized organisations can lever social capital, employ locally and contribute to local economies. In fact small to medium size nonprofits have very similar attributes to small business with the obvious difference in the profit outcome.

Lastly the 'Health and Community Services Industry – Building a stronger economy and a fairer Queensland' (2012, p.7) outlines the role of the nonprofit sector in that it “plays a vital role in community recovery and disaster relief, helping regional communities regain their economic productivity and their social and emotional well-being”.

### Specific points

For the purpose of the submission there will be a focus on nonprofit youth service providers that respond to youth homelessness and housing in the context of the nonprofit sector. The key points are outlined below;

- **Federal government needs to maintain the Federal/State joint arrangements** in responding to youth homelessness as this issue impacts at both levels of government. Therefore jurisdictionally homelessness is the responsibility of both the Federal and State governments. There is a need to consider the strength of tied arrangements between the Commonwealth and the State with regard to ensuring a strong commitment and focus on youth homelessness. The cost of not addressing youth homelessness is not only expensive to the individual but also to the broader community. The paper “From Youth to Adult Homelessness” (Guy & Chamberlain 2008, p 563.) noted that the longer young people are homeless the more likely they will be homeless as an adult, and the more difficult it becomes to transition out of homelessness.
- **Longer-term Government contracts will improve quality of services.** By having strong tied funding arrangement provides greater certainty to organisations and their staff meaning a stronger focus on quality outcomes. In addition longer term funding contracts can provide

greater job security to youth service staff, benefiting employers as there is less staff turnover.

- **Contestability assumes common inputs and outputs** – this is very different in the nonprofit sector and is dependent on a range of factors including client vulnerability. Full cost of service delivery is essential and should be a key part of government investment in the nonprofit sector. The Queensland Commission of Audit recommended that the Queensland government work more closely with the nonprofit sector to find more cost effective ways of doing service and this should also be embraced at the Federal government level.
  
- **Increased contestability of services itself can be inefficient.** There needs to be an acknowledgment of the social capital that is invested in the nonprofit sector. Increased contestability is not a simple equation due to the social and emotional outcomes vested in services. Further making nonprofit organisations to constantly reapply for funding is administratively burdensome, time consuming and inefficient.
  
- **The demand pressures on nonprofit youth homelessness services are based in systemic disadvantage.** Targeting most in need does not address demand pressures– there needs to be a balance. A continuum model spanning from universal education and prevention, to early intervention, to crisis intervention and transition to independence.
  
- **Data collection and reporting need to be streamlined and simplified.** Making it easier for organisations to comply will reduce the cost of service delivery. There also needs to be a recognition that service can respond flexibly to need and less micro management of service performance may allow for the development of innovative responses.

## References

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