

## **INTEGRITY AND OTHER LEGISLATION AMENDMENT BILL 2023**

**Submission No:** 5  
**Submitted by:** Queensland Council of Social Service  
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**Submitter Comments:**

21 July 2023

Committee Secretary  
Economics and Governance Committee  
Parliament House  
George Street  
Brisbane Qld 4000

By email: [egc@parliament.qld.gov.au](mailto:egc@parliament.qld.gov.au)

Dear Committee Secretary

### **Integrity and Other Legislation Amendment Bill 2023 ('the Bill')**

Thank you for the opportunity to provide feedback in relation to the above.

#### **About QCOSS**

Queensland Council of Social Service (QCOSS) is the peak body for the social service sector in Queensland. Our vision is to achieve equality, opportunity, and wellbeing for all Queenslanders.

#### **QCOSS' position**

QCOSS welcomes the Bill, reflecting the Queensland Government's commitment to progress public sector integrity reforms.

Advocacy undertaken by non-profit organisations is an important element of a healthy democracy and makes for better government decisions.<sup>1</sup> It is important that the Bill does not curtail the activities of non-government organisations when re-defining lobbying activities. For this reason, we are pleased that non-profit entities and membership bodies are not required to register as lobbyists and that many of the advocacy activities undertaken by non-profit organisations are not considered to be lobbying activities.<sup>2</sup> However, to ensure the apparent intention of these provisions is borne out, the definition of "non-profit entity" in the Bill requires refining.

In addition, in relation to broadening the scope of the Ombudsman's jurisdiction, our view is that for this reform to be properly implemented there is a need to ensure the policy drivers are properly reflected in the legislative changes and aligned with the outcomes and impact the reform will have. As drafted, the Bill will result in additional regulation of non-government organisations, a sector that is already well-regulated and operating in a resource and funding constrained environment.

We have consulted with our members in the development of this submission.

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<sup>1</sup> Jonathon Hunyor and Cassandra Goldie, [Opinion: Who's afraid of advocacy?](#), (1 April 2019), Public Interest Advocacy Centre.

<sup>2</sup> *Integrity and Other Legislation Amendment Bill 2023* (Qld), Clause 36, proposed new sections, *Integrity Act 2009* (Qld) ss 43, 47.



## Changes to lobbying regulation

QCOSS welcomes the exclusion of the activities of non-profit organisations from the regulation of lobbyists as set out in the Bill. This is an important acknowledgement of the role civil society organisations perform in a well-functioning democracy.

However, to ensure this policy position is reflected in the definition, being that non-profit organisations be excluded from the need to register as a lobbyist, the definition of “non-profit entity” contained in the Bill requires amendment.

The Bill defines “Non-profit entity” as “an entity that is not carried on for profit or gain to its individual members”; **and** “is, under the entity’s constitution, prohibited from making any distribution, whether in money, property or otherwise, to its members.” It is arguable that many non-profit organisations, particularly grass roots organisations, operating in Queensland would not meet this definition because:

- a. The organisation’s constitution requires it has members and those members may be other non-profit organisations or people with the characteristics the organisation seeks to serve. The purpose of the organisation may be connected to achieving outcomes for members of the organisation. These benefits could be considered to be gains under s.47(2)(a) of the Bill;
- b. The legal structures of non-profit organisations are varied, including incorporated organisations (companies limited by guarantee, incorporated associations, cooperatives, propriety limited companies, indigenous corporations) and unincorporated organisations (a trust or an unincorporated association). While a company limited by guarantee is likely to have a clause in its constitution prohibiting distributions to members, depending on their structure, other non-profit organisations may not have this provision, and some will not have a constitution as their founding document.

In these circumstances, in order to ensure that all entities that are undertaking "non-profit work" within the community have the benefit of the non-registration requirement and are not disadvantaged due to the legal structure of the entity, particularly at a grass roots level, the definition of a non-profit entity should be amended to reflect this position. By way of example, the definition could be amended to be “A *charity, organisation, entity or other body that is not carried on for the profit of its individual members.*”

## Extended jurisdiction of the Ombudsman

The extended jurisdiction of the Ombudsman contained in the Bill,<sup>3</sup> seeks to implement a key recommendation made in the report *Let the sunshine in: Review of culture and accountability in the Queensland public sector*<sup>4</sup> (the ‘Coaldrake Report’). The Coaldrake Report outlined a need to expand the jurisdiction of the Ombudsman to include non-government organisations that undertake functions on behalf of government agencies, especially where those functions are contracted out.<sup>5</sup> This recommendation was made in response to concerns about oversight of the performance of government functions when they are performed by non-government entities.

We acknowledge the significance of integrity and accountability mechanisms and the importance of appropriate oversight of the discharge of government agency functions, regardless of whether these functions are performed and delivered by government agencies or contracted service providers.

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<sup>3</sup> *Integrity and Other Legislation Amendment Bill 2023* (Qld), Clause 49, inserting the *Ombudsman Act 2001* (Qld) s 12A.

<sup>4</sup> Professor Peter Coaldrake AO, [Let the sunshine in: Review of culture and accountability in the Queensland public sector](#), Final Report (28 June 2022), (the ‘Coaldrake Report’).

<sup>5</sup> *Ibid*, pp 25-26.

However, our view is that for this reform to be properly implemented there is a need to ensure policy drivers are properly reflected in the legislative changes and aligned with the outcomes and impact the reform will have. Clarity and consistency on the scope and application of this reform should be carefully considered.

### ***Clarification of the application of the extended jurisdiction of the Ombudsman***

Our view is that the provisions of the Bill related to extending the jurisdiction of the Ombudsman are drafted in a manner that lacks clarity and creates uncertainty in terms of the scope of the entities that will be subject to the Ombudsman's extended jurisdiction.

At first instance, determining whether an entity's "decision-making, practices and procedures" relate to "taking administrative action for, or in the performance of functions conferred on an agency" could be considered as being a straightforward exercise. However, it is our view that determining this issue will require consideration of complex legal and factual issues on an ongoing basis.

Furthermore, determining whether a function is a "function" conferred on an agency and additionally whether a specific decision-making process, practice or procedure could be said to relate "to the taking of administrative action" for this purpose will require ongoing testing and consideration to determine whether the jurisdiction of the Ombudsman is enlivened.

Accordingly, it is our view that this reform lacks the clarity required to ensure it is fit for purpose and easily complied with.

### ***Achieving the desired policy outcome***

The application of the reform to all administrative decisions, practices and procedures that are delivered by community service providers, as opposed to services delivered in circumstances in which government agencies have assigned their responsibilities to non-government entities, is not consistent with the attendant policy drivers.

Rather than simply expanding the jurisdiction of the Ombudsman to ensure that government agencies cannot "contract out" of integrity and accountability oversight mechanisms, there is a material risk that the Bill will also result in unnecessary additional regulation of an already well-regulated and under-resourced sector.

It is our view that the extension of the Ombudsman's jurisdiction as proposed would not be justifiable as it is not connected to the policy objective and there is no evidence that the delivery of community services requires additional regulation or oversight.

The 2018 Strategic Review of the Office of the Queensland Ombudsman emphasised the need to first comprehensively review the accountability framework for contracted service providers before considering an expansion of the Ombudsman's jurisdiction.<sup>6</sup> The analysis of accountability frameworks contained in the Coaldrake Report does not consider the regulatory framework that is presently applicable to community service organisations.

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<sup>6</sup> Simone Webbe, [Strategic Review of the Office of the Queensland Ombudsman, Report by the Reviewer](#), January 2018, pp 48-9.

## **Additional concerns**

Our members have expressed the following concerns which also support the above submissions:

1. **There is confusion about the application of the proposed reform.** It will be complex to determine when a community organisation is performing a function that would enliven the jurisdiction of the Ombudsman due to the varied nature and functions undertaken by community organisations. For example, is government agency funding sufficient to establish the performance of a function or is some other test applied? As currently drafted, these reforms could be interpreted very broadly.
2. **Community services are already well regulated.** One member, for example, provided insights about community and mental health and wellbeing services. These services are already subject to a rigorous regulatory framework where there are “multiple standards against which services are assessed, each involving a lengthy, resource-intensive process.” Another member spoke to outsourced in-home care, which is already regulated with complaints functions embedded within relevant regulatory bodies.

Many non-government organisations providing services on behalf of government are already subject to, for example, the jurisdictions of various regulators, industry-specific regulation, the Human Services Quality Framework, and the *Human Rights Act 2019* insofar as it applies to Functional Public Entities. In raising this concern, it is important to highlight that we support and acknowledge the importance of integrity and accountability mechanisms and the appropriate extension of these mechanisms. However, the submission we make here is that current regulatory settings already provide appropriate and sufficient integrity and accountability oversight in the community sector. They strike an appropriate balance between exercising effective oversight and ensuring the sustainability of the community sector and its ability to continue to deliver services to the community in a resource and funding constrained environment.

3. **Community organisations are currently under unprecedented pressure.** Our recent *State of the Sector Report* highlighted consistent feedback from community organisations that demand is outstripping our capacity to meet the community’s needs.<sup>7</sup> The sector is working in a context of the cumulative impacts of the cost of living and housing crises, natural disasters, the COVID-19 pandemic, along with workforce demands and funding challenges. Sector feedback has highlighted increasing difficulties in managing often multi-layered and overlapping compliance requirements, while often receiving limited funding to support compliance activities. Concerns regarding sector sustainability and the financial pressures faced by community services were further explored in a study conducted by academics from the University of Western Australia, commissioned by QCOSS.<sup>8</sup> Now is not the time to add another wide-reaching and potentially all-encompassing layer of compliance and regulation. We have received feedback that the expansion of the Ombudsman’s jurisdiction would “significantly interfere in service delivery to Queensland’s most vulnerable populations”.
4. **The delivery of community services by community organisations cannot be regulated in the same way as the delivery of public functions by public entities.** Widening the Ombudsman’s jurisdiction to apply to non-government entities as if they were a government agency (i.e., a one-size fits all approach) will create significant issues. Government and community organisations function very differently and have different levels of resourcing available. This has been acknowledged and addressed in New South Wales by having a separate instrument that broadens the jurisdiction of the New South Wales Ombudsman to

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<sup>7</sup> Queensland Council of Social Service, [State of the Sector 2022. Floods, COVID-19, cost of living pressures and the housing crisis: supporting Queensland’s communities through a year of immense challenges](#), March 2023.

<sup>8</sup> David Gilchrist and Ben Perks, [The Challenge of Sustainability: Not-for-profit Sector and the Impact of Growing Financial Pressure](#), A report of the UWA Not-for-profits Research Team for the Queensland Council of Social Service, March 2022.

community organisations performing a public function.<sup>9</sup>


## Recommendations

To address concerns outlined in this submission, we recommend the following:

1. The definition of non-profit entity be amended to be “*A charity, organisation, entity or other body that is not carried on for the profit of its individual members.*”
2. Amend the Bill so only entities that are contracted service providers delivering services on behalf of a government agency pursuant to explicit contractual arrangements should be subject to the jurisdiction of the Ombudsman, and only in the delivery of those services. ‘Entity’ for the purposes of the Ombudsman Act, should be clearly defined in the Bill in this way.
3. Capacity building, support, and resourcing should be provided to non-government entities to understand and prepare for all key reforms under the Bill. Clear guidelines and practical examples on the application of any changes should be highlighted, and further developed to assist with compliance.
4. Transitional arrangements should be included in the Bill so that non-government entities have at least two years to prepare for any expansion to the Ombudsman’s jurisdiction.
5. Whole-of-government reform of the procurement of services from the community services sector is required so that services provided to Queenslanders have the greatest possible impact. We have **enclosed** a copy of our reform agenda for your information.

## Conclusion

QCOSS welcomes the accountability, integrity and transparency measures in the Bill. However, there is a need to ensure these measures achieve the policy intent and do not have an unintended consequence of regulating the advocacy activities of non-profit organisations and adding an unnecessary regulatory burden on a sector that is under pressure and under resourced.

Thank you again for the opportunity to provide our submission. If you have any questions, please contact Aimee McVeigh, Chief Executive Officer at 

Yours sincerely



Aimee McVeigh  
Chief Executive Officer

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<sup>9</sup> See *Community Services (Complaints, Reviews and Monitoring) Act 1993* (NSW).

# Reforming the social service sector

Improved outcomes for all Queenslanders  
June 2021



## About QCOSS

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

Our vision is to achieve equality, opportunity and wellbeing for every person, in every community.

We believe that every person in Queensland – regardless of where they come from, who they pray to, their gender, who they love, how or where they live – deserves to live a life of equality, opportunity and wellbeing.

We are a conduit for change. We bring people together to help solve the big social issues faced by people in Queensland, building strength in numbers to amplify our voice.

We're committed to self-determination and opportunity for Aboriginal and Torres Strait Islander people.

QCOSS is part of the national network of Councils of Social Service lending support and gaining essential insight to national and other state issues.

QCOSS is supported by the vice-regal patronage of His Excellency the Honourable Paul de Jersey AC, Governor of Queensland.

Join us to mobilise a force for equality, opportunity and wellbeing. To join visit [the QCOSS website](http://www.QCOSS.org.au) (www.QCOSS.org.au).



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## Background

Queensland's non-profit Community Service Sector (the Sector) contributes significantly to the economic and social wellbeing of the wider community. According to ACNC data, there were 5,246 charities headquartered in Queensland and operating in the state in 2018. These services reported employing 119,281 full- and part-time employees and 39,037 casual staff. Between 2016 and 2018, aggregate income for the sector rose by 4.8 per cent, from \$16.77 billion to \$17.57 billion.

Due to the significant contribution these services provide to the wider community, particularly during times of crisis and an economic downturn, it is critically important that the operational relationship between the sector and government is productive, effective and transparent. A strong working relationship promotes a greater level of coordination and improves quality of service delivery and outcomes for Queenslanders and their communities. Further to this, a strong sector will support the Queensland Government to achieve its objectives for the community as per the *Statement of the Queensland Government's objectives for the community*.

After a once-in-a-lifetime pandemic that requires a new approach to our state's resilience, safety and wellbeing, now is the time to ensure our community service sector is strong, sustainable and able to support Queenslanders when they need help.

As the peak body for Queensland's social service sector, the Queensland Council of Social Service (QCOSS) has established the Community Services CEO Network. Established in late 2020, this is a growing network of community sector CEOs who work collaboratively to identify and respond to systemic challenges.

This paper outlines the agenda of reform priorities proposed by the Community Services CEO Network. The reform agenda is being led by the Community Services CEO Network as a coalition of community services that are seeking outcomes that benefit the whole sector, as well as Queensland communities. The paper is informed by consultation undertaken with the community services sector in late 2020 and early 2021.

The purpose of the proposed reforms are to enable the delivery of longer-term outcomes that support economic recovery and reduce intergenerational disadvantage in Queensland. The focus of the proposed reform agenda relates to:

1. Implementation of the Human Rights Act 2019
2. Establishing a specific procurement policy for community services that applies across government
3. An ongoing agreement between the Queensland Government and the community service sector to strengthen and guide our relationship into the future.

## Human Rights Act implementation

Properly implemented, the *Human Rights Act 2019* (HRA) should be a catalyst for a cultural shift where human dignity and respect is at the center of all public service delivery.

The HRA requires government agencies and community organisations that deliver services on behalf of government to make decisions and act in accordance with human rights. This means that many organisations in Queensland providing services to people experiencing disadvantage and vulnerability are required to respect rights.<sup>1</sup>

Services delivered for the benefit of people experiencing disadvantage and vulnerability have historically adopted a charity model. This means that people are provided goods and services by well-meaning benefactors and the person is not perceived of as a 'rights holder'. Using this approach, the service user has no entitlement to the service nor expectations about how the services should be provided.

When service users are rights holders their relationship to government and service providers is transformed. No longer are they perceived a passive recipient of services, instead they are citizens and can expect and even demand to be treated equally with others, with respect and dignity.

Where service delivery is possible due to public funds, it is appropriate that service users have rights and that services are delivered in a rights respecting manner.

As well as delivering rights respecting services, community workers are often on the frontline to identify human rights violations of people experiencing disadvantage and vulnerability. As 'accidental advocates' they are perfectly positioned to support people to assert their rights and activate complaints processes on their behalf if required.

Queensland is in the enviable position of being able to build upon the ACT and Victorian experience in seeking to build this human rights culture. It is important that human rights literacy in Queensland extends beyond 'politicians, bureaucrats and lawyers' and reaches into the consciousness of people from all walks of life across our many diverse communities.<sup>2</sup>

According to the Queensland Human Rights Commission Annual Report 2019-20, some Queensland government agencies have started to promote human rights to contracted service providers. However, at present implementation has primarily focused on internal activities.<sup>3</sup>

Community services are enthusiastic about taking a central role in the implementation of the HRA and should be considered an essential partner to move Queensland toward having a human rights respecting culture. In establishing a relationship between the Community Services CEO Network and the DG Leadership Group, the Network would like to discuss the resourcing and capacity for community services to implement the HRA.

The Queensland Government has a responsibility to make an appropriate investment into building the capacity of public entities to operate within the framework of the HRA. This provides an opportunity to build a culture of human rights within and across frontline services. As former Attorney-General and Minister of

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<sup>1</sup> Section 10 sets out when a function is of a public nature; Section 4(b) requires public entities to act and make decisions in a way that is compatible with human rights.

<sup>2</sup> Rice, S. (2019). 'Culture, What Culture?' Why We Don't Know if the ACT Human Rights Act is Working. In M. Groves, J. Boughey, and D. Meagher (Ed.), *The Legal Protection of Rights in Australia*. Oxford: Hart Publishing, 185.

<sup>3</sup> Queensland Human Rights Commission. (2019). Putting people first, The first annual report on the operation of Queensland's Human Rights Act. Retrieved from [Human-Rights-Act-Annual-Report-2019-20.pdf](https://www.qhrc.qld.gov.au/annual-reports/2019-20) ([qhrc.qld.gov.au](https://www.qhrc.qld.gov.au))

Justice Hon Y'vette D'Ath stated, 'This Human Rights Bill is about changing the culture of the public sector by putting people first in all that we do. This is about a modern Queensland, a fair Queensland and a responsive Queensland.'<sup>4</sup>

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<sup>4</sup> Queensland Parliament. 31 October 2018. *Human Rights Bill*. Retrieved from [2018\\_10\\_31\\_DAILY \(parliament.qld.gov.au\)](https://www.parliament.qld.gov.au/2018_10_31_DAILY)

# Establishing a specific procurement policy for community services

In procuring services from non-government organisations (NGOs) government is purchasing good social outcomes for people.

Procurement and contracting processes have been a long-standing issue for NGOs. In 2010, the Productivity Commission Report into the Contribution of the Not-for-Profit Sector highlighted "...that current government tendering, contracting and reporting requirements impose a significant compliance burden and constrain the efficiency and effectiveness of service delivery. There is a sense of frustration that often these arrangements do not appear to result in improved service delivery outcomes for clients."<sup>5</sup>

To strengthen Queensland's community sector, the QCOSS Community Services CEO Network would like to discuss the development of a specific procurement policy for community services. This policy would support the delivery of more efficient and effective services that will improve quality of life of Queenslanders experiencing disadvantage and vulnerability, while reducing longer-term impact on government services, such as hospital admissions.

The proposed procurement policy for community services would incorporate the following.

## Outcome-based commissioning

*An investment that aims to overcome the challenges associated with outcome-based commissioning and improve the capacity of community services to utilise data is required.*

Community services are embedded within their communities and are committed to achieving meaningful outcomes. As part of a specific procurement policy, the community service sector would like to advance discussion on the implementation of outcome-based commissioning. Outcome based commissioning requires detailed planning and a thorough analysis of required resources. It also requires collaborative design between government and the community sector to ensure outcomes are commissioned according to community need.

The QCOSS Community Services CEO Network are progressing discussions with QUT to establish a data sharing collaborative across community organisations. This collective approach will ensure all organisations (regardless of size) are supported to effectively evaluate individual services, while also supporting a sector-wide analysis of outcomes at a population level. The successful implementation of this approach would be significant for both government and the sector and would highlight Queensland as a leader in the provision of community services. To achieve this, community services require a greater level of investment to support more effective data analysis.

**Objectives for the community – Building Queensland:** An investment in overcoming the challenges associated with outcome-based commissioning will provide an enabling environment for the social infrastructure that supports recovery, resilience and future prosperity.

## Standardised CPI increases

*A standardised CPI increase should be provided across government departments.*

Organisations that are funded by multiple state government departments are not receiving consistent CPI increases for each departmental contract. This approach causes significant challenges for managing an

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<sup>5</sup> Productivity Commission, (2010). *Contribution of the Not-for-Profit Sector, Research Report*. Commonwealth of Australia, Canberra.

organisation's operations and staff wages. Community organisations are seeking consistency of arrangements and comparable wage conditions in parity with government staffing policies.

At present, organisations with longer contracts are being penalised as there is no CPI increase over the length of the contract. These challenges are highlighted by the CEO of a community organisation operating in South-East Queensland:

*... state government does not give you a CPI. For the last decade I have been receiving \$70,000 for supporting one program. Now, even at the lowest entry level of community service for that type of role, wages with on-cost is already \$60-70,000, but that funding includes running of activities every day. So I then have to reduce the hours or reduce the level year-on-year.*

**Objectives for the community – Supporting jobs:** A consistent approach to CPI arrangements is an investment in jobs for Queensland and ensures wage conditions in the community sector are more aligned to government staffing policies.

## Funding that incorporates core operating cost

*Funding of community services must consider and incorporate the core operating cost of providing services.*

At present, funding to cover the core operational costs of organisations are often inadequate. According to ACNC income and expenditure data, it cost Queensland charities \$196m to deliver additional services in 2018.<sup>6</sup> This demonstrates that the funding rationing arrangement and/or the levels of funding for these services are unlikely to be sustainable.

To ensure strong and sustainable services, there must be acknowledgement of the need for resources that are not directly related to service delivery. For example, funding that supports partnership activities such as interagency participation and care coordination of complex matters, rather than funding focused only on direct service provision, will support a more integrated and effective system.

The CEO of one community controlled, community development organisation operating ten government funded programs expressed the following:

*...sometimes the funding you get is only for the worker and not the activities. So I have to then go and get money for the activities, which then has another funding agreement attached, which has another set of KPIs. So I may have done over a hundred reports last year. But I don't think people understand what that means.*

*We literally cannot get funding, operating funding for November. So to pay my wage, pay the finance manager's wage, pay the electricity, the rent, all of that kind of stuff, none of our funding out of all those buckets of funds that we look after pays for that.*

Operating costs for community organisations include staffing costs. In many cases, staff recruitment for regional organisations require additional costs such as re-location support and rent assistance to attract workers. One large community organisation operating solely in a regional/remote area of Queensland purchased a house to accommodate long-term staff relocating to the area as a cheaper alternative to rent assistance. This strategy is not feasible for a smaller organisation who cannot outlay additional expenses and therefore cannot compete to attract a sufficient workforce.

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<sup>6</sup> Gilchrist, D. J. & Emery, T., (2021), Queensland's Social Services Sector: Its Sustainability and Economic Contribution, a report of the UWA Not-for-profits Research Team for the Queensland Council of Social Service, Perth, Australia.

Further to this, the limited availability of funding for ongoing professional development opportunities creates challenges with staff retention. Professional development and providing appropriate staff support are important to maintaining a committed workforce, but community sector workers do not always benefit from this support due to significant demands on staff time, and funding pressures.

The high-pressure environment of supporting people who are often experiencing significant trauma, along with the limited capacity for ongoing staff development, greatly increases risk of staff burnout. As a workforce that is predominantly made up of women, this has a gendered impact.

**Objectives for the community – Backing our frontline services:** Services that are adequately resourced will provide more effective, world-class services and improve outcomes for Queensland communities.

**Objectives for the community – Investing in skills:** Investment in staff development and staff support (such as Employee Assistance Programs and appropriate supervision) will ensure Queenslanders have the skills they need for the future.

## Allocated flexible funding

*A proportional allocation of funding should remain flexible to ensure services can remain responsive to emerging community needs.*

QCOSS research identified that current contracting with government departments was seen to prevent the implementation of more innovative programs.<sup>7</sup> Being responsive to changing community need was critical for the delivery of effective services.

During the COVID-19 crisis a roll-out of flexible funding allowed organisations to respond to the needs of their client cohort. When discussing the benefits of flexible funding, one CEO commented:

*...especially around responding to emerging issues and getting in quick, because we know when we get in quickly, we can prevent things from becoming so much bigger. And often I feel like we watch train wrecks. We see the train wreck coming for years, and we knock on the door and we knock on the door of the department. We need funding streams coming from different departments rather than us being boxed. But you get funded by [a government department]... they're saying no we're funding you to [achieve something else].*

More flexibility would allow an organisation to take a preventive approach by responding to issues in the community as they emerge. Secondly, it allows organisations to provide a more client-centred service as they will not be restricted to defined service provision, while also providing a greater level of self-determination for Aboriginal and Torres Strait Islander community-controlled organisations.

**Objectives for the community – Safeguarding our health:** A more flexible community service sector will identify emerging issues and promote responsive programs that meet community need. This approach will strengthen the frontline of Queensland's community workers, safeguarding people's health and jobs by keeping Queensland pandemic ready.

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<sup>7</sup> This was also highlighted the Productivity Commission (2010) *Contribution of the Not-for-Profit Sector, Research Report*. Commonwealth of Australia, Canberra.

## Five-year contracts

*A standard contract length should be five-years, acknowledging the need for short-term contracts in some situations.*

Short-term funding is a barrier to improved community outcomes and impacts on the community sector's ability to maintain a stable workforce. This has a significant flow-on effect for client outcomes. If organisations received longer-term contracts, they could stabilise their workforce, implement longer-term plans and achieve better outcomes.

A recommendation of the 2020 Productivity Commission Inquiry Report into Mental Health was for commissioning agencies to 'extend the length of the funding cycle... from a one-year term to a minimum of five years. Commissioning agencies should ensure that the outcome for each subsequent funding cycle is known by providers at least six months prior to the end of the previous cycle.'<sup>8</sup>

**Objectives for the community – Supporting jobs and Backing frontline services:** Longer contracts provide more certainty and stability for the sector. This approach empowers organisations to deliver world-class frontline services and supports longer-term jobs.

## Place-based approaches

*Increase investment in place-based programs.*

By implementing place-based programs, we can address the unique service delivery needs of regional and remote Queensland and build local capacity. Place-based programs address local issues as they tend to have the following features:

- a focus on the local level
- a shared, long-term vision and commitment to outcomes
- governance at a local level
- broad engagement with the community
- experimentation, prototyping, and action learning.

The community sector is eager to work collaboratively with the Queensland Government to determine an appropriate approach to implementation of place-based funding. Overcoming the challenges associated with a place-based approach to funding requires an investment in local resources. Neighbourhood Centres are an example of existing place-based infrastructure that could support this strategic investment.

**Objectives for the community – Growing our regions:** Place-based approaches to funding supports the development of local responses to local issues. An investment in this approach will help Queensland regions to grow.

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<sup>8</sup> Productivity Commission. (2020). *Mental Health, Report no. 95*. Commonwealth of Australia, Canberra.



## Case study highlighting the operational challenges of operating an efficient and effective community organisation in Queensland

*Our organisation provides in excess of 40 programs for the Department of Children, Youth Justice and Multicultural Affairs (DCYJMA). Issues with the funding models manifest in the following ways, creating challenges for our organisation:*

**Quarterly recoupment of surpluses** – where programs have seasonal fluctuations, or where we are working to deliver programs efficiently as a group, this model penalises the organisation by recouping surpluses and leaving deficits. For example, one program makes a surplus one quarter due to phasing of staff and the surplus is removed, but the next quarter (the Christmas period) it makes a deficit and this is left to the organisation to manage. This potentially leaves us in a net loss situation at the end of the financial year. Additionally, the administrative burden to manage the quarterly acquittal process is significant for organisations. There is also significant inconsistencies by the DCYJMA where services are delivered in multiple regions, which is largely due to the interpretation of the funding guidelines by local contract managers.

**A lack of child centered service delivery** from a funding construct perspective. For example, transitioning young people from higher intensity programs to lower intensity supports is not sufficiently flexible enough to support the rhetoric of client-centered, outcomes focused service delivery. The currently siloed funding models require organisations to negotiate and report through multiple funding contracts for client supports and funding for the same young person.

**Service delivery risk is not recognised in funding structure.** For example, budgets / cost modelling does not take into consideration capacity to refresh residential houses that suffer the wear and tear of young people over time. There is an expectation that the community sector will manage these additional costs.

## Conclusion

As Queensland emerges from the global crisis caused by the COVID-19 pandemic, the resilience of our state is being examined.

The community service sector is a key contributor to both the economic and social fabric of Queensland. There are opportunities to ensure that this important sector is strong and sustainable into the future.

Queensland's community service sector invites the Queensland Government to work with us to ensure people experiencing disadvantage and vulnerability have the supports they need, that services change the lives of people for the better and that we are part of moving our state toward a culture underpinned by freedom, respect, equality, and dignity.

As first steps, the Queensland Government is invited to work with the community service sector collectively to:

1. implement the Human Rights Act 2019.
2. establish a specific procurement policy for community services that applies across government.
3. develop an agreement between the Queensland Government and the community service sector to strengthen and guide our relationship into the future.

# Signatories

The following organisations have endorsed the content of this discussion paper.

1. Aboriginal Family Legal Service Southern Queensland
2. Accoras
3. Anglicare CQ
4. Australian Association of Social Workers
5. Basic Rights Queensland
6. Caxton Legal Centre
7. Carers Queensland
8. Children by Choice
9. Community Living Association
10. Connections Inc
11. Council to Homeless Persons Queensland
12. Ethnic Communities Council Queensland
13. Footprints
14. Hinchinbrook Community Support Centre
15. ICYS Ipswich Community Youth Service
16. Inala Wangarra
17. Independent Living Support Association
18. Integrated Family & Youth Services Limited
19. Kurbingui
20. Kyabra
21. Mercy Community Services
22. Micah Projects
23. MS Queensland
24. Northside Connect
25. North Queensland Domestic Violence Resource Service
26. Queensland Advocacy Incorporated
27. Queensland Positive People
28. Queensland Youth and Family Support Services
29. Queenslanders with Disability Network
30. Redland Community Centre
31. Relationships Australia Queensland
32. Roseberry Queensland
33. Rosies – Friends on the Street
34. SANDBAG Community Centres and Services
35. Shelter Housing Action Cairns
36. Silky Oaks Children's Haven
37. Support Groups Queensland
38. TASC National
39. The Services Union
40. UnitingCare
41. Volunteering Sunshine Coast
42. YFS
43. Young People Ahead Youth and Community Services