



31 January 2023

Pothida Youhorn
Committee Secretary
Inquiry into the extent and nature of poverty in Australia
Department of the Senate
PO Box 6100
Parliament House
CANBERRA ACT 2600
AUSTRALIA

Dear Pothida Youhorn,

I am submitting the following material on behalf of the Social Policy Research Centre (SPRC) at UNSW Sydney.

SPRC was established in 1980 as a specialised, research-intensive unit. Research conducted by SPRC informs social policy in Australia and drives change to help end inequality and disadvantage and improve wellbeing and social justice, for individuals and communities. Our research involves identifying diverse population needs, in partnership with those who experience social and economic disadvantage. We evaluate the efficiency and effectiveness of arrangements put in place to meet those needs in diverse and changing Australian and international contexts, and identify options for doing things better.

Work conducted by SPRC has been used to contribute to another submission to this inquiry. The Poverty and Inequality Partnership (PIP) involves SPRC working with ACOSS to produce advocacy-related research of highest academic standards. I will not repeat material covered in the PIP submission.

Below, I have provided some additional information relevant to the following from the terms of reference: (f) mechanisms to address and reduce poverty. This work is conducted by Associate Professor Natasha Cortis and Dr Megan Blaxland.

Australia's social and community service system is a key mechanism for addressing and reducing poverty and inequality. These services deliver vital services (eg. domestic violence services, housing and homelessness services, financial counselling, emergency relief, employment services) and they advocate to promote social justice in policy and practice.

However, Australia's social and community service system is chronically under-resourced, significantly hampering capacity to end poverty and inequality.

This is starkly demonstrated in the Australian Community Sector Survey (ACSS), which, since 2019, has been conducted by the Social Policy Research Centre at UNSW, in

partnership with ACOSS and the COSS network, with support from Bendigo Bank. In 2022, ACSS was completed by 1476 staff, including over 300 organisational leaders.

Findings repeatedly show the service system is stretched. In September 2022:

- 61% of ACSS participants said that so far this year, poverty and disadvantage had increased among their clients
- 64% reported complexity of need among clients had increased in 2022
- 44% reported that their main service had seen an increase in numbers of clients they were unable to support, during 2022.¹

Each year, a majority of respondents have reported that demand for their services has grown.² Demand pressures are exacerbated by inadequate income support provided to communities in need, and inadequate system resourcing for the organisations supporting them.

Income support: In 2020, when many income support recipients were temporarily better off due to the Coronavirus Supplement, 19% of ACSS participants said their main service could 'always' meet demand. However, in 2021 after the Supplement was withdrawn, this plummeted: only 6% said their main service could 'always' meet demand. Data from September 2022 shows this figure has fallen further: only 3% said their main service could 'always' meet demand.³

System resourcing: Adequate and secure government funding is needed to ensure community services can address poverty and disadvantage. Too many services find their funding fails to cover the full costs of service delivery, and that funding is short-term and insecure, or costly to administer.⁴

Indexation of multi-year grants offers government a way to maintain purchasing power and sector capacity. However, indexation formulae have not enabled grants to keep pace with rising costs, including increased wage costs.⁵ Further, not all government grants are indexed at all, and programs use different formulae, which may be poorly understood.

Our recent research shows that due to chronic underfunding, workers, along with disadvantaged communities, are carrying the costs of inadequately resourced social welfare systems. Workers are performing high levels of unpaid work to meet demand, offset funding shortfalls, and ensure system viability⁶ (Cortis, Blaxland and Adamson, 2021; Cortis and Blaxland, 2022).

¹ Cortis, N. and Blaxland, M. (2022, forthcoming in December) *Helping people in need during a cost-of-living crisis: findings from the Australian Community Sector Survey*, Sydney: UNSW Social Policy Research Centre.

² Cortis N and Blaxland, M (2022) Carrying the costs of the crisis: Australia's community sector through the Delta outbreak. Sydney: ACOSS. <https://www.acoss.org.au/wp-content/uploads/2022/04/ACSS-Full-2021-Report-v6.pdf>; Cortis, N & Blaxland, M (2020): Australia's community sector and COVID-19: Supporting communities through the crisis. Sydney: ACOSS. https://www.acoss.org.au/wp-content/uploads/2020/09/Australias-community-sector-and-Covid-19_FINAL.pdf; Cortis, N. & Blaxland, M (2020): The profile and pulse of the sector: Findings from the 2019 Australian Community Sector Survey. Sydney: ACOSS. https://www.acoss.org.au/wp-content/uploads/2020/03/2020-ACSS_final-3.pdf

³ Cortis, N. and Blaxland, M. (2022, forthcoming in December) *Helping people in need during a cost-of-living crisis: findings from the Australian Community Sector Survey*, Sydney: UNSW Social Policy Research Centre.

⁴ Blaxland, M. and Cortis, N. (2021) *Valuing Australia's community sector: Better contracting for capacity, sustainability and impact*. Sydney: ACOSS. <https://www.acoss.org.au/wp-content/uploads/2021/06/ACSS-2021-better-contracting-report.pdf>

⁵ Cortis, N., Blaxland, M. and Adamson, E. (2021). Counting the Costs: Sustainable funding for the ACT community services sector. Sydney: UNSW Social Policy Research Centre. https://www.actcoss.org.au/sites/default/files/public/publications/2021-report-Counting-the-Costs_1.pdf

⁶ Cortis, N. and Blaxland, M. (2022) Carrying the costs of the crisis: Australia's community sector through the Delta outbreak. Sydney: ACOSS. <https://www.acoss.org.au/wp-content/uploads/2022/04/ACSS-Full-2021-Report-v6.pdf>; Cortis, N., Blaxland, M. and Adamson, E. (2021). Counting the Costs: Sustainable funding for

Addressing the chronic underfunding of Australia's social and community services sector would help build a positive cycle. As well as bolstering capacity to address poverty and disadvantage, it would also improve the status of this area of Australia's highly feminised care economy, providing improved wages and conditions to skilled frontline practitioners, to improve stability, service quality, and capacity to support people experiencing poverty.

Indeed, to address poverty and inequality, Australia's social and community service system needs to be understood as essential infrastructure, and be valued, supported and enabled accordingly.

I hope that this material is of use to the committee in its deliberations.

Best,

Professor kylie valentine
Director
Social Policy Research Centre and Centre for Social Research in Health
Arts, Design and Architecture