



Wacoss

WA COUNCIL *of*
SOCIAL SERVICE

Community Sector Leaders Forum
Emerging Issues 2016

Our vision is an inclusive, just and equitable society



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SOCIAL SERVICE

Emerging Issues 2016

Welcome

Craig Spencer

Head of Community Engagement, Bankwest



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Emerging Issues 2016

Welcome to Country

Shawn Nannup
Wadjuk Noongar



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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 community services
and the citizens they support in WA**

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



Forum Outline

Welcome

Craig Spencer Bankwest

Welcome to Country

Shaun Nannup Wadjuk Noongar

Introduction

Steve Joske WACOSS President

Environmental Scan

Chris Twomey WACOSS

Economic Analysis

Prof. Alan Duncan BCEC

Sectoral Analysis

Sue Ash AO Uniting Care West

Panel Q&A Session

Pip Brennan, Irina Cattalini, Alan, Sue, Chris

Closing Remarks

Steve Joske WACOSS President





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Environmental Scan

Chris Twomey
Director of Policy, WACOSS

Six Domains – Twelve Issues

Social: *workforce vulnerability, entrenched disadvantage*

Economic: *debt & deficit, diversification & disruption*

Services: *place-based commissioning, big & open data*

Sector: *social investment, structural reform*

Funding: *fragmented procurement, uncertain funding*

Political: *policy leadership vacuum, elections!*



Six Domains – Twelve Issues

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Our Social Environment:

1. Workforce Vulnerability

2. Entrenched Disadvantage



Our Social Environment

1. Workforce Vulnerability

Insecure work & growing underemployment

Inadequate and inappropriate income support

Loss of industrial protections

Increasing wealth and income inequality

-> Welfare reform & IR reform are needed!



2. Entrenched Disadvantage

- *Complexities of addictions*
- *Family and domestic violence*
- *Ongoing & intermittent mental health*
- *Housing and homelessness*
- *Indigenous disadvantage & exclusion*



Our Economic Environment:

3. Debt & Deficit

4. Diversification & Disruption



Our Economic Environment

3. Debt & Deficit

WA income shock from declining commodity prices

State & Federal revenue gaps

Risks constrained spending on services ..

- but doesn't have to!

Need for tax & transfers reform

State income tax powers?



TAX REFORM...

① PUT EVERYTHING ON THE TABLE



② TAKE EVERYTHING OFF THE TABLE



③ RUB THE TABLE WITH CRAYON TO REVEAL ANYTHING WRITTEN BY THOSE WHO MIGHT HAVE SAT THE EXAM HERE SINCE FEDERATION



④ YOU'RE DONE!



4. Diversification

- Need to diversify, modernise and stabilise
- Workforce development & training strategy
- Preparing younger workers for changing roles
- Supporting older workers in declining industries

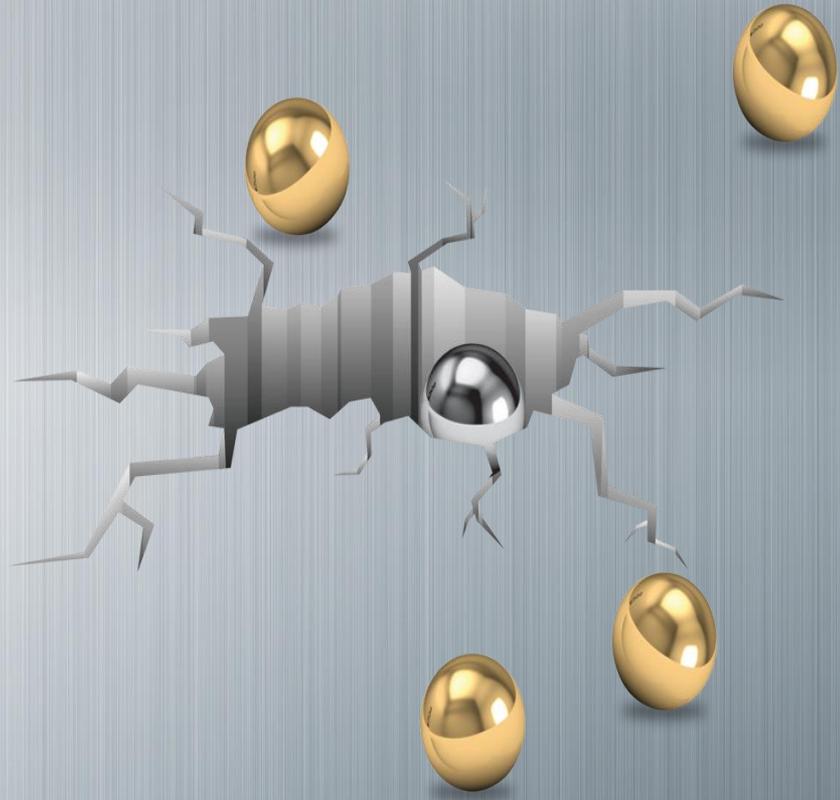




BANKWEST CURTIN ECONOMICS CENTRE

ECONOMIC AND SOCIAL OUTLOOK FOR WA

WACOSS Emerging Issues Forum
1 April 2016, Bankwest Pavilion

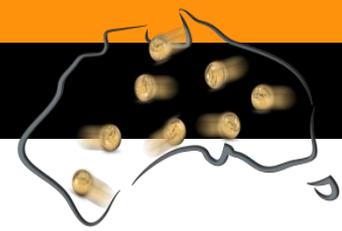


Alan Duncan

Director, Bankwest Curtin Economics Centre



OUTLOOK



- WA economy in transition; WA labour markets in transition
- Vulnerabilities from population growth and ageing
- Government debt; exposure to global economic conditions
- Poverty - incidence and implications
- Inevitable pressures on service provision and infrastructure
- Creates conditions for increased incidence of disadvantage
- Tax reform uncertainties – GST, state income tax, negative gearing

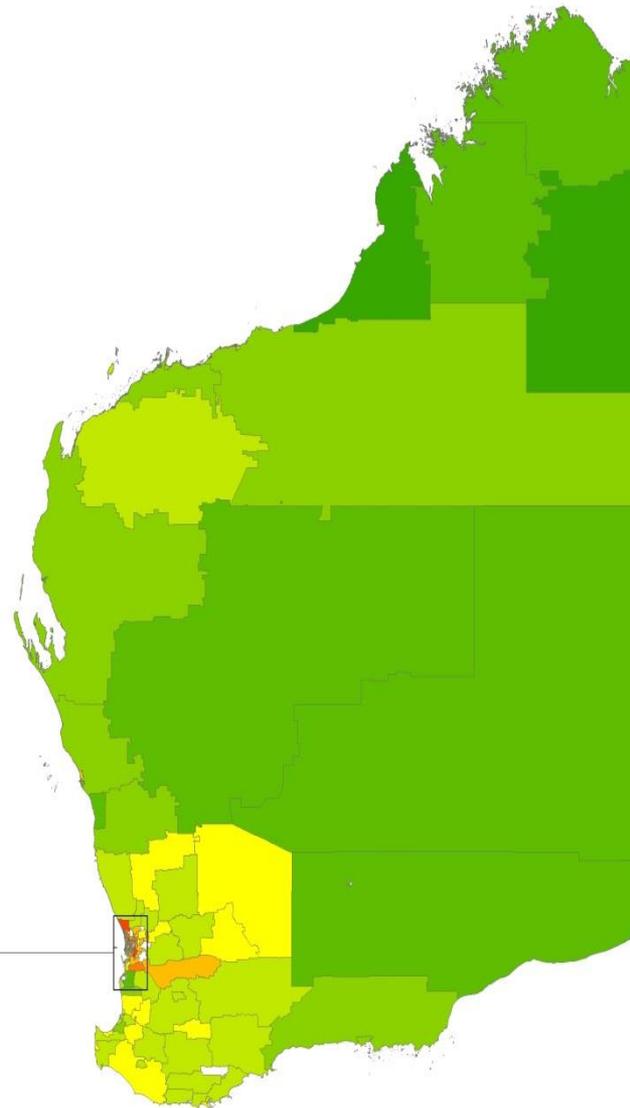
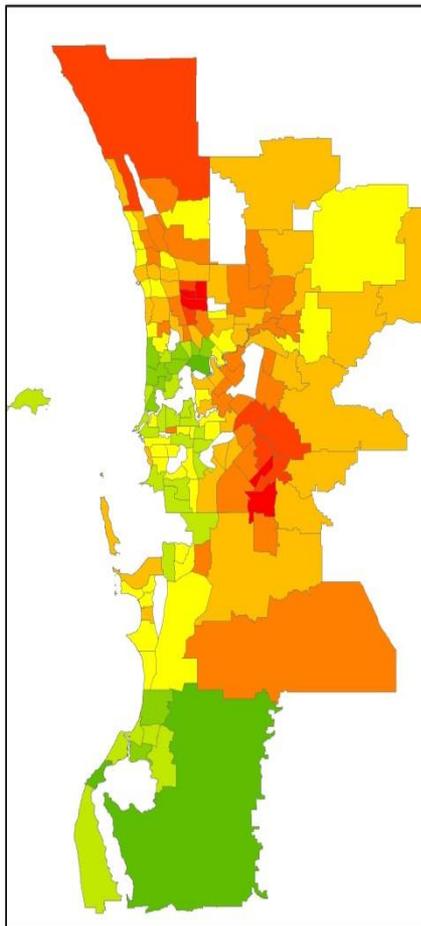
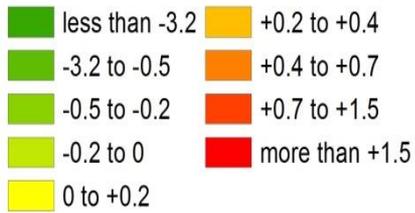
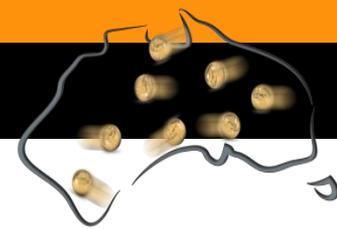


EMPLOYMENT

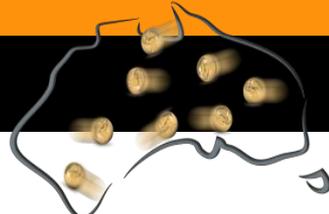
Unemployment rates (per cent): WA & Australia 1990 to 2015



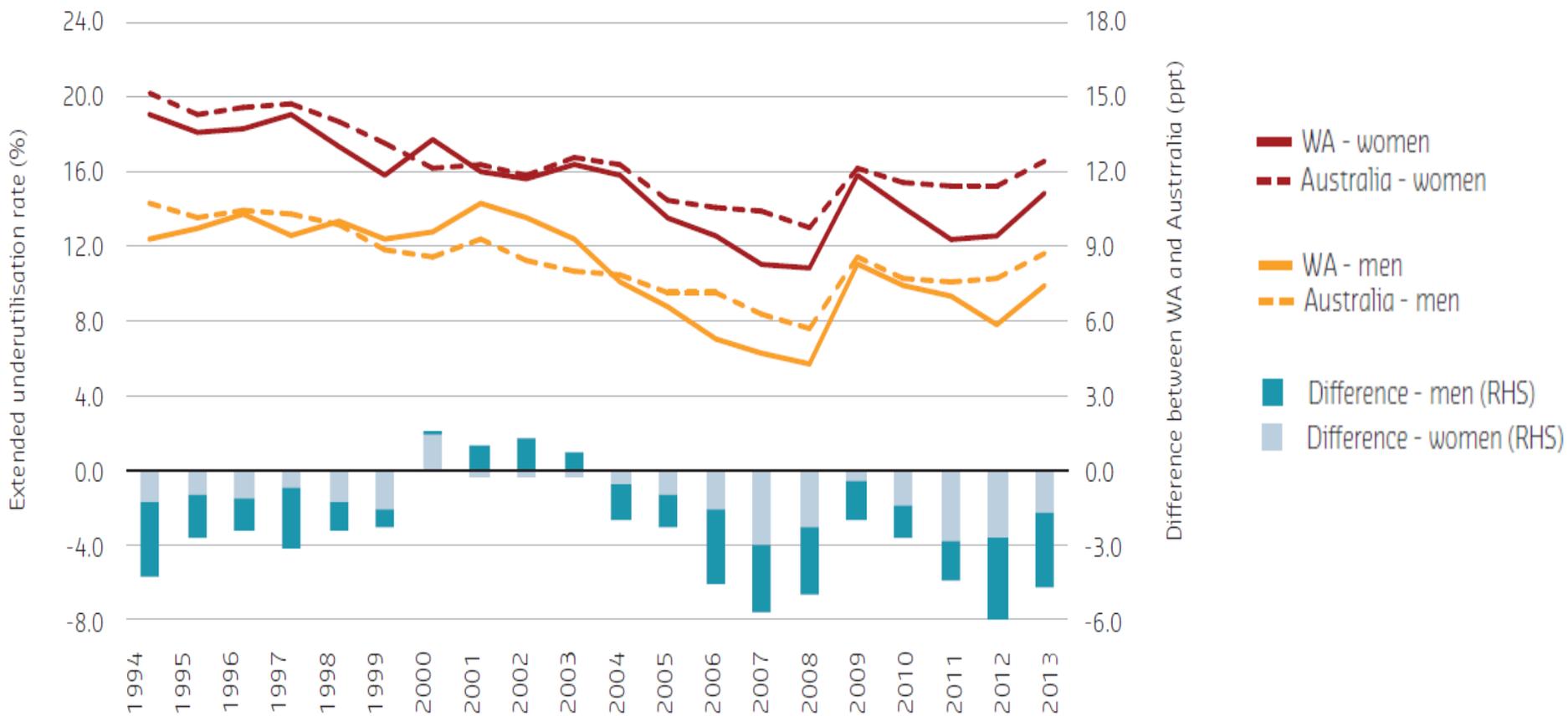
Quarterly change in unemployment , to December 2015



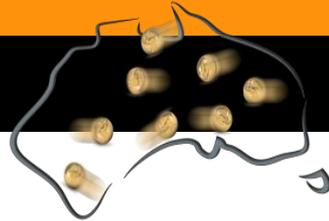
Rising labour market underutilisation...



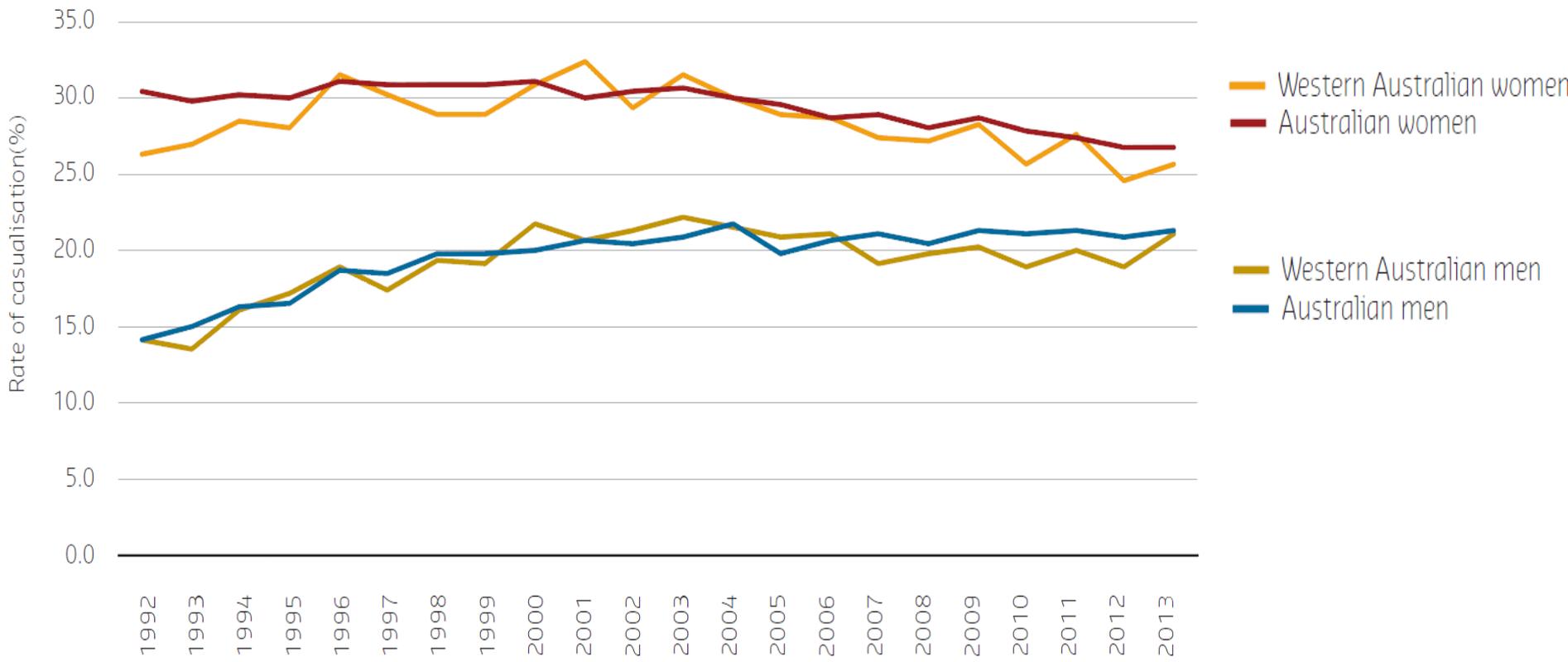
- **Higher rates of underutilisation among women**
- **Lower rates in WA, but the falling trend post-GFC is reversing**

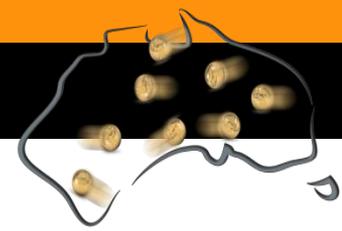


Casualisation rates for WA and Australia over time



- **Higher rates** of casualisation among women, but rates have fallen
- The gender casualisation gap is closing





- WA labour markets are in transition
- Need to develop diversified employment opportunities
- Need to provide training to adapt and develop new skills
- Insecure work and casualisation remains an issue
- Critical not to neglect broader priorities and goals
 - equality of access and opportunity
 - balance between work, family and community
 - support for those at the margins of society



POPULATION AGEING

Number and share of older age populations in WA: 1971-2050



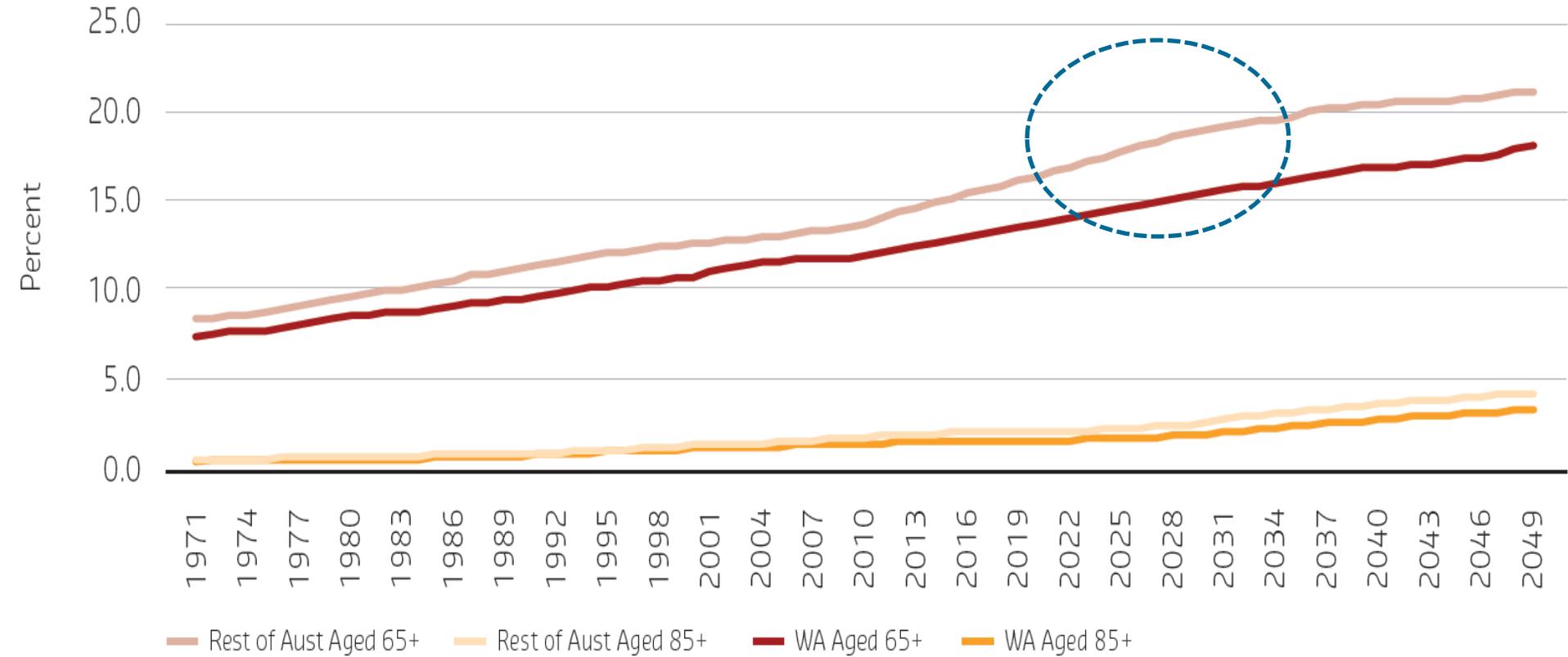
	1971	2000	2015	2030	2050
Persons ('000)					
Aged 65 and over	78.2	203.2	343.1	604.2	1009.7
Aged 85 and over	4.4	21.8	41.9	77.4	183.6
Total Population	1053.8	1879.1	2676.7	3888.9	5509.6
Percent of population					
Aged 65 and over	7.4	10.8	12.8	15.5	18.3
Aged 85 and over	0.4	1.2	1.6	2.0	3.3

The 'baby boomer wave'



Significant growth in in 65+ cohort in WA (and in Australia) from 2020 to 2030

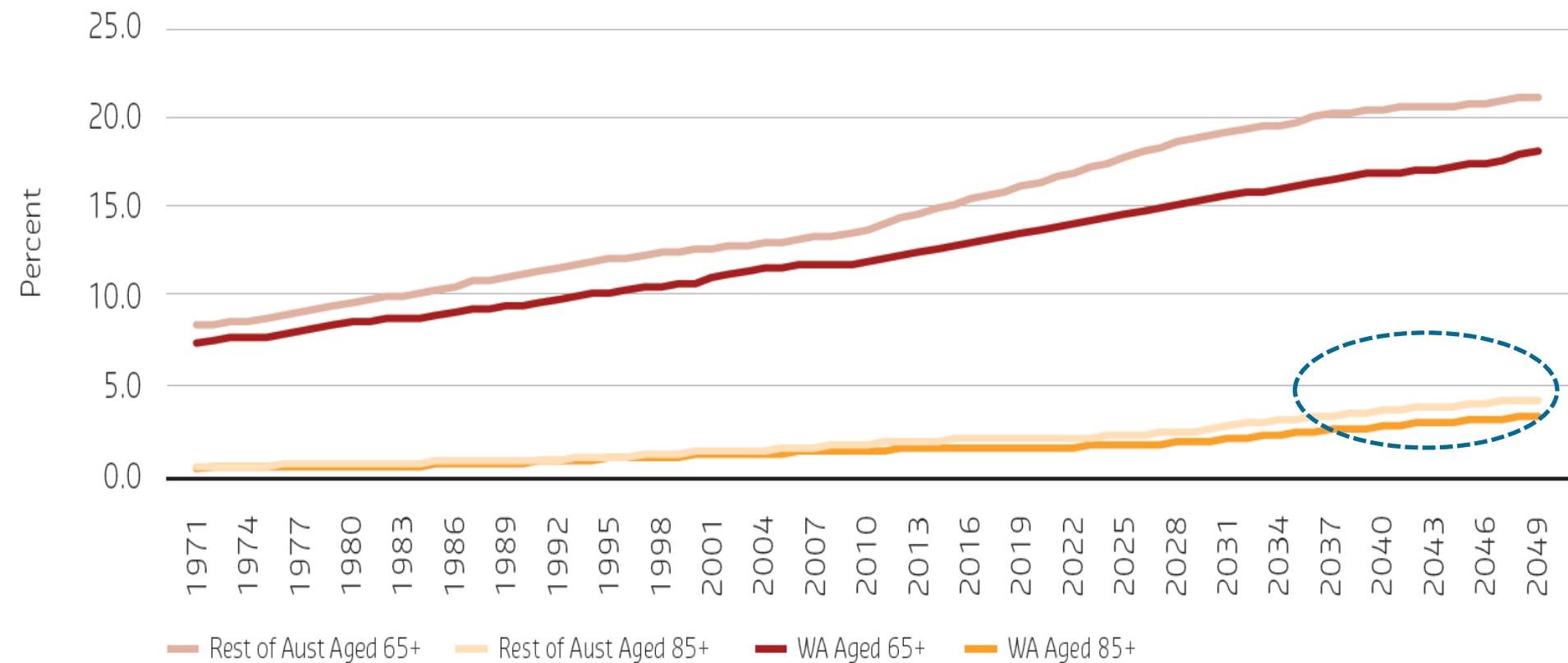
Flowing through to growth in 85+ cohort 20 years later



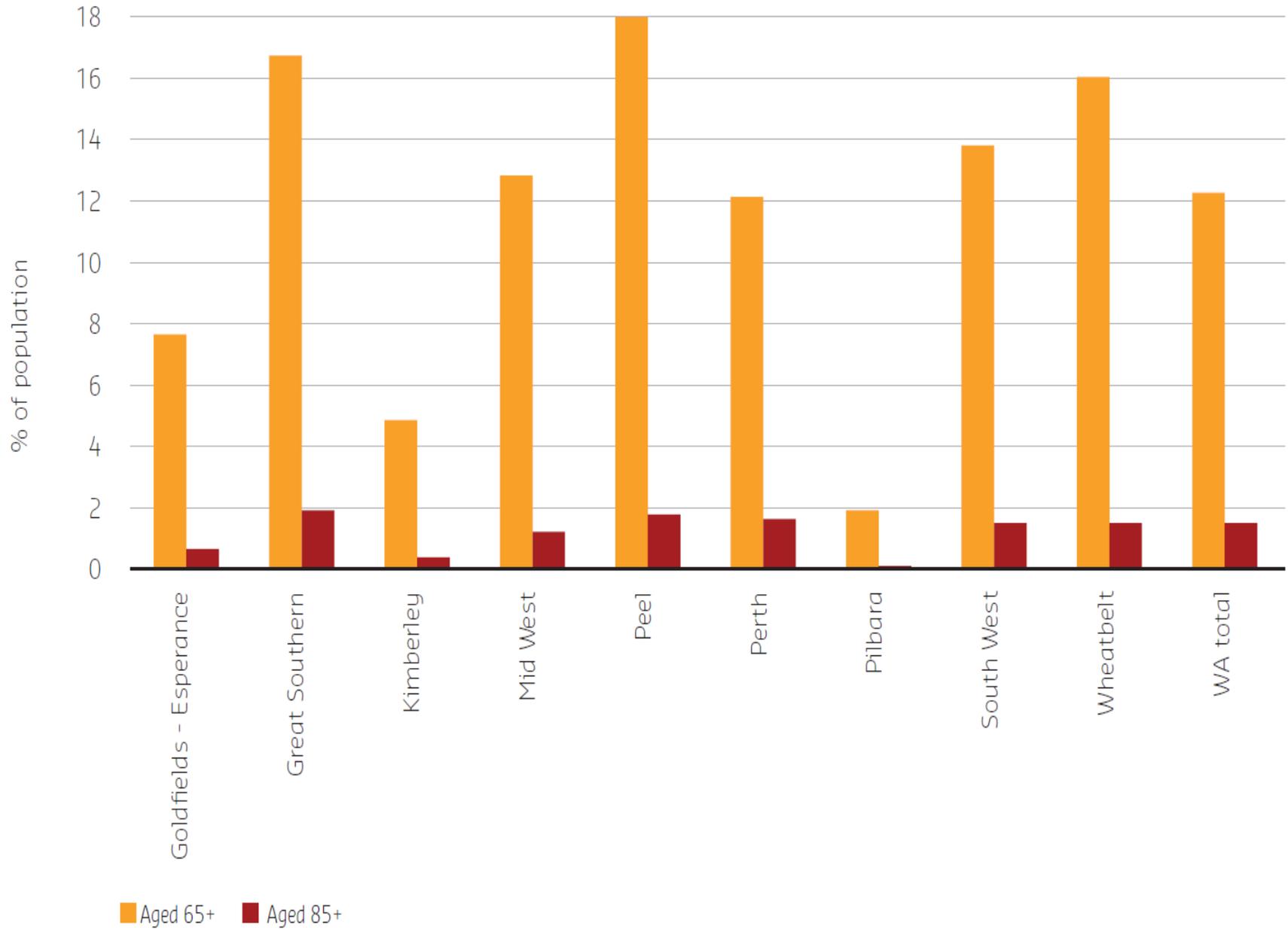
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Flowing through to growth in 85+ cohort 20 years later



Proportion of older West Australians by region: 2011 Census

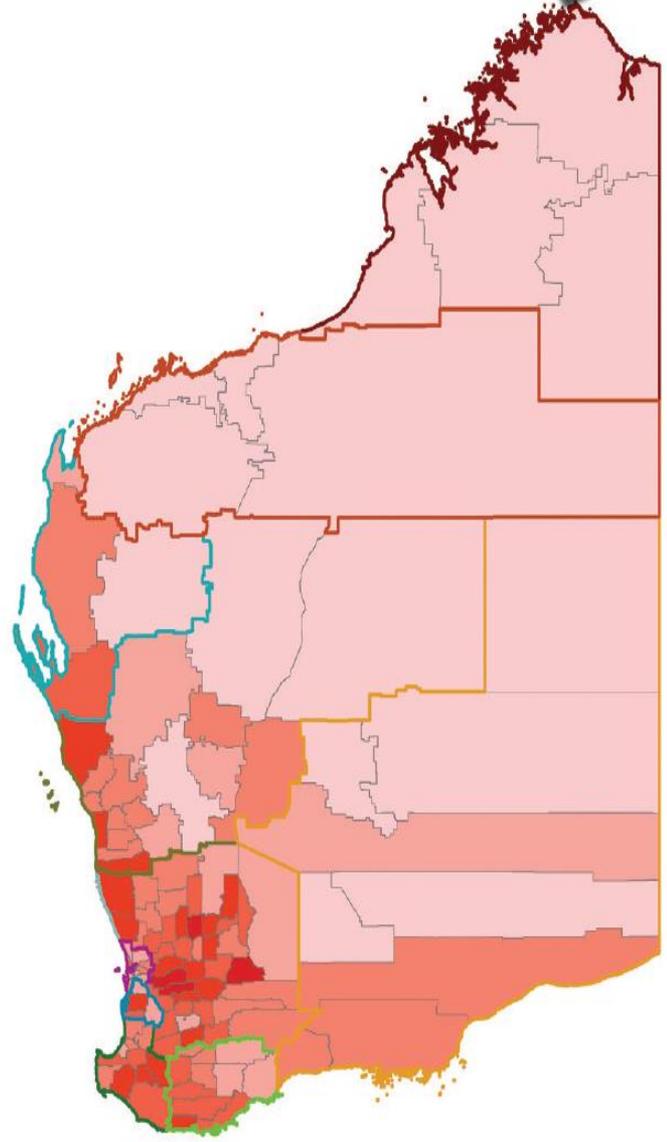
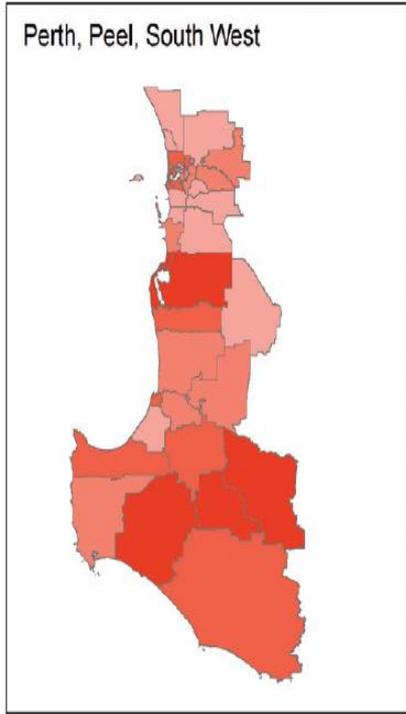


Proportion of population aged 65+ by LGA: 2011



Greatest concentrations of older age (65+) cohorts:

- Peel, Mandurah
- Wheatbelt
- Great Southern
- Coastal locations



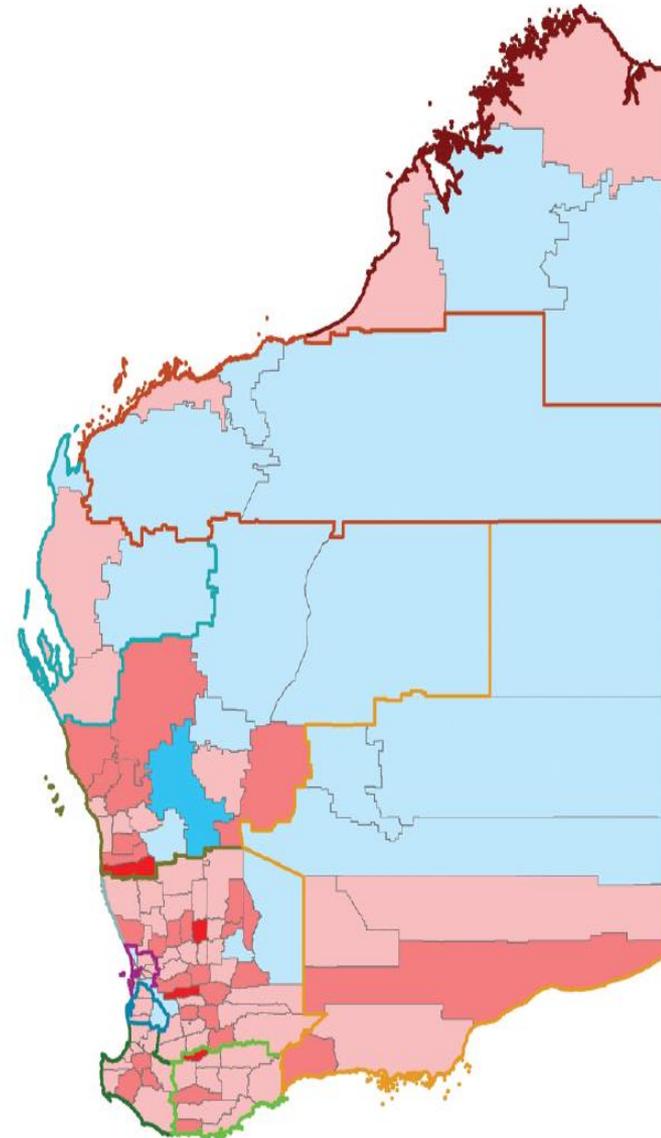
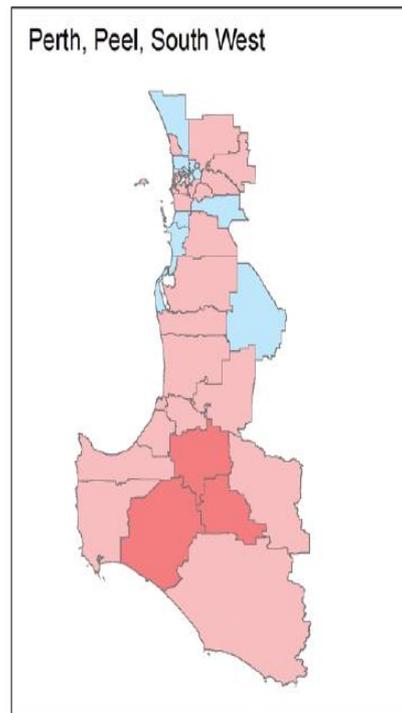
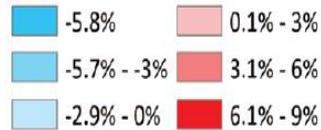
Change in proportion of population aged 65+ by LGA: 2006-2011



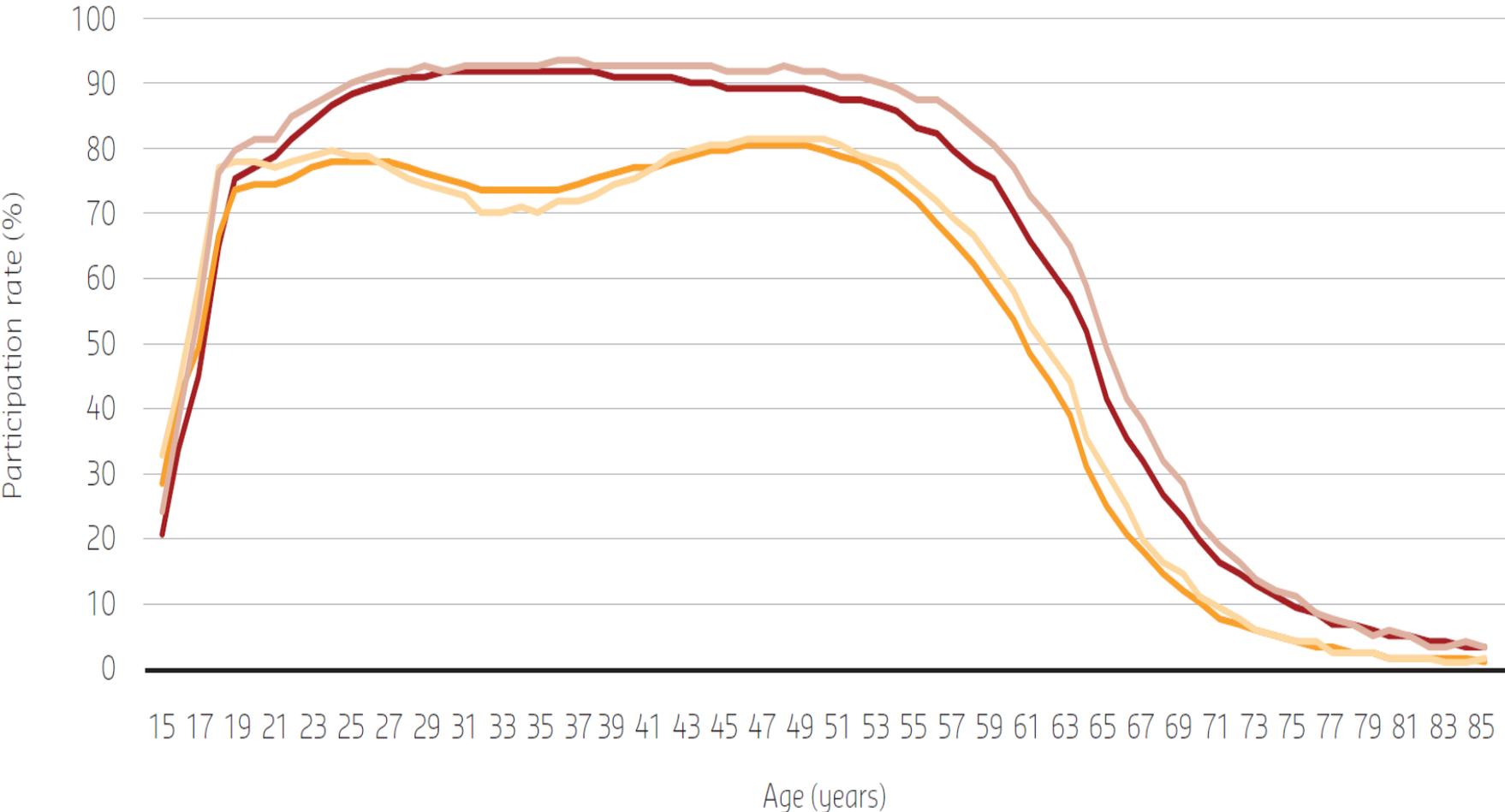
Largest increases in older age (65+) cohorts:

- Mandurah
- Wheatbelt
- Mid-West
- South and South West coast

Per cent



Labour force participation by age, WA and Australia: 2015



Male - WA Male - Aust Female - WA Female - Aust

The baby boomer cohort – a ‘disruptive’ generation



- Changing employment expectations among baby boomers
- Seeking a **blended** route into retirement: flexibility, fewer hours
- Sharing employment with active lifestyle, social participation
- **BUT** lack of labour market flexibility compromises this aim
- Many older workers feel ‘forced’ into retirement: lack of options
- Once unemployed, older cohorts have greater difficulty in re-entering the labour market
- Harness productivity potential of older workforce

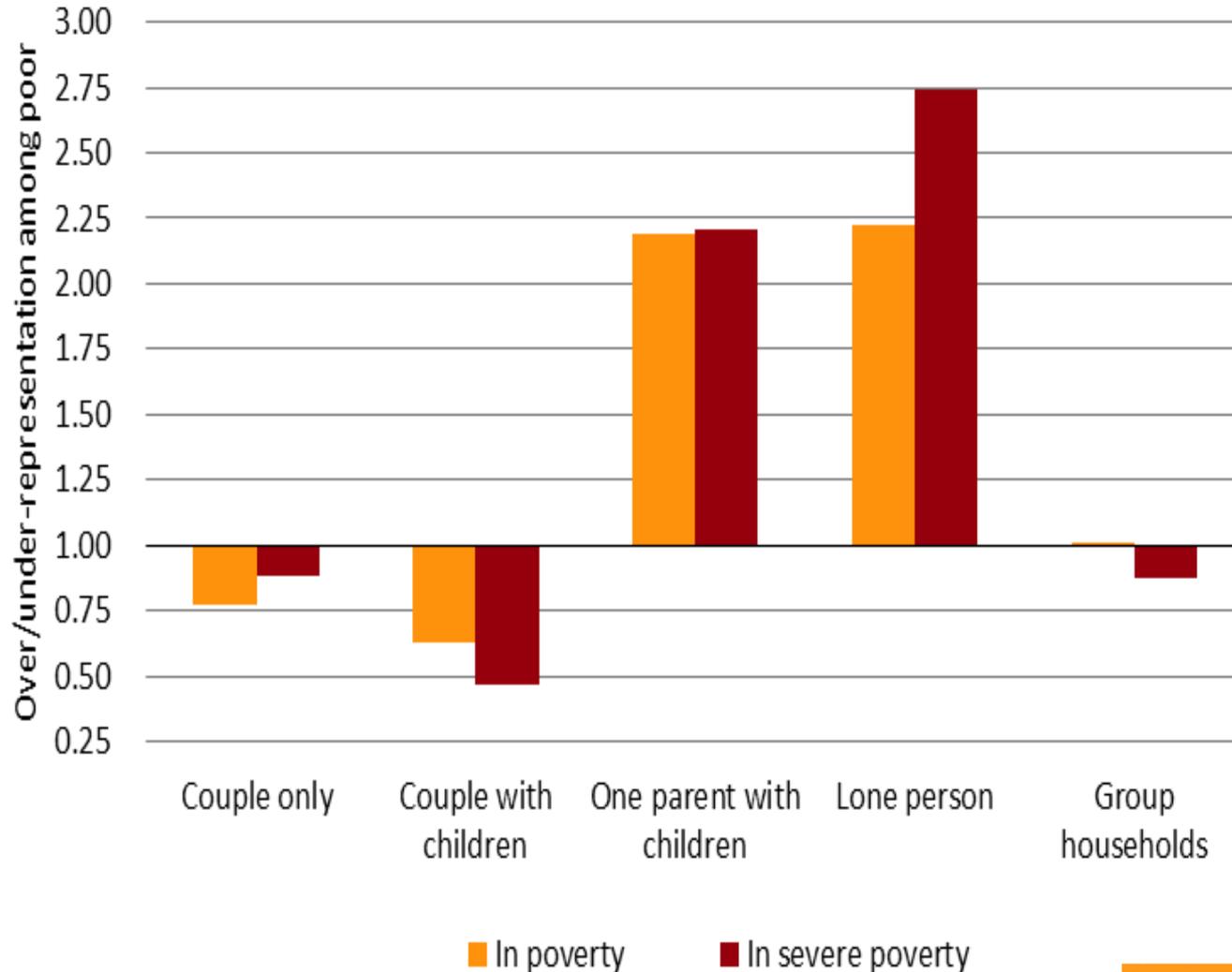


POVERTY AND DISADVANTAGE

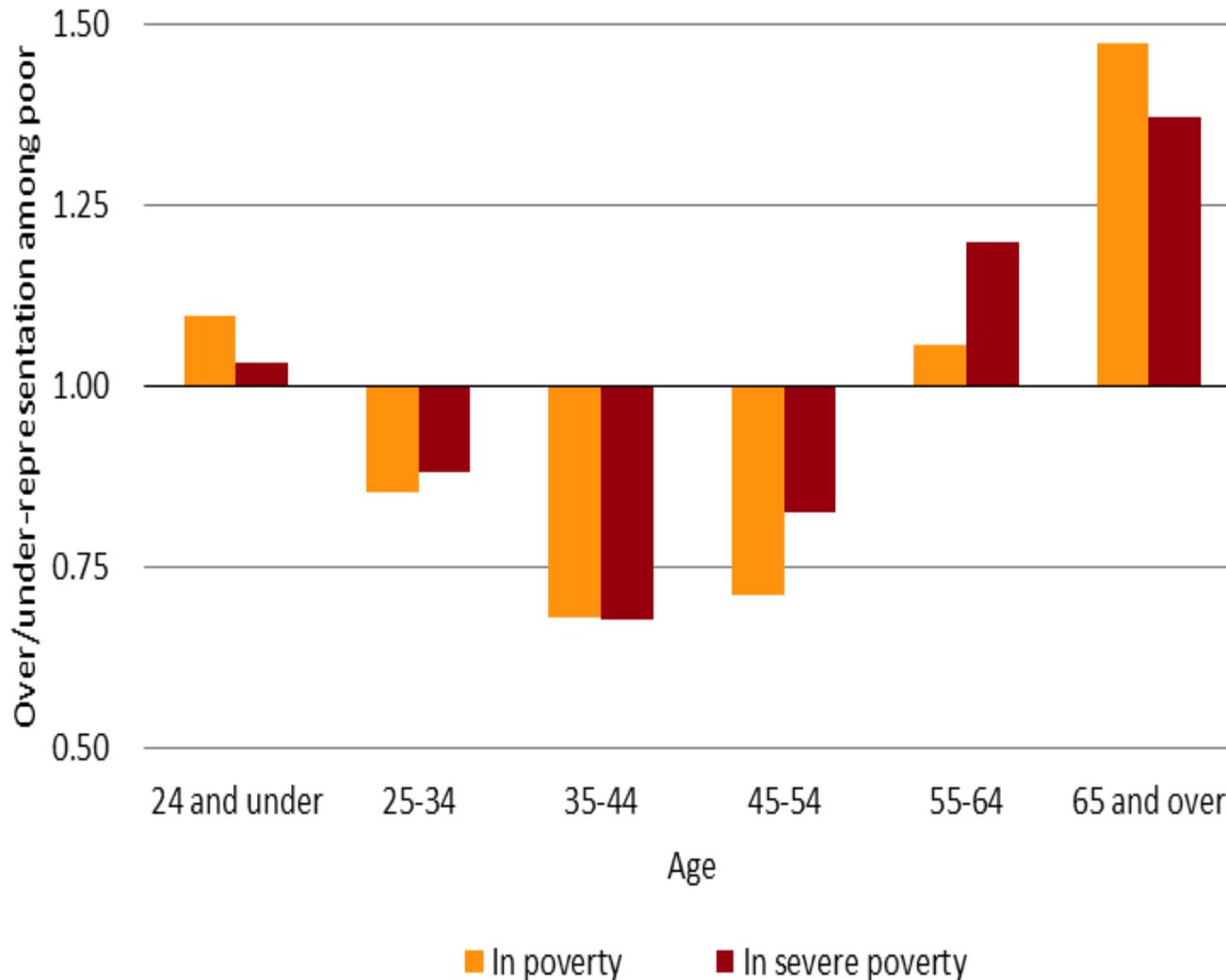


- We look at the adequacy of income relative to a benchmark.
- The 'standard' income poverty measure is 50% median.
- More severe measure – 30% median.
- Income measure: disposable (after housing costs) income, standardised for household composition.

Single people are disproportionately poor...



So too are the young and the old...



For renters, poverty accelerates over the life-course



- Poverty rate for private renters in Australia is more than **three times** that for mortgage holders or owners
- There is a **huge acceleration** in poverty rates across the life-course for singles and couples in rented accommodation:
 - **one in ten** for couple renters aged 35-54
 - **a quarter** for those aged 55-64, and
 - **more than a half** for those aged 65+

For renters, poverty accelerates over the life-course



- Poverty rate for private renters in Australia is more than **three times** that for mortgage holders or owners
- There is a **huge acceleration** in poverty rates across the life-course for singles and couples in rented accommodation:
 - single renters aged <35 – around **30%** are in poverty
 - single renters aged >65 – around **70%** are in poverty



- Jobless households are over-represented at various poverty depths, and are **seven times** more likely to be in severe poverty than other households
- **But** – the journey to employment, and work as a solution to escaping poverty, isn't straightforward
 - Working poor
 - Locational Disadvantage
 - Indigenous disadvantage
 - Disability

Entrenched poverty



- Single people are not only more likely to be poor (**a quarter** in poverty and nearly **one tenth** in severe poverty) but also more likely to be in poverty for longer
 - **One-third of a million** (337,000) lone persons and a **quarter of a million** (235,000) single parents have been in poverty for at least five of the last ten years
 - **One in four** elderly single male or female households (nearly 200,000 combined) have been in poverty for five or more years.

The effect of persistent poverty on health



- Poverty persistence increases for those suffering from a long-term health issue:
 - **20%** of those with long-term health conditions have been in poverty for **5 or more years**
 - this compares with just under **7 per cent** for those with no long-term health condition.

Persistent poverty increases psychological distress...

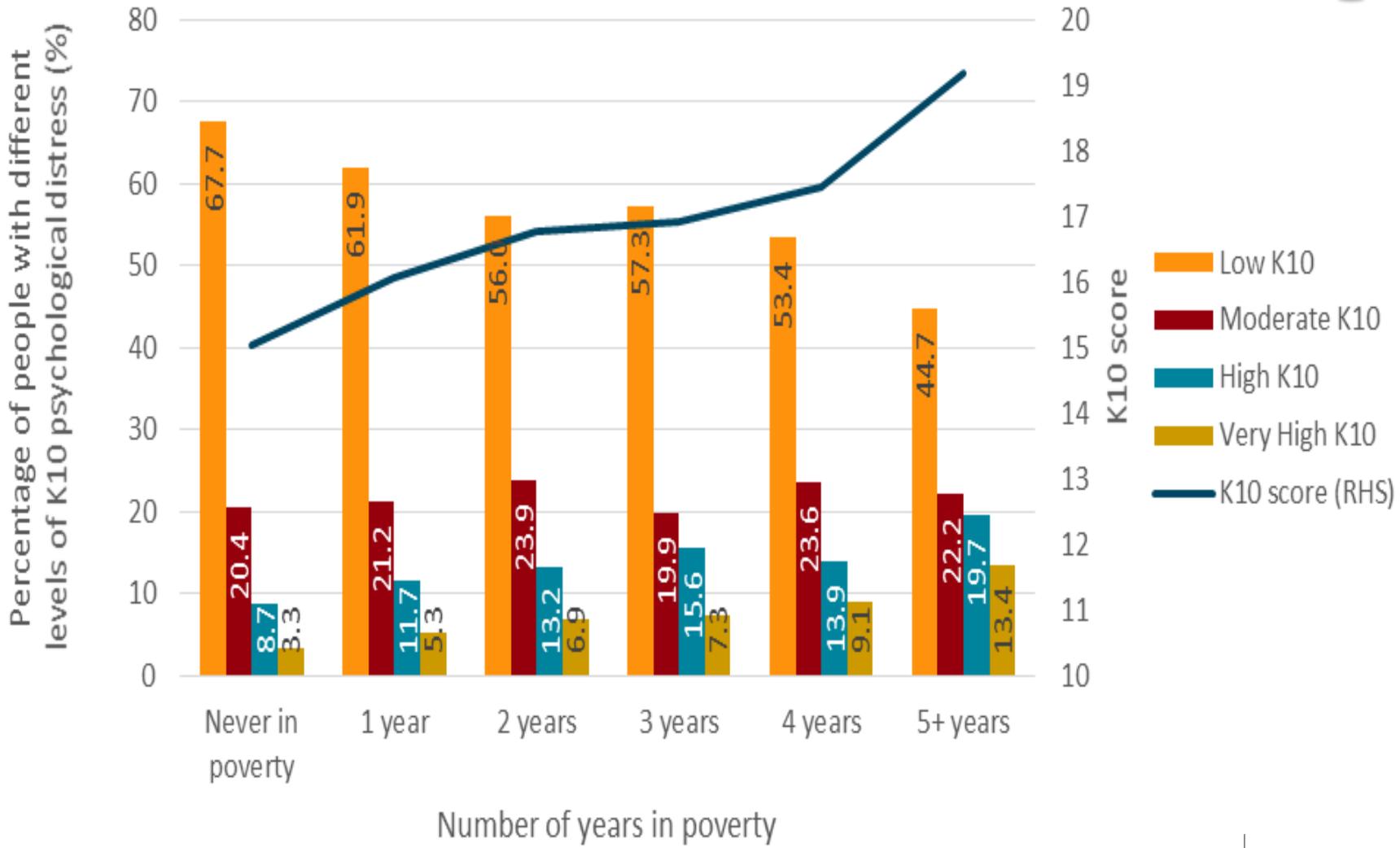


- Kessler K10 measure of psychological distress:
 - Ten component indicators of distress
 - Each are scored on a scale of 1 (low) to 5 (high)
 - Builds to a composite score (10-50)
 - banded measure psychological distress:

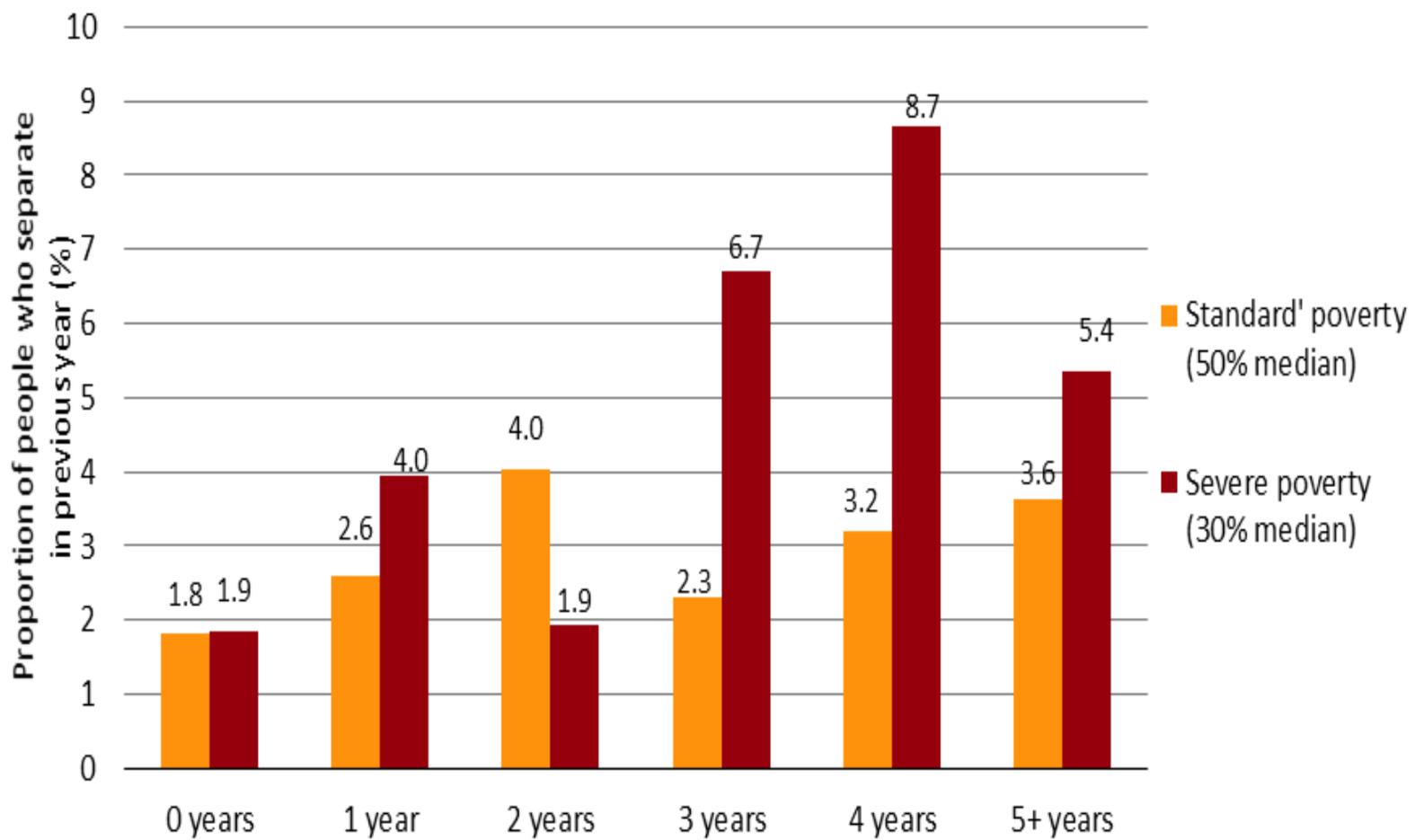
Low (10-15) Moderate (16-21) High (22-29) Very high (30-50)

- **How does either measure relate to persistence in poverty?**

Persistent poverty increases psychological distress...



Persistent poverty increases relationship breakdown...

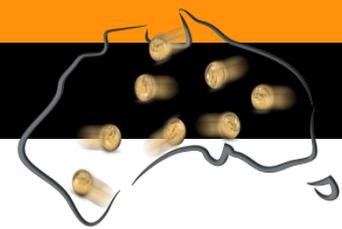


Longest continuous spell in relative poverty

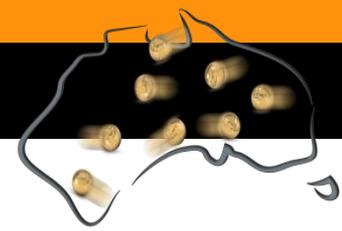


EMERGING PRIORITIES

What's to be done?



- Protect and develop the skills and capacities of disadvantaged groups, and promote social and economic participation:
 - equality of access and opportunity
 - balance between work, family and community
 - support for those at the margins of society
 - provision of secure housing options to those in most need
- Address barriers to employment that hinder economic growth
- Problem of housing affordability MUST be addressed.
- An adaptable workforce requires an integrated strategy to link education and training to new employment opportunities
- Industrial policy should promote diversified portfolio of strengths



- Tax reform agenda: what to make of it?
- Options pose huge questions:
 - GST reform - base/exemptions, rates, distributional impacts, Commonwealth Grants Commission distribution?
 - Negative gearing - impact on housing affordability, rents?
 - Superannuation – tightening concessions for those on higher incomes?
 - Company taxation – impact of foreshadowed reduction?
 - State income taxation - implications for household income and welfare, federation, funding health and education, allocation of responsibilities?



BANKWEST CURTIN ECONOMICS CENTRE

ECONOMIC AND SOCIAL OUTLOOK FOR WA

WACOSS Emerging Issues conference
1 April 2016, Bankwest Pavilion



- 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



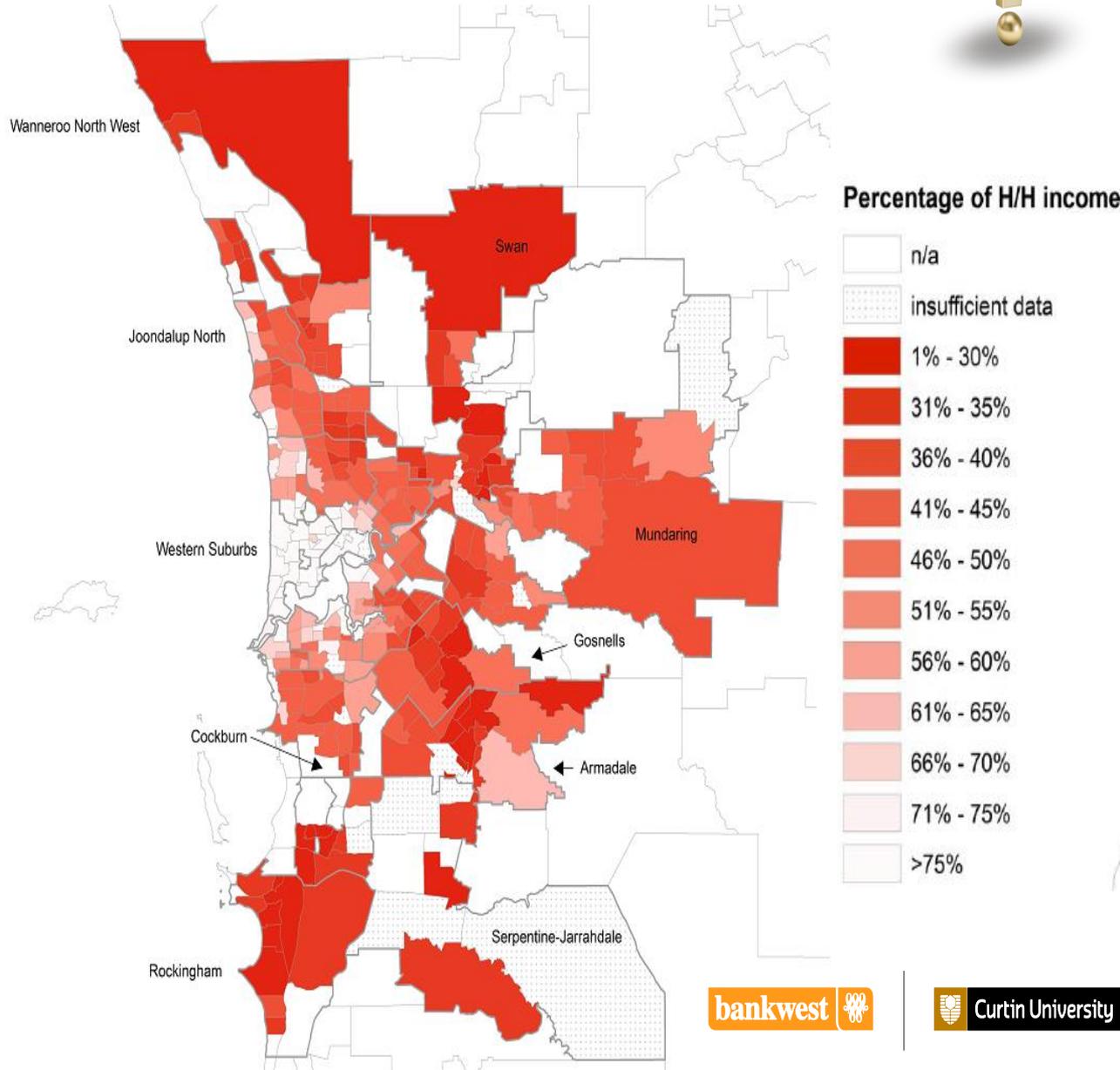
- Neither does the rental market work sufficiently well in providing affordable housing options for those on low incomes or not yet in a position to buy:
 - median rental cost burdens run at 29 per cent overall but with wide variation across WA suburbs
 - rental cost burdens more severe for lower income 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



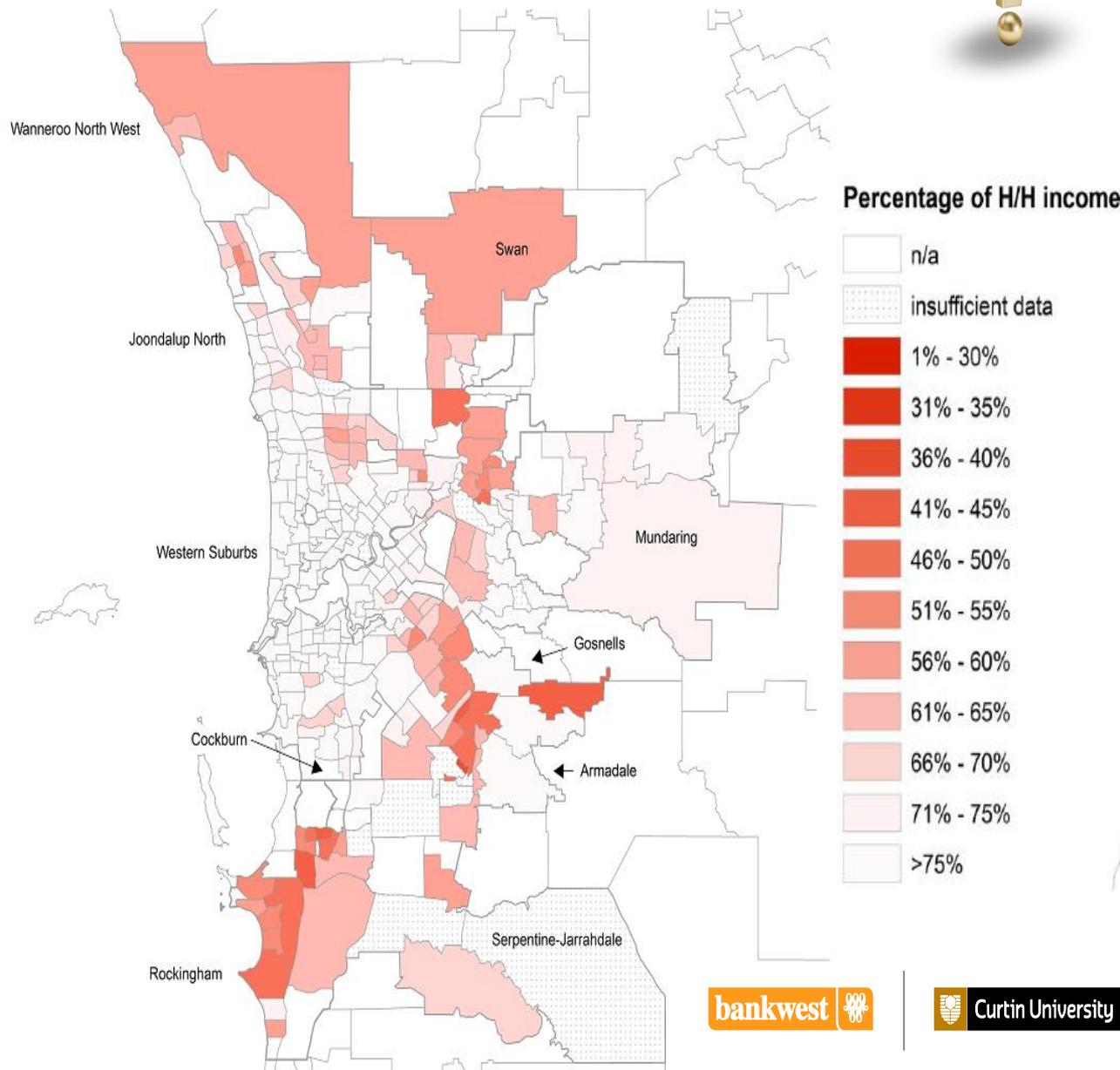
Source: REIWA, 2013Q4 data



Percentage of lower quartile income to pay for LQ-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



Source: REIWA, 2013Q4 data

Our Service Environment:

5. Place-based Service Design

6. Big Data & Open Data



5. Place-based service design

- Returned focus on geographic approaches
- Collective impact models
- Joint commissioning models
- Examples: Regional, youth & early years reforms
- Evaluation? - Lessons learnt?



6. Big Data vs. Open Data

- State and Federal commitments
- Risks and opportunities
- Outcome frameworks
- Role of community sector
- Evidence driven policy (NZ, UK, Finland)





"Why Gramma, what big data you have!"

6. Big Data vs. Open Data

- State and Federal commitments
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Our Sectoral Environment:

7. Social Investment

8. Structural Reform



7. Social investment

- Lifetime approach to forecasting systemic costs
- Earlier investment in intensive services for transformative outcomes
- Strong data needed – on risks, costs & outcomes
- What isn't measured is important...

Financial costs are a poor proxy for life outcomes





WACOSS 2016 Conference

Pan Pacific Hotel • Western Australia • 3-5 May 2016

8. Structural Reform

Changing operating environment challenges viability

- *Individualised funding, increased competitive tendering and contracting culture*
- *Partnerships, consortia, mergers, acquisitions*

Digital disruption: risks & benefits

- *It is happening – how do we use it wisely?*



Analysis of critical sector issues

April 2016

WACOSS Emerging Issues

Beyond the next 12 months

- Data and information
- Workforce
- Role of Government
- Identity of Non Government Organisations

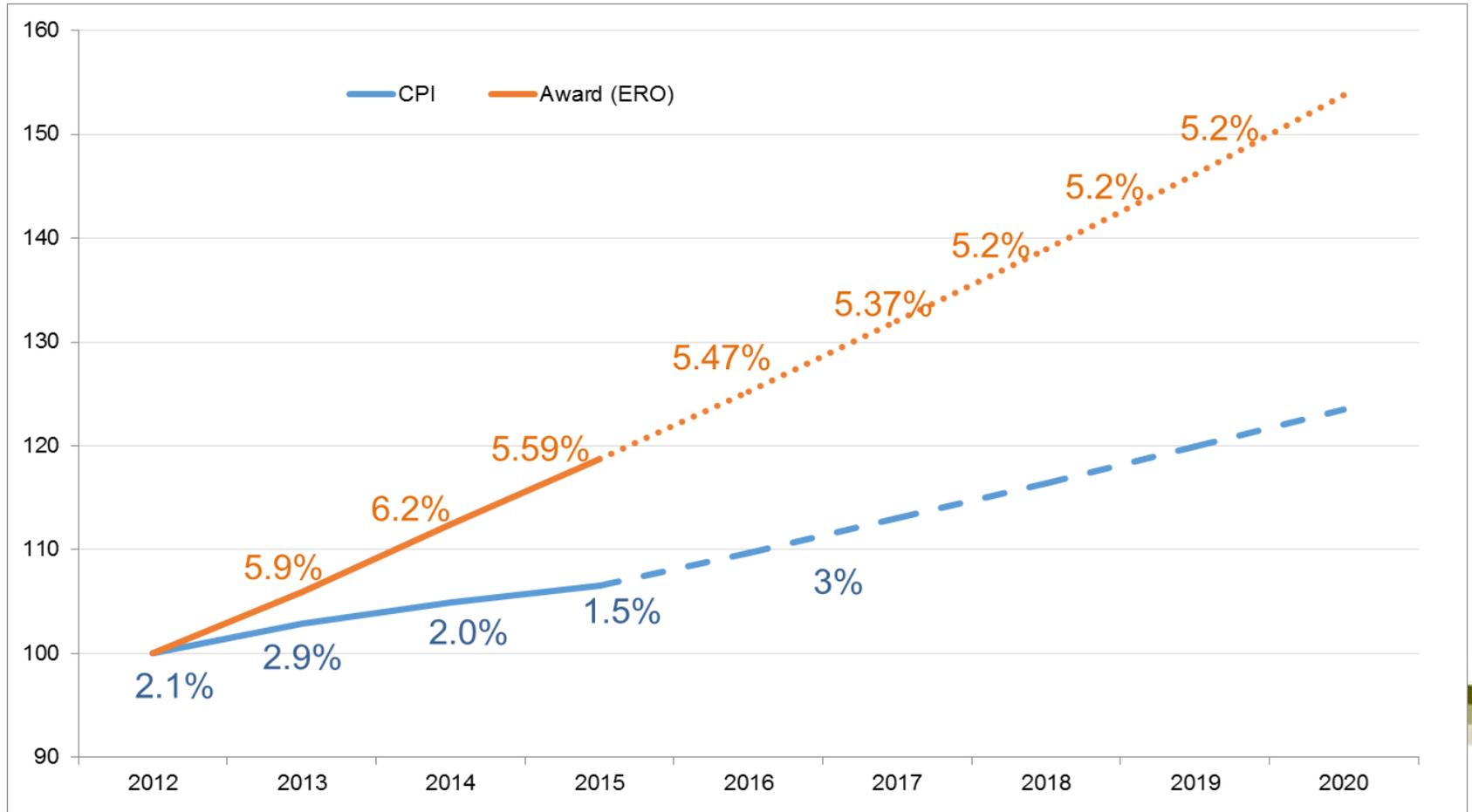
Data and information

- Contracts that cede control of data
- In some cases, limited access to data generated by the organisation

Organisational Implications

- Effective management requires effective links between service data and financial data

Workforce



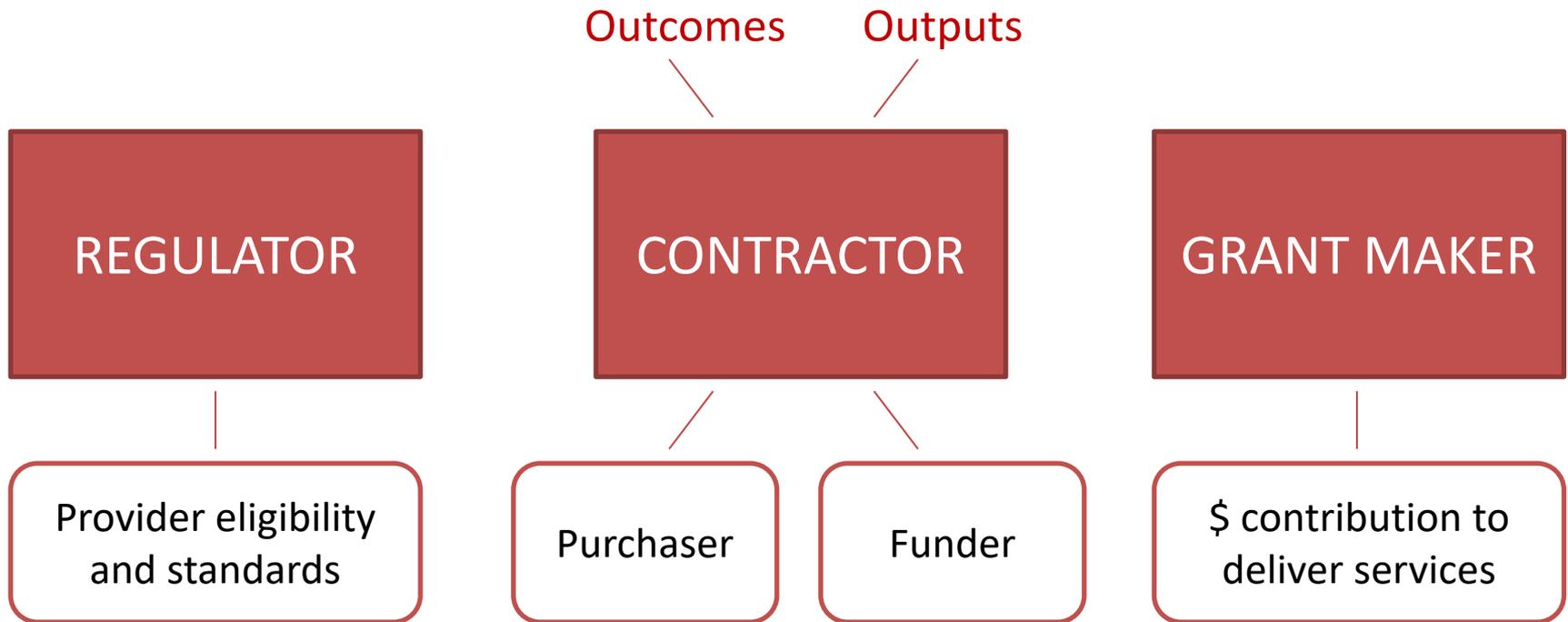
Workforce

- Salary increases exponential
- Casualisation of workforce will have major long-term implications for society, women

Organisational Implications

- Workforce composition needs active management so cost of services known

Role of Government



Role of Government

- More confusion of roles in State Government agencies than Commonwealth
- Primary objective - effective and efficient use of available funds

Organisational Implications

- Client eligibility for services and price (funds) available will be negotiation currency
- Move to Grants

Identity of NFPs

NOT FOR
PROFIT

Public Benevolent
Institution & Charity
Voluntary
Organisations

NON
GOVERNMENT

Undertake
Government
funded services
Often PBI but not
Charity

SOCIAL
BENEFIT

Enterprises that
deliver surplus for
social benefit
FP or NFP

Identity of Not for Profits

- Lack of clarity of identity in most organisations
- Governance and regulations different for each type of organisation

Organisational Implications

- Actively manage identity, governance
- Implications for business systems especially corporate law and insurance

Conclusion

- Making the future we want requires making choices now
- Partnerships
 - Effective due diligence between partners
 - Understanding, measuring and allocating costs
eg Metropolitan Financial Counselling Services



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Political: *policy leadership vacuum, elections!*



Our Funding Environment:

9. Fragmented Procurement

10. Reduced & Uncertain Funding



9. Fragmented procurement

- Reform promises vs. real-world implementation
- Mid-sized, mixed, regional service viability
- Individualisation vs. larger contracts
- Expanded commissioning role of Primary Health Networks



10. Reduced & Uncertain Funding

- Federal funding cuts and program uncertainty
- Lack clear policy direction
- WA MYR - End of quarantining of frontline services
- Delayed contracts, tenders, roll-overs...
- *How to co-design reduced funding...*



Our Political Environment:

11. Policy Leadership Vacuum

12. Elections ! Elections !



11. Policy Leadership Vacuum

- Hostile & negative political environment
- Tax and Federation reform have stalled
- Lack of public engagement process
- Negative gearing & affordable housing debate
- What is the 'Innovation Agenda'?

Meanwhile in WA ...



12. Federal & State Elections

- July Federal double dissolution likely
- Senate reform vs. ABCC Bill
- Federal Budget 3 May - State Budget 12 May?
- State Election March 2017
- PBS Consultation(*July-August*) = sector policy platform



REGAINING MOMENTUM!...

RIGHT!
CABIN CREW!
BE SEATED
FOR TAKE-OFF!



DINKLAGE
22.3.16

12. Federal & State Elections

- July Federal double dissolution likely
- Senate reform vs. ABCC Bill
- Federal Budget 3 May - State Budget 12 May?
- State Election March 2017
- PBS Consultation(*July-August*) = sector policy platform



Issues Summary

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Economic: *debt & deficit, diversification & disruption*

Services: *place-based commissioning, big & open data*

Sector: *social investment, structural reform*

Funding: *fragmented procurement, uncertain funding*

Political: *federation reform stalled, elections!*





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Panel Discussion

Prof Alan Duncan

Bankwest Curtin Economics Centre

Pip Brennan

Health Consumers Council of WA

Sue Ash AO

UnitingCare West

Chris Twomey

WA Council of Social Service



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Closing Remarks

Steve Joske CSC

President, WA Council of Social Service



The WACOSS conference will explore four key Streams:

**Citizen
Engagement and
Civil Society**

**The Way We
Work Together**

**The Future of
Our Work**

**WA's First
Australians**



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*Ways to make
a difference*