



Impacts of reduced indexation for community service organisations in 2019/20

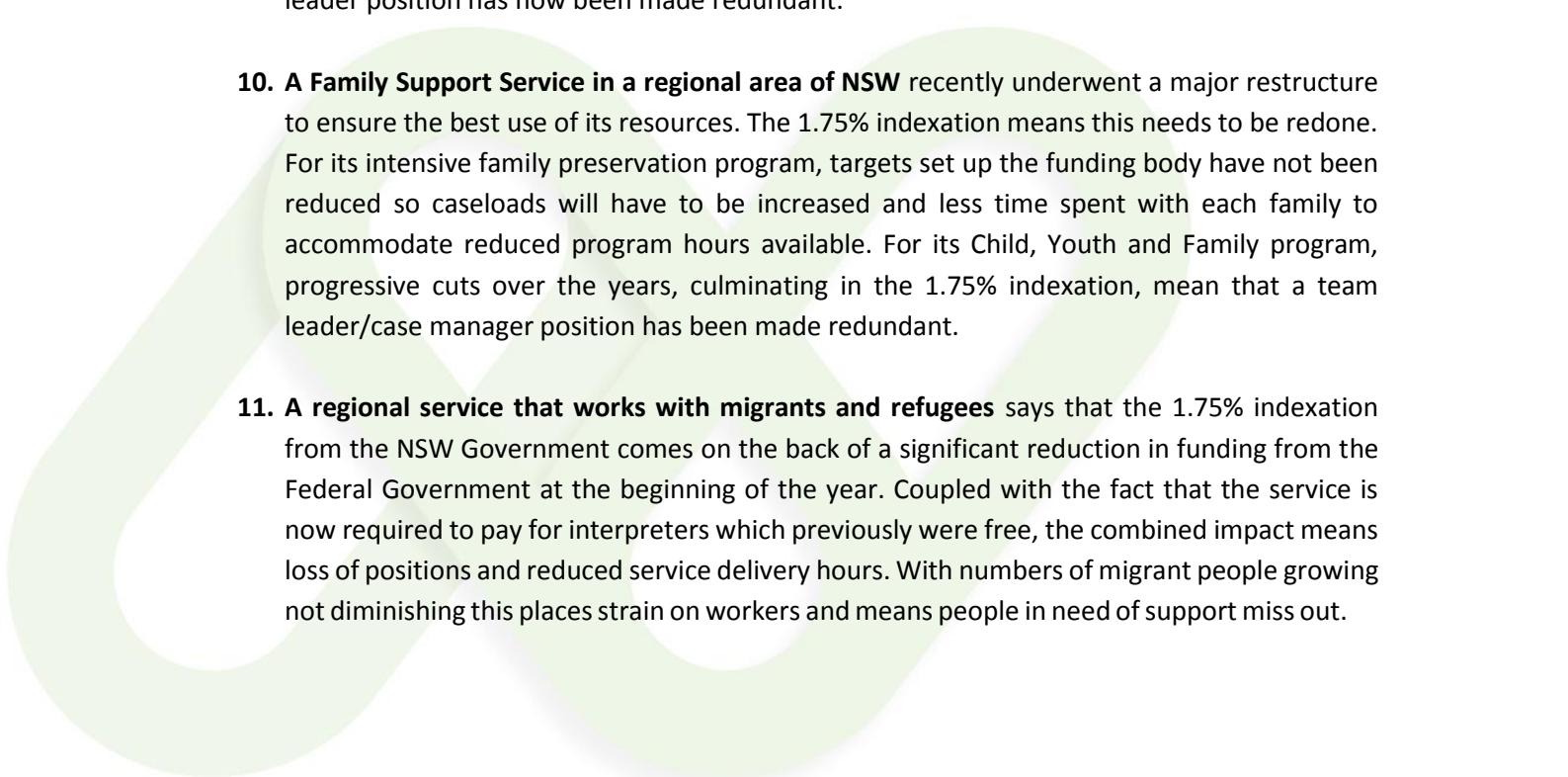
State budget - Case Studies

1. **A youth accommodation service (medium to long term)** has had to reduce their Living Skills Program which helps young people gain the skills to transition to independent living, with the program coordinator now part-time. The staff training budget has also been reduced. Fundraising will be undertaken in an attempt to make up the lost hours and training.
2. **A crisis accommodation service** will be \$23,000 worse off than the previous year. To deal with this, it will reduce spending across a range of areas (e.g. brokerage funding, tighter food budgets, less staff training etc) so that it doesn't have to lose any staff or reduce client numbers. However it will affect service quality.
3. **A children, youth and family service in regional NSW** providing crisis accommodation, foster care, intensive family support and early intervention services says that 1.75% will effect service delivery across all of its 7 FACS funded contracts and cuts to frontline workers will need to be made which will have flow-on impacts for number of clients able to be supported.
4. **A short term crisis residential program for homelessness youth** will reduce the hours of one part time caseworker from 4 days to 3 days per week. The same program will not be able to provide full after hours (5.00pm-9.00am) caseworker staffing and so will have to cover the shift with less qualified youth workers. It will no longer be able to employ a casual Indigenous Mentor for the young people it supports.
5. **A small neighbourhood centre/community hub supporting drought ravaged communities in regional NSW** was already unable to cover operating costs through its FACS Community Builder funding and was supplementing this through charges for use of meeting rooms/community facilities. The 1.75% indexation means that the centre is left further short and faces the prospect of cutting staff hours such as its Aboriginal Youth worker, cutting back on the food that is provided as part of its youth program (i.e. pizza nights) or cutting back on administrative support. The centre has been lucky enough to receive a donation specifically to cover heating costs for low income households during the winter months. It receives applications, organises and pays suppliers free of charge i.e.: there is no management fee. In order to continuing administering this grant and providing much needed financial assistance to 118 families (so far) in need, part time staff will do additional hours for free.

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- 6. A service providing family support, youth accommodation, out of home care and outreach/aftercare support** has calculated that the reduced indexation would mean cutting the equivalent of one full-time Case Manager. In order to continue to support the same number of clients, this would have meant a drop in the quality and quantity of case management support, stretching remaining staff to pick up additional casework. To avoid this suboptimal outcome, the service will divert donations and philanthropic funds away from community initiatives to cross-subsidise government funded programs (case management). This is causing anxiety as donations and philanthropic support can be sporadic, which makes it difficult to plan for the future. It is also not a long-term solution.
 - 7. A community centre in a growth area of metropolitan Sydney** suffered a significant financial loss in the previous year and needed to restructure, reduce frontline staffing by three positions and cut back on administrative support when it lost service contracts it had held for many years as a result of competitive tendering. This loss of core programs has meant that costs such as rent, utilities, IT, administration, travel etc have to be spread over a smaller base, which is becoming increasingly difficult to do. The organisation was looking at a small deficit for the FY 19/20 in order to maintain the quality of its remaining programs. However indexation of 1.75% and not the anticipated 3% has meant that the organisation now has a deficit of almost \$30,000. The board has taken the decision to use its small reserves to cover the deficit but this is not sustainable long term. For future years, it will mean further reduction in staff hours, cutting back on staff training, reducing program costs and increased casualization of the workforce.

'To survive, organisations like ours spend an untold number of hours applying for and reporting on small grants – (\$500 - \$2000) to prop up the services, buy new equipment and add elements of creativity and innovation to programs. This is very difficult for us, extremely resource intensive and fundamentally a fractured and inefficient system for community organisations and governments.'

We are just being squeezed more and more each year with increasingly complex clients who are more disadvantaged than ever. The rhetoric around the divide in the community between the 'haves' and the 'have nots' is absolutely true. My greatest concern is the demise of small to medium community organisations who are connected to their local communities and go above and beyond to service their local people in desperate need. Unfortunately the true cost to Government won't be recognised until it's too late.'

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- 8. A domestic violence service** is revisiting its 2020 budgets after the unpleasant surprise of the 1.75% indexation. While the decision has been made not to cut staffing, cuts in other areas will have a knock-on effect for staff and clients. Ultimately it means a deficit of \$40,000 for the service's FACS funded programs, which will need to be made up by donations, fundraising activities and savings in other areas.
 - 9. A family support service in regional NSW** recently underwent a major restructure to ensure appropriate allocation of caseloads and support for staff. With the 1.75% indexation, this will now need to be revisited. For the Intensive Family Preservation Program, targets set by the funding body haven't been reduced, so the reduced support hours available will mean less hours spent with each family and higher caseloads for workers. For its child, youth and family service, progressive cuts over the years culminating in the 1.75% indexation mean that a team leader position has now been made redundant.
 - 10. A Family Support Service in a regional area of NSW** recently underwent a major restructure to ensure the best use of its resources. The 1.75% indexation means this needs to be redone. For its intensive family preservation program, targets set up the funding body have not been reduced so caseloads will have to be increased and less time spent with each family to accommodate reduced program hours available. For its Child, Youth and Family program, progressive cuts over the years, culminating in the 1.75% indexation, mean that a team leader/case manager position has been made redundant.
 - 11. A regional service that works with migrants and refugees** says that the 1.75% indexation from the NSW Government comes on the back of a significant reduction in funding from the Federal Government at the beginning of the year. Coupled with the fact that the service is now required to pay for interpreters which previously were free, the combined impact means loss of positions and reduced service delivery hours. With numbers of migrant people growing not diminishing this places strain on workers and means people in need of support miss out.