

Letter to the Financial Review

8 September 2009

NFP Reforms Required, Support Needed

As representatives of employers in the not for profit, welfare and community sector in Western Australia, we fully support Verona Burgess' comments expressed in the article *Draconian contracts dog NFP reforms (4 Sep 09)* and the need for improved, and equitable, partnerships between the government and NFPs.

In Western Australia, the sector employs more than 36,000 people providing vital community services. The issues we face are:

The non-government community services sector in Western Australia is already under resourced and sector staff are significantly under paid. In 2006/07 average weekly earnings for community sector workers were 30% lower than the average full time equivalent weekly wages for the health and community services sector in Australia.

Women in WA are paid 26% less than men, and we have the widest gender pay gap of any State (Western Australian Council of Social Service, "Close the Gender Pay Gap: Value Community Services" Research Paper, March 2009). The national average gender pay gap (GPG) is 17% and WA has had a larger GPG than the national average since the late 1980s. The fact that the community services sector is large (the second-largest employer of women in WA), female-dominated (80.8% female) and lowly paid means that more equitable wages for the sector would have a significant effect on the gender pay gap in Western Australia.

Demand for services is increasing. The changes and recommendations being made must reflect the future demands on NFPs, and be funded appropriately.

Whilst some recommendations are aimed at simplifying processes, which we fully support, recommendations, such as a standard chart of accounts, need to be considered in terms of their priority and how much they will cost NFPs to implement. Funds must be provided to support these recommendations.

We are sure these issues are not just pertinent to Western Australia, but to many NFPs in Australia.

Government needs to consider these issues in their reform, and, most importantly, ensure sufficient funding is provided to make the sector sustainable.

If not, there a real danger that this will just be another bureaucratic process with no genuine social reform outcomes.

Tony Pietropiccolo Chris Hall
Co Chairs, Community Employers WA

Community Employers WA represents not-for-profit employers in the non-government community services sector of Western Australia.

Contact Details:

James Lawton, Executive Director, Community Employers WA.

M: 0403 677 635