



COMMUNITY EMPLOYERS WA

# 2010 PRE-BUDGET SUBMISSION

to

**The State Government of Western Australia**

**December 2009**

Authorised on behalf of Community Employers WA by:

A handwritten signature in blue ink, appearing to read "Chris Hall".

Chris Hall  
Co Chair

A handwritten signature in blue ink, appearing to read "Tony Pietropiccolo".

Tony Pietropiccolo  
Co Chair

## Introduction

Community Employers WA (CEWA) is a registered Employer Organisation with the Industrial Relations Commission of Western Australia, and represents non-government, not-for-profit employers in the community services sector of Western Australia.

CEWA's primary objective is to secure a 30% increase in government funding to non-government, not-for-profit community service organisations in Western Australia, to create the capacity to allow organisations to improve salaries and wages for staff so that they are fair and just and to ensure that vital community services remain viable.

CEWA's operations are solely funded by its member organisations, which demonstrates both the commitment of these organisations and the importance they place on achieving CEWA's objectives.

CEWA currently represents 91 community service organisations in WA, with a growing membership base (See Appendix 1).

## Current Situation of the Non Government, Not for Profit Community Services Sector in Western Australia

- There are over 550 not for profit organisations associated with the Human Services Industry in Western Australia<sup>i</sup>.
- The Human Services sector employs over 36,000 staff in Western Australia<sup>i</sup>.
- 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<sup>ii</sup>.
- The average cost of employing staff in the community sector was \$53,000 per FTE; at the same time the average cost of employing staff in the Department for Child Protection was \$71,000 per FTE; a difference of \$18,000 or 35% higher<sup>v</sup>.
- The difference in base level salaries between public sector specified calling salaries compared to salaries for equivalent staff positions on the SACS Award in the community sector is up to 57% or \$29,210 higher<sup>vi</sup>.
- A first year graduate base grade social worker in the public service will earn \$12,450, or 32% more, than a first year graduate social worker in the community sector.
- After reaching the top level in the public service, the same base grade social worker will receive \$29,210, or 57%, more than their equivalent in the community sector.
- Women in WA are paid 26% less than men, and WA has the widest gender pay gap of any State. 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<sup>iii</sup>.

- Salary packaging in non government, not for profit organisations is considered a ‘benefit’ that increases the value of remuneration. However, not all organisations are able to access it (it is limited to Public Benevolent Institutions) and it is also available in certain Government Departments. Equally, not all staff are able to access it or wish to use it. There have been no indexation changes since its inception, and, that combined with changes to the taxation scales, have eroded the value of packaging.
- Because of the demand for services, the NFPO community services sector is one of the fastest growing in Australia.
- In Western Australia in 2007:
  - People being turned away by community service NFPOs has increased by 7% from the previous year;
  - 73% of NFPOs report waiting lists have stayed the same or worsened; and
  - 53% of NFPOs say that the complex needs of their clients have increased<sup>ii</sup>.
- The recruitment and replacement of staff remains extremely difficult. Staff turnover is high at 23% and to make up for this 66% of staff are reporting that compared to last year the amount of unfunded work by staff and volunteers has increased<sup>vii</sup>.
- There has been insufficient attention to capacity building and sustainability in the face of rapid growth since the 1980s.
- The compliance costs of reporting and monitoring are an increasing concern for agencies for which Government agencies were not making allowance in funding.
- The demands of the increasingly diverse and complex service delivery demands emphasises the need for high level skills and their renewal.
- 65% of not-for-profits in Australia report an increase in demand for services as a result of the economic downturn, and 83 per cent expect an increase in demand for services in the next financial year (2009-2010)<sup>iv</sup>.

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Sources:

- i The Human Services Industry in Western Australia: Scoping the Sector, Social Policy Unit, Dept of Premier and Cabinet, July 2008
- ii Survey of 13 non government not for profit agencies in Western Australia for the year ended June 2007 compared to June 2007 Australian Bureau of Statistics information
- iii “Close the Gender Pay Gap: Value Community Services” Research Paper, The Western Australian Council of Social Service, March 2009
- iv Report to Department of Families, Housing, Community Services and Indigenous Affairs, The Centre for Corporate Public Affairs, June 2009
- v 2008/09 Forward Estimates, Department of Child Protection
- vi Comparison of Public Service and SACs Awards, October 2009
- vii The Australian Council of Social Service (ACOSS): “The Australian Community Sector Survey 2008” released June 2008 available from [www.acoss.org.au](http://www.acoss.org.au) pg 97

## Financial Analysis

The sector needs an increase of 30% in funding, to create the capacity to allow organisations to improve salaries and wages for staff so that they are fair and just and to ensure that vital community services remain viable. This equates to an increase, including indexation, of \$166.1m for this financial year.

### Summary of 30% increase by Department

	\$
Attorney General	536,971
Child Protection	20,034,560
Communities	1,110,720
Consumer & Employment Protection	81,120
Corrective Services	1,826,240
Disabilities Services Commission	77,360,400
Education & Training	3,351,920
Health	38,376,000
Indigenous Affairs	754,000
<b>Total increase</b>	<b>\$143,431,931</b>
<b>Plus 3.65% indexation</b>	<b>\$22,686,150</b>
<b>TOTAL</b>	<b>\$166,118,081</b>

Source: WACOSS, Submission for the WA State Budget 2010-2011

In addition, WACOSS is recommending an additional index of 20% to recognise the higher costs for service providers operating in rural, regional and remote WA, which equates to \$32m. CEWA supports this recommendation.

This brings the requirement for the total increase in funding to \$198m per annum.

This is based on current services, and does not take into account any additional services that may be outsourced by the Government to the not for profit sector in the future, or future indexation requirements.

## Comment

Salaries in the not for profit community service sector are not fair and just.

Failure to address the sector salaries would mean the viability of community services would be comprised, possibly leading to a reduction in services provided to the community by the non government, not-for-profit sector.

## Recommendation

It is therefore recommended that:

- 1. The Government of Western Australia increases its annual funding by 30% to non-government, not-for-profit community services organisations in Western Australia, to increase the capacity of these organisations to pay fair and just wages to their staff and continue to deliver essential community services.**

## **Appendix 1: CEWA Members as at December 2009**

Activ Foundation Inc  
Advocacy South West Inc  
Agencies for South West Accommodation (ASWA)  
Anglicare WA Inc  
ARAFMI  
Armadale Community Family Centre  
Association for Services To Torture & Trauma Survivors (ASeTTS)  
Association for the Blind WA  
Asthma Foundation WA  
Baptistcare  
BJL Connecting Communities  
Bluesky Community Group  
Burdekin – Youth In Action  
Care Options  
Centacare  
Centrecare Inc  
Child Inclusive Learning and Development Australia Inc (CHILD Australia)  
Communicare  
Community Housing Coalition of WA  
Community Legal Centres Association (WA) Inc  
Community Vision Inc  
ConnectGroups  
Cyrenian House  
Derbarl Yerrigan Health Services Inc  
Drug ARM WA Inc  
Ethnic Communities Council of WA  
Extra Edge Community Services  
FPWA Sexual Health Service  
Good Samaritan Industries  
Gosnells Women's Health Service  
Health Consumers Council (WA) Inc  
Holyoake The Australian Institute For Alcohol & Drug Addiction Resolutions  
Identity WA  
Ishar Multicultural Women's Health Centre Inc  
Joondalup Youth Support Services Inc  
Kids Camps Inc  
Koolkuna (The Eastern Region Domestic Violence Services Network Inc)  
LAMP Inc  
Landsdale Family Support Association Inc  
Lifeline WA  
Margaret River Community Resource Centre Inc  
Meath Care Inc  
Melville Cares Inc  
MercyCare  
Metropolitan Migrant Resource Centre  
Mission Australia  
Mosaic Community Care Inc  
Multicultural Services Centre of Western Australia Inc  
Ngala Family Resource Centre  
Nulsen Haven Association  
Outcare (Inc)

Palmerston Association Inc  
Parkerville Children Youth Care Inc  
Peel and Rockingham Volunteer Resource Centres  
People with Disabilities (WA)  
Perth Home Care Services Inc  
Red Cross WA  
Relationships Australia (Western Australia) Inc  
Richmond Fellowship  
Rocky Bay Inc  
Ruah Community Services  
Secca  
SEMYA  
Silver Chain  
Southcare Inc  
Southside Care  
St Patrick's Community Support Centre  
St Vincent de Paul Society  
Swan City Youth Service  
Swan Emergency Accommodation  
Technology Assisting Disability WA  
Tenants Advice Service  
The Salvation Army  
The Spiers Centre Inc  
Therapy Focus Inc  
Uniting Aid  
UnitingCare West  
Valued Independent People Inc  
Vincentcare  
The WA Aids Council  
Wahroonga  
Wanslea Family Services Inc  
We Can Community Services  
Westcare Inc  
Western Australian Association for Mental Health  
Western Australian Council of Social Service Inc  
Women's Council for DFV Services (WA)  
Women's Health Resource Centre  
Women's Healthworks  
YMCA Perth