



COMMUNITY EMPLOYERS WA

2011 PRE-BUDGET SUBMISSION

to

The State Government of Western Australia

December 2010

Authorised on behalf of Community Employers WA by:

Chris Hall
Co Chair

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 107 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 Australiaⁱ.
- The Human Services sector employs over 36,000 staff in Western Australiaⁱ.
- 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 Australiaⁱⁱ.
- 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^v.
- 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^{vi}.
- 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 Australiaⁱⁱⁱ.

- 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 increasedⁱⁱ.
- 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^{vii}.
- 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)^{iv}.

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, 2010
- vii The Australian Council of Social Service (ACOSS): “The Australian Community Sector Survey 2008” released June 2008 available from 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 of \$178.1m for this financial year.

Summary of 30% increase by Department

	\$
Attorney General	666,828
Child Protection	24,879,570
Communities	1,379,328
Consumer & Employment Protection	100,737
Corrective Services	2,267,884
Disabilities Services Commission	96,068,668
Education & Training	4,162,524
Health	47,656,569
Indigenous Affairs	936,342
TOTAL	\$178,118,450

Source: WACOSS, Submission for the WA State Budget 2011-2012

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 \$34.5m. CEWA supports this recommendation.

This brings the requirement for the total increase in funding to \$212.7m 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 2010

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 Inc.
Baptistcare
BJL Connecting Communities
Bluesky Community Group
Bunbury Pathways '92 Inc.
Burdekin – Youth In Action
Care Options
Centacare Employment and Training
Centacare Family Services
Centrecare Inc
Child Inclusive Learning and Development Australia Inc (CHILD Australia)
CLAN WA
Communicare
Community Housing Coalition of WA
Community Legal Centres Association (WA) Inc
Community Vision Inc
ConnectGroups
Continence Advisory Service of WA
Cyrenian House
Derbarl Yerrigan Health Services Inc
Drug ARM WA Inc
Ethnic Communities Council of WA
Extra Edge Community Services
Financial Counsellors Association of WA Inc.
FPWA Sexual Health Service
Fremantle Multicultural Centre Inc
Good Samaritan Industries
Gosnells Women's Health Service
Headwest
Health Consumers Council (WA) Inc
Hills Community Support Group 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
Learning Centre Link
Lifeline WA
Margaret River Community Resource Centre Inc
Meath Care Inc
Melville Cares Inc
MercyCare

Metropolitan Migrant Resource Centre
Midland Joblink Inc.
Mission Australia
Mosaic Community Care Inc
Multicultural Services Centre of Western Australia Inc
Ngala Family Resource Centre
Nulsen
Outcare (Inc)
Palmerston Association Inc
Parkerville Children Youth Care Inc
Pat Thomas Memorial Community House Inc.
Peel and Rockingham Volunteer Resource Centres
Peel Community Living
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
Serenity Lodge
Silver Chain
South Coastal Women's Health Services
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
The WA Aids Council
Therapy Focus Inc
Uniting Aid
UnitingCare West
Valued Independent People Inc
Vincentcare
WA No Interest Loans Inc.
Wanslea Family Services Inc
We Can Community Services
Westcare Inc
Western Australian Association for Mental Health
Western Australian Council of Social Service Inc
Western Australian Network of Alcohol and other Drug Agencies
Women's Council for DFV Services (WA)
Women's Health Resource Centre
Women's Health Services
Women's Healthworks
YMCA Perth
Youth Focus