

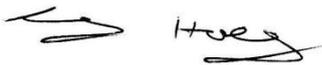
# 2013 PRE-BUDGET SUBMISSION

to

## The State Government of Western Australia

### December 2012

Authorised on behalf of Community Employers WA by:



Chris Hall  
Co Chair



Tony Pietropiccolo AM  
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 objectives are to address the 30% differential between salaries paid to staff in non-government community service organisations and those paid in the public sector so that they are fair and just, to work with the Community Sector to ensure the sustainability and viability of vital community services, and to improve the community sector's relationship with Government.

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

CEWA currently represents 118 community service organisations in Western Australia; its membership continues to grow along with its increasing importance in representing the interests of community sector employers. (See Appendix 1).

Community Employers WA is not a peak body. It seeks to collaborate and cooperate with existing peak and other representative bodies which have aims and objectives similar to CEWA.

## Profile of the 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 which support over 400,000 Western Australian's annually.
- The Human Services sector employs over 36,000 staff in Western Australia.
- Public sector base level salaries are up to 40% or \$24,865 higher than equivalent staff positions in the community sector SCHADS Award, inclusive of PBI salary packaging benefits. On average, there continues to be a 30% salary differential between roles in the Community Sector and the Public Sector.
- A first year graduate base grade social worker in the public service will earn \$12,928, or 23% more than a first year graduate social worker in the community sector for undertaking the same role.
- Women in WA are paid 26% less, 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.
- 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, combined with changes to the taxation

scales, has eroded the value of salary packaging.

- The insecure work or temporary work is rife within the community services industry due to poor wages and conditions and short funding periods. Government funding models shape workforce dynamics in non-profit agencies. Where projects are funded in the short-term only (usually considered three years or less), employees would be expected to have similarly short-term patterns of tenure<sup>1</sup>
- Because of the demand for services, the NFPO community services sector is one of the fastest growing in Australia.
- The recruitment and replacement of staff remains extremely difficult. Staff turnover is high at 23% against commonly accepted national averages across all sectors of 14-20%.
- 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 placed on an increasingly diverse and complex service delivery emphasises the need for high level and renewable skills.

## Recommendations

CEWA has several recommendations for the Western Australian Government to consider in its deliberations for the 2013/14 Budget.

1. CEWA recommends that the Western Australian Government **supports workforce planning and capacity development in the Community Sector through the creation of new funding models** focused on attracting and retaining workers in the Sector and enhancing their skills. Demand for Community Sector services continues to increase at an estimated 8%pa and it is critical that service providers across the Sector are appropriately skilled and resourced to respond to this growth. As the complexity of services required continues to grow, and as the population ages, it is imperative that the Community Sector be well positioned to respond in an effective and holistic way.
2. Considerable work has been undertaken in recent years with The Partnership Forum, various Working Groups, through many seminars and workshops between the Western Australian Government and the Community Sector. This has stretched the Community Sector even further in terms of allocating existing resources to participate in these forums, albeit we do acknowledge that it is intended to ultimately improve the service delivery to the Sector. There is still considerable work to be done in reducing the level of Red Tape and reporting requirements for the Community Sector and the Government must maintain a strong focus in this area.

CEWA recommends that the Western Australian Government **ensures that the partnership process and procurement reforms deliver real and tangible benefits** to the Community Sector.

3. CEWA recommends that the Government **review the current tendering process** to encourage further simplification, longer term contracts for existing service providers and increased collaboration between the community sector agencies and government departments.
4. The recent passing of legislation to formally establish the Australian Charities and Not for Profit Commission is a key reform for the Community Sector and our members are concerned about the additional reporting requirements that will ensue. CEWA recommends that **the State Government work closely with the sector and the ACNC to harmonise the legislation regulating the sector** and to simplify and eliminate the potential for duplication of reporting.
5. Recent comparator studies have evidenced that there continues to be a significant differential between the SCHADS award salaries paid to Community Sector employees and salaries paid to Public Sector employees who are effectively undertaking the same roles. **CEWA recommends that the Western Australian Government joins with CEWA and the Community Sector in lobbying the Australia Government for a 30% increase on Commonwealth contracts** to address the Sector's historic underfunding.
6. The 15% first Component of the additional payments made to the Community Sector to increase support for Community Sector employees paid through State Government Contracts was very well received by all staff who received an uplift. With the second component of an average 10% across the sector due to be paid by July 2013, **CEWA recommends that this be undertaken in a fair and equitable manner and that flexibility be built into the system** by the Government to ensure that the benefits are widespread and that imbalances across the sector are minimised.
7. CEWA recommends that the Western Australian Government commitment addressing the imbalance between the Government and the Community Sector, be broadened to **include funding the State component of government funded contracts which have a majority of Commonwealth funding**. Examples of this include the Home and Community Care and Homeless contracts which to date haven't benefited from the State Government funding announced in the 2011 State budget.
8. That the Western Australian Government supports the **Community Sector's call for a \$17million investment** to ensure Community Services are adequate to sustainably and viably meet the growth and changing population needs; and that social planning becomes a core component of regional development. Capacity building will be critical to the Sector over the coming period and the Government has a key role in working with the Sector to maintain provision of services across the State.

## **Concluding comment**

CEWA and the Community Sector acknowledge the work undertaken by the current Western Australian State Government to engage more proactively with the sector over the past 18 months and the increased support has in turn enabled a higher level of services to be provided to those in need across the community. The funding provided in the 2011 state budget has also assisted in reducing the inequity between the community sector and the public & private sectors, although there remains a requirement for further investment and funding to fully address the imbalance.

We look forward to working with the government over the next 12 months as we continue to focus on building a more just and equitable society and as we seek to support Community Employers in their critical work with the marginalised in our community.

## *Appendix 1: CEWA Members as at December 2012*

Accordwest  
Activ Foundation Inc  
Advocacy South West Inc  
Advocare  
Albany Youth Support Association  
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.  
Australian Red Cross WA  
Baptistcare  
BJL Connecting Communities  
Bluesky Community Group  
Bunbury Pathways '92 Inc.  
Burdekin – Youth In Action  
Calvary Youth Services Mandurah Inc  
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  
Kids Camps Inc  
Koolkuna (The Eastern Region Domestic Violence Services Network Inc)  
LAMP Inc  
Landsdale Family Support Association Inc  
Lifeline WA  
Linkwest

Margaret River Community Resource Centre Inc  
Meath Care Inc  
Melville Cares Inc  
MercyCare  
Metropolitan Migrant Resource Centre  
Midland Joblink Inc.  
MIFWA  
Mission Australia  
Mosaic Community Care Inc  
Multicultural Services Centre of Western Australia Inc  
Noah's Ark WA  
Ngala Family Resource Centre  
Nulsen  
Outcare (Inc)  
Palmerston Association Inc  
Parkerville Children Youth Care Inc  
Pat Thomas Memorial Community House Inc.  
Patricia Giles Centre  
Peel and Rockingham Volunteer Resource Centres  
Peel Community Living  
People with Disabilities (WA)  
Perth Home Care Services Inc  
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 Bartholomew's House  
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 Gowrie (WA) Inc  
The Salvation Army  
The Spiers Centre Inc  
The WA Aids Council  
Therapy Focus Inc  
Uniting Aid  
UnitingCare West  
Valued Independent People Inc  
Vincentcare  
Volunteer Task Force Inc.  
WA No Interest Loans Inc.  
WANADA  
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)  
Womens Health Resource Centre  
Women's Health Services  
Women's Healthworks  
YMCA Perth  
Youth Focus  
Youth Futures WA