



## ASU Submission

Australian Government Department of Social Services

### National Housing and Homelessness Plan

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**Date:** 19 October 2023

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## The ASU

The Australian Services Union (ASU) is one of Australia's largest Unions, representing approximately 135,000 employees. The ASU is the largest union of workers in the social and community services sector. We are the union for workers in housing and homelessness services. Our members work in non-government, not-for-profit organisations that support people experiencing or at the risk of experiencing crisis, disadvantage, social dislocation, or marginalisation. More broadly, our members in community services work in areas such as disability services, youth services, women's services, community care services, community legal services, housing services, family support services, mental health services, drug and alcohol services, neighbourhood services, information and referral services, education services, and most specifically in family violence and homelessness services.

## Executive Summary

Critical housing and homelessness services supporting Australia's most vulnerable are struggling. Ongoing uncertainty for long-term sector funding coupled with the pressure on services means that workers are leaving the sector. Without adequate numbers of professional staff, services cannot respond to the rising demand for housing and homelessness services.

There is an urgent need for more government support to ensure the security of the workforce and continuity of these critical services, reduce homelessness and help house vulnerable Australians. Without immediate government action and funding, services will reduce staffing or service provision. If Governments do not act quickly, many vulnerable Australians will be denied desperately needed housing and homelessness services.

A highly skilled, qualified, professional, and sustainable workforce is essential to delivering high quality services. Government must recognise the value of professional housing and homelessness workers by funding professional rates of pay.

Government can easily address funding issues by implementing a 'floor price' that means services must pay workers at appropriate SCHADS Award classification for their work and in accordance with all Award legal minimum standards. A floor price would ensure the development of a better trained, qualified and stable workforce.

It is imperative that indexation of funding keeps pace with increased operational costs. Failure to do will result in services and/or jobs being cut as well as undermining service delivery.

## Recommendations

1. Government must introduce longer funding cycles to support improved outcomes for clients through improved opportunities for organisations to attract and retain the best staff and that provide organisations with an opportunity to engage in the development of more comprehensive programs to meet the multiple needs of clients.
2. Government must ensure appropriate funding for the NHHA agreement (or a future alternative agreement) that covers yearly increases in labour including superannuation and the minimum legal wages provided through the Equal Remuneration Order (ERO).
3. Government must link funding/procurement contracts to service providers that treat workers fairly. Government should consider the introduction of a Fair Jobs Code.
4. All grants, tenders, and commissioning for services in housing and homelessness should be underpinned by a minimum 'floor price'. This procurement policy should also promote secure work arrangements linked to longer term funding.

5. Government must address funding issues to ensure that indexation is paid to not-for-profit service providers, including housing and homelessness services for providers to attract the best workers and retain their services. This is the only way to provide long term stability in the sector that deals with often highly vulnerable communities.

## Introduction

Community programs funded jointly by the Commonwealth and the states and territories are facing immense financial pressure to maintain service delivery without cuts in the face of the award wage and superannuation increases totalling 6.25% this financial year.

In the 2021-22 financial year, 272,694 people sought specialist housing and homelessness support. These critical services support people who are homeless or at risk of homelessness, including women and children escaping domestic violence. Homelessness and housing workers have been at the frontline of this crisis and are in higher demand than ever before.

The uncertainty in ongoing funding for housing and homelessness services coupled with the pressure on services due to rapidly rising wage and other costs means workers are leaving the sector, and services are considering reducing services when our community needs them the most. There is now an urgent need for more government support to both ensure the security of the workforce and reduce homelessness and help house vulnerable Australians.

The Issues Paper correctly identifies that “for both specialist homelessness services and mainstream services, attracting and retaining a suitable workforce is critical to ensuring people who are experiencing or at risk of homelessness receive the services they need.”<sup>1</sup> However, the Issues Paper is limited in outlining current workforce issues and it is evident there is an absence of necessary workforce policies and initiatives to build a robust sector.

The adoption of the National Housing and Homelessness Plan (The Plan) will have significant implications for how services are delivered, who delivers services, and the type of workforce required to deliver these services. The Plan requires significant investment by government in workforce development.

The Plan requires a dedicated section specific to youth homelessness as a demonstration of the unique and complex nature of homelessness amongst young people. Homeless young people have very little chance of obtaining social housing as the business model is not set up to provide supported housing for adolescents and young people. The Plan should expand social housing options for young people and consider responses needed to prevent and respond to youth homelessness.

## Housing & Homelessness Workforce

Members of the ASU who work for specialist housing and homelessness services provide a vital service to some of the most vulnerable Australians every day. This work is specialised, increasingly complex in nature and lifesaving. ASU members have a perspective on and understanding of homelessness and housing issues that is both unique and poorly understood outside the sector.

Workers in specialist homelessness services must have both a deep knowledge of the practical issues required to assist their clients to receive housing services and a professional understanding of the reasons their clients are homeless. This means that specialist homelessness service workers must have

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<sup>1</sup> National Housing and Homelessness Plan Issues Paper, P.29

the professional expertise to deal with issues as diverse as mental health challenges, family violence and alcohol and other drugs.

Current funding to the sector is inadequate to properly support public and social housing residents. Underfunding within specialist homelessness services makes it very difficult to attract and retain experienced staff as they seek work in more highly remunerated sections of the community services sector. These services need equity of funding in comparison to the wider community sector, delivered via long term, guaranteed funding mechanisms that can provide both stability for clients and sufficient pay and professional opportunities for the workforce.

It is not sufficient to build more housing stock, no matter how much, if you do not have a professional, qualified, securely employed team of housing and homelessness workers and wraparound services in place. Placing vulnerable Australians into housing without adequate levels of social support increases the likelihood of tenancies being unsustainable or breaking down, with an increased risk of entering or repeating a cycle of homelessness.

As service purchasers, governments do not play a sufficiently active role in ensuring that funded service providers adhere to industrial standards in their workplaces. In this instance the impact is that some workers are being underpaid by way of being under classified for work that is increasingly complex, such as intensive care management roles with long term homeless populations.

Furthermore, our members have provided examples where changes to State funded services have impacted the workforce with the flow on impact of losing housing and homelessness workers in the sector during these upheavals. If changes to State and Federal funding arrangements are not properly managed, the sector risks losing highly skilled workers to redundancy. Governments should support service providers and sector workers by implementing transition plans (including consultation with staff and the ASU) at the funding requirement level if/when these instances occur- e.g., a jobs guarantees tied into funding.

## Funding arrangements

The length of funding cycles is driving an increasing amount of fixed term and other insecure work in housing and homelessness, and indeed across the community sector. The most common reason specialist homelessness organisations employ staff on fixed term or casual contracts is because funding is fixed term, and because of uncertainty about funding.<sup>2</sup>

Longer funding lengths would help mitigate this along with firmer expectations imposed on providers employing workers to ensure that jobs are safe, secure and adhere to industrial standards. Short term funding cycles means providers are consistently working in financial crisis mode.

We note that the Productivity Commission has recommended seven-year funding cycle, and that in some other jurisdictions, such as Queensland, five-year cycles have been committed to.

The Issues Paper references the “one-year extension for the National Housing and Homelessness Agreement to 30 June 2024”<sup>3</sup>. It is critical that the NHHA agreement (or a future alternative agreement) funds the increased cost of wages and superannuation, including through the Equal

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<sup>2</sup> UNSW Paper, Workforce Issues in Specialist Homelessness Services [online] Accessed at: [https://www.arts.unsw.edu.au/sites/default/files/documents/Workforce\\_Issues\\_in\\_SHS\\_final\\_report.pdf](https://www.arts.unsw.edu.au/sites/default/files/documents/Workforce_Issues_in_SHS_final_report.pdf)

<sup>3</sup> National Housing and Homelessness Plan Issues Paper, P.12

Remuneration Order (ERO)<sup>4</sup>, or hundreds of workers will lose their jobs and these critical services will be cut at a time when homelessness services are experiencing a surge in demand due to current cost of living pressures.

Base funding in the NHHA (or a future alternative agreement) also needs to increase to reflect this surge in demand for homelessness services. Rising rents, and the inadequate supply of affordable homes is putting enormous pressure on services. More people needing help (including women and children fleeing violence) are now being turned away because service providers are not resourced to meet this level of demand. The NHHA must resource a support system that can respond to this new, elevated level of demand.

In addition, government funding must ensure that service providers are good employers. Recently the Victorian State Government introduced a Fair Jobs Code for the Community Services Sector, including housing and homelessness services.<sup>5</sup> The initiative promotes secure employment and job security, promotes fair labour standards, encourages compliance with employment, industrial relations and workplace health and safety obligations. Under the Code, suppliers and businesses bidding for government contracts will require a Fair Jobs Code Pre-Assessment Certificate to show a history of compliance with employment, industrial relations and workplace health and safety laws.<sup>6</sup>

ASU members want quality secure jobs, with protections, fair pay, and conditions so they can maintain the high-quality service they provide. This will only be achieved where Government links funding/procurement contacts to service providers that treat workers fairly.

**Recommendation:** Government must introduce longer funding cycles to support improved outcomes for clients through improved opportunities for organisations to attract and retain the best staff and that provide organisations with an opportunity to engage in the development of more comprehensive programs to meet the multiple needs of clients.

**Recommendation:** Government must ensure appropriate funding for the NHHA agreement (or a future alternative agreement) that covers yearly increases in labour including superannuation and the minimum legal wages provided through the Equal Remuneration Order (ERO).

**Recommendation:** Government must link funding/procurement contacts to service providers that treat workers fairly. Government should consider the introduction of a Fair Jobs Code.

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<sup>4</sup> In 2012, the Fair Work Commission made an Equal Remuneration Order covering Social and Community Services Employees in recognition of the gender-based undervaluation of their work. This order applies to every worker in the social and community sector, including NDIS workers such as disability support workers, support coordinators, local area coordinators, and back-of-house/administrative staff. The Equal Remuneration Order applies a loading to the SCHDS Award Pay rates for SACS Employees. A summary of the ERO rates of pay can be found at [Note 2 to Clause 15 of the SCHDS Award](#).

<sup>5</sup> Victorian Government, About the Victorian Fair Jobs Code for the Community Services Sector [online] <https://www.dffh.vic.gov.au/fair-jobs-code#:~:text=The%20CS%20Code%20is%20a,employees%20and%20their%20representatives%3B%20and>

<sup>6</sup>Victorian Government, The new Victorian Fair Jobs Code – promoting fairer jobs and recognising good employers [Online] <https://localjobsfirst.vic.gov.au/news/news-items/the-new-victorian-fair-jobs-code-promoting-fairer-jobs-and-recognising-good-employers>

## The need for a *floor price* & indexation of funding

The increasing reliance by governments upon competitive tendering in the social and community services sector has forced organisations into a competition to 'win' funding to deliver a service for the lowest price for government. This contested model means that, to attract government funding, organisations must offer the cheapest product. Because homelessness services are labour-intensive operations, this means competition on labour costs.

Most not for profit organisations in the social and community services sector, including housing and homelessness services rely entirely or almost entirely upon government for their income. This income is paid in regular grant cycles and funds are expended entirely for the employment of staff and the delivery of programs to the community which are deemed by government to be essential for the safety and well-being of individuals, families, and communities.

Governments argue that competitive tendering encourages 'efficiency', and the 'best' will win tenders, leading to improvement in service quality by providing users with 'choice' about the services they access. The ugly reality is that competitive tendering among grant funded services has directly led to:

- A significant proportion of employees in the sector being engaged on a part-time, fixed term contract or casual basis.
- There is almost non-existent access to paid overtime.
- There is a high turnover of employees due to short grants and contracts.
- Short term funding grants and contracts result in very limited access to long service leave (except in states like the ACT, Victoria and Queensland which have implemented portable long service leave schemes for community sector workers)
- Low wages mean limited accumulation of superannuation benefits.
- There are very high levels of unpaid work.
- Little or no training, or employees undertaking unpaid training in the employees' own time.
- Little or no professional supervision
- Little or no non-work support (training leave, Paid Parental Leave)
- Little or no end-of-employment support (redundancy, outplacement)

Social and community services, including housing and homelessness services should be based upon a *floor price* below which no tender will be accepted. This would mean that rather than a 'race to the bottom' by organisations, competing for vital funds by cutting back on essential workforce expenses, all tenders would be required to include funding provision for basic industrial standards.

A floor price for government funding will encourage workers in the housing and homelessness sector to develop a career and to support workforce development, sector stability and a better trained and qualified workforce. A floor price below which no organisation can tender will encourage organisations in the sector to collaborate and share resources, working together rather than against each other in an endless competitive spiral downwards. We propose a model floor price where wages cannot be lower than the SCHADS Award rate and must include:

- Applicable Equal Remuneration Order rates of pay
- Correct classification stream and level
- Allowances
- Penalties and loadings
- Maximising permanent employment (Fulltime and Part time) rather than casual or fixed term contracts or rolling contracts

An appropriate price floor must provide for accrual of portable leave entitlements including:

- Annual leave including 5 weeks' annual leave for shift workers.
- Personal leave
- Long service leave
- Redundancy protections
- Paid Parental Leave
- Paid family and domestic violence leave

An appropriate price floor must include adequate overhead costs for all workers, regardless of the nature of their employment, including:

- Professional supervision/Clinical supervision
- Provisions for onboarding of staff – induction, friend shifts
- Provisions for regular team meetings
- Provisions for ongoing professional development and training – including covering the cost and time of attaining any qualification requirement.

An appropriate price floor must recognise:

- Work Health and Safety (WHS) issue of single-staff models being used in high risk and high need shelters.
- Housing and homelessness services require 2-staff models as part of costing. High risk clients are being turned away from services as the risk is too high under a single-staff model and it is not safe for workers.
- Training for staff to ensure they are equipped to deal with these high risk and complex clients.

It is essential that governments address funding issues to ensure that indexation is paid to housing and homelessness service providers (including funding for wages, staff training, occupational health, and safety (OH&S) obligations and relief staff) to support the sector in order to ensure quality service provision.

Federal and State/Territory governments must recognise that the costs of running a service increase each year and that indexation of funding contracts should accurately reflect these cost increases. Failure to increase indexation and ERO payments will result in services and/or jobs being cut.

**ASU Recommendation:** All grants, tenders, and commissioning for services in housing and homelessness should be underpinned by a minimum 'floor price'. This procurement policy should also promote secure work arrangements linked to longer term funding.

**ASU Recommendation:** Government must address funding issues to ensure that indexation is paid to not-for-profit employment service providers, including housing and homelessness services for providers to attract the best workers and retain their services. This is the only way to provide long term stability in the sector that deals with often highly vulnerable communities.