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29 January 2024

Department of Social Services
GPO Box 9820
Canberra, ACT 2601

Email: FWCPolicy@dss.gov.au

Re: Review of Financial Wellbeing and Capability programs Consultation Paper

The Australian Services Union ('ASU') is one of Australia's largest unions, representing approximately 135,000 members.

ASU members work in a wide variety of industries and occupations in both the private and public sector. Relevantly, the ASU is the largest union of workers in the social, community and disability services sectors. Our members predominantly work in non-government, and not-for-profit organisations that support people experiencing or at the risk of experiencing crisis, disadvantage, social dislocation, or marginalisation.

We note our previous submissions to the Department of Social Services *A stronger, more diverse and independent community sector*; and *Blueprint Expert Reference Group – Developing a Not-for-Profit Sector Development Blueprint*. In keeping with the Department's preferred principle of 'collect once, use often'¹ we refer to those submissions and recommendations contained within and summarise as follows.

Focus area 4 – Workforce capacity and capability

Q9. How can the sector and department ensure the FWC workforce has sufficient capacity and capability to meet rising demand and the needs of vulnerable clients?

Critical Not-for-profit (NFP) providers, including Financial Wellbeing and Capability (FWC) services, are struggling. Ongoing uncertainty for long-term sector funding coupled with increased demand for services means that workers are leaving the sector. Services cannot respond to the rising demand from the most disadvantaged and vulnerable people in Australian society because funding does not increase as demand increases. Funding arrangements must be indexed at least annually to account for increased labour costs and increased demand for services.

A highly skilled, qualified, professional, and sustainable workforce is essential to delivering high quality services. However, the sector struggles to attract and retain enough skilled, professional staff to meet the demand. Low rates of pay and poor employment conditions have far-reaching consequences.

¹ Department of Social Services, Review of Financial Wellbeing and Capability programs Consultation Paper [Online] <https://engage.dss.gov.au/wp-content/uploads/2023/11/not-for-profit-sector-development-blueprint-issues-paper.pdf>

Government can easily address funding issues by implementing a 'floor price' to ensure workers in the social and community sector are paid at appropriate classifications and in accordance with Award provisions. A floor price would encourage workers in the social and community services sector to develop a career and to support workforce development, sector stability and a better trained and qualified workforce.

Uncertainty about funding arrangements forces social and community services providers to put staff on rolling fixed short-term contracts and means skilled workers leave for secure employment in other sectors. Government can easily address funding issues by increasing the length of funding cycles to promote secure working arrangements. These should be at least 6 years in length and come with a binding obligation to offer staff permanent, secure employment.

Many of these issues have been identified in Focus Area 4 of the Consultation Paper.² To ensure the FWC workforce has sufficient capacity and capability to meet rising demand and the needs of vulnerable clients Government should implement the following recommendations.

Recommendation 1: Government should actively engage with the Fair Work Commission and support applications by sector unions to vary the Social, Community Home Care and Disability Services Industry Award ('SCHDS') to provide for better classification and wage structures.

Recommendation 2: Government funding must ensure NFPs are able to provide professional development of their staff.

Recommendation 3: Government must support NFPs by removing gag clauses from community and disability sector funding contracts and provide adequate funding for advocacy to ensure that the full diversity of the community is represented.

Recommendation 4: Government must introduce 6-year funding cycles to support improved outcomes for clients through improved opportunities for organisations to attract and retain the best staff and that provide social and community service providers with an opportunity to engage in the development of more comprehensive services to meet the multiple needs of clients.

Recommendation 5: Funding provided to service providers must be subject to the condition that they engage staff as permanent, secure employees with limited exceptions for long-term leave coverage and genuine special time-limited projects.

Recommendation 6: All grants, tenders & commissioning of services in the community services sector, should be underpinned by a minimum 'floor price' that ensures tenders account for professional wages and modern award minimum conditions.

Recommendation 7: Funding for all community services sector grants, should include funding specifically for portable accrued entitlements, regardless of the nature of their engagement.

Recommendation 8: Government procurement policy should be used to promote secure work arrangements in community sector tendering processes.

Recommendation 9: Government must address funding issues to ensure that funding arrangements for social and community service providers are indexed annually to account for increased labour costs and increases in demand for services.

² Department of Social Services, Review of Financial Wellbeing and Capability programs Consultation Paper [Online] <https://engage.dss.gov.au/wp-content/uploads/2023/11/not-for-profit-sector-development-blueprint-issues-paper.pdf>

We would be pleased to meet with you to discuss these recommendations in further detail. Please contact Fouzia Aden on faden@asu.asn.au to find a mutually convenient time.

Yours faithfully



Emeline Gaske
ASSISTANT NATIONAL SECRETARY