

Budget 2020 – Employment

Social and Community Services equal remuneration funding

After considerable uncertainty, the Budget has provided funding to implement the Equal Remuneration Order for the social services sector workforce through to the end of the 2023-24 financial year. The funding applies to programs in the Social Services and Attorney-General's portfolios. This measure is very welcome. Doubt remains, however, about supplementary funding for equal remuneration in a number of services that are funded by other agencies or under partnership agreements, such as housing.

Social and Community Services equal remuneration funding

The Budget

Ongoing Funding for Frontline Social Services Impacted by the Cessation of the Social and Community Services Special Account

Payments (\$m)	2020-21	2021-22	2022-23	2023-24
Department of Social Services	0.2	43.6	44.1	44.7

2020 Budget Paper No 2, p. 157.

The Government has committed \$132.6 million over four years from 2020-21 to deliver ongoing funding for frontline social services supporting children and families in areas of entrenched socio-economic disadvantage and people with disability.

Expediting Family Law and Federal Circuit Court Matters

Payments (\$m)	2020-21	2021-22	2022-23	2023-24
Attorney-General's Department	8.1	28.9	29.1	29.5

2020 Budget Paper No 2, p. 56

The Budget provides \$87.3 million over three years from 2021-22 to maintain funding for family law services funded under the Family Relationship Services Program, following the cessation of the social and community services wage supplementation funding.

Gender implications

Why is this an issue for women?

In 2012 the Fair Work Commission made a landmark decision that addressed the gendered undervaluation of work performed by the 500,000 strong social services sector workforce that is 80% female. Under the Commission's Equal Remuneration Order (ERO), wages were increased by up to 45 per cent over eight years. Most governments across Australia, including the Commonwealth, provided additional funding to ensure that community sector organisations met their ERO obligations without cutting staff.

Commonwealth funding was not budgeted beyond June 30, 2021 for existing programs. New programs were expected to incorporate ongoing ERO funding in their base as they were established. Since 2012, a number of Commonwealth programs reliant on Social and Community Services Wage Supplementation have in fact been redesigned or transitioned to new funding arrangements, eliminating the need for supplementation.

Before the Budget, supplementation funding was also included for disability services transitioning through to the National Disability Insurance Scheme (estimated at \$330M a year) as part of the NDIS pricing structure, as well as in funding agreements for community legal centres and Aboriginal and Torres Strait Islander legal services under the National Legal Assistance Partnership Agreements.

Since award rates are legal minima, loss of supplementation for the remaining organisations would have meant job cuts to services in more than 460 organisations serving to families and children, now carrying the added responsibilities of bushfire and COVID-related support.

What are the 2020 Budget impacts on women?

The Government has agreed to increase base funding for programs impacted by the cessation of ERO supplementation, acknowledging that "it is important that social and community services are able to attract and retain a workforce that delivers critical frontline social services to vulnerable Australians – especially during recent times with bushfires and the coronavirus."

This funding will support around 720 grant agreements delivering services to around one million people across Australia including:

- Commonwealth Financial Counselling Services and National Debt Helpline
- Financial Crisis and Material Aid: Emergency Relief services
- Family and Relationship Services Specialised Family Violence Services
- Communities for Children Facilitating Partners
- Children and Parenting Support Services
- Reconnect Program
- Intensive Family Support Services
- National Find and Connect

- Family Mental Health Support Services – Community Mental Health, Early Intervention for Children, Young People and their Families
- National Disability Advocacy Program.

Some uncertainty remains for a number of services that are funded by other agencies or under partnership agreements.

- [Budget Paper No 3](#) (p. 41) notes, for example, that “until 30 June 2021, Australian Government funding includes supplementation to assist with increases in wage costs arising from the Fair Work Commission’s Social, Community and Disability Services Industry Equal Remuneration Order 2012.”
- We understand from ACOSS that here is a commitment across government to fund ERO supplementation for ongoing grants and that other agencies are to advise how they will do this. Supplementation for funding grants under state/territory/federal partnership agreements will have to be discussed with state and territory government partners.

Recommendations

1. NFAW congratulates Minister Rushton for delivering this essential support to the social and community services sector and to the practice of providing equal remuneration for women. We recommend that the Government act quickly to ensure the remaining services in the sector whose ERO supplementation is due to expire receive supplementation.