

# ACOSS COVID-19 Response and Recovery – Community Sector Issues Briefing

5 May 2020

## Summary

Australia's community sector is **a vital part of society and the economy**, working to alleviate poverty and disadvantage, reduce social and economic inequality, create opportunity and build a fairer country. The services, advocacy and support that our sector delivers **make Australia a better place**. The community and charities sector contributes \$128 billion to the national economy and accounts for more than 840,000 full-time equivalent workers.

ACOSS **warmly welcomes the changes made to the JobKeeper** scheme to enable charities of any size with a drop in turnover of greater than 15% to access JobKeeper payments, and to ensure that charities can exclude government income from their turnover. In any large-scale scheme of this nature that aims to support a sector as diverse as the charities and not for profits sector, there will be challenges in defining who is entitled to support. For example, larger multi-purpose organisations receive funding from a wide range of sources, much of which they are unable to divert to other services. ACOSS would appreciate the opportunity to raise any further issues with Government as the scheme is implemented.

In addition to the excellent changes to JobKeeper access, we are urging Governments to implement the following without delay:

- Create a **Community Sector continuity of service enabling Fund**
- **Restore funding for the Equal Remuneration Order** implementation.
- Authorise government funded human services to have **maximum flexibility in use of funds** to respond and adapt, avoid job losses and service cuts

## Briefing

During this health and economic crisis, our sector is critically important, particularly to the people who access essential services like aged care, child care, domestic violence, mental health and homelessness services, but also to society as a whole, as we seek to maintain community health, safety and cohesion.

Community services are at the frontline of the COVID crisis and demands for support continue to grow in the face of the devastation of a doubling of unemployment and the severe economic and social shocks that have occurred across the Australian community.

We are urging Government to do everything they can to support and sustain the community services sector at a time when the need to care for our community is on a scale like we have arguably never seen before.

Many organisations are seeing increases in demand for their services, and are working hard to meet that demand in a resource constrained environment. At the same time many organisations are facing a direct threat to their viability as a result of the funding models and the current restrictions on their work.

ACOSS welcomes the changes made to individualised funding arrangements in some service systems, in particular in early childhood education. These funding arrangements are particularly sensitive to changes in service capacity and demand such as those arising from COVID19 and the associated lock-downs. We will continue to work with the Government to ensure the viability and quality of these services, and the continuity of supports to people.

All organisations are adapting, delivering services in new and different ways and surging their capacity to meet demand.

We have identified the following measures are now urgently needed, to build on the support provided by the JobKeeper scheme.

## Recommendations:

- 1. Create a **Community Sector continuity of service enabling Fund** to ensure continuity of service delivery, adaptation, secure jobs, prevent loss of jobs or income, and guarantee paid special leave for all workers. It would also allow ramping up of services for people in need as well ensure that services remain viable to assist with the recovery from the pandemic. Key areas of demand include community legal centres, particularly for organisations delivering support to social security recipients.**

2. Commit to **restore funding for the Equal Remuneration Order** implementation.
3. Provide **additional funding to housing and homelessness services**, accommodation and residential services to purchase suitable safe housing for people who are living in rooming houses or accommodation, residential or group home services, in overcrowded housing, or who are sleeping rough.
4. **Extend all business related stimulus measures** to community sector and not for profit organisations. ACOSS welcomes the extension of cash-flow assistance, however gaps remain, particularly the apprenticeship/traineeship measure.
5. Authorise government funded human services to have **maximum flexibility in use of funds** to respond and adapt, avoid job losses and service cuts - this requires the Federal Government to:
  - a) **Extend all existing funding contracts**, especially those currently ending on 30 June 2020, by at least **two years** to provide stability and risk reduction for existing services and avoiding job losses.
  - b) Urgently **pay all outstanding late payments**.
  - c) **Bring forward future payments** due this financial year, and paying all funds payable under contracts to 30 June 2020 now.
  - d) **Authorise organisations to use government funds as they see fit** across all their program and cost centre areas, for at least the next three months, with reporting backwards to account for use.
  - e) **Delay or relax reporting** obligations.
  - f) **Freeze government reform and new tendering** processes.
  - g) Unilaterally suspend KPIs and outcomes to allow for adaptation to new conditions.
  - h) **Remove penalties for non-compliance** with contracts arising from the COVID-19 emergency.