

Supporting the Community Sector through the COVID19 Response and Recovery

16 July 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 welcomed changes made to the JobKeeper** scheme to enable charities with a drop in turnover of greater than 15% to access JobKeeper payments, and to ensure that community organisations could exclude government income from their turnover where appropriate.

It is vital that community sector employers currently receiving Jobkeeper (and employers generally) have **certainty that JobKeeper payments will remain fully in place until at least 27 September 2020**.

Beyond that, as outlined in our attached *JobKeeper Transitions* briefing paper, JobKeeper Payment should be maintained for those organisations who still need it, by phasing it down gradually (avoiding a 'fiscal cliff'), subject to progress in containing the spread of COVID 19 and easing lockdowns:

- both on the basis of *need*, by testing the ongoing impact of COVID19 and lockdowns on the income of employers receiving JobKeeper, and
- the *level of payment*, by gradually reducing payment rates from the current \$1,500 p.f. rather than fully removing the subsidy all at once.

Together with a cautious approach to the phase-down of the JobKeeper Payment, the government should protect against job losses in the community sector and respond to increased demand for services arising

from COVID19 by urgently:

- Creating a **Community Sector Continuity of Service Enabling Fund**
- Restoring funding for the **Equal Remuneration Order** implementation.
- Authorising government funded human services to continue to have **maximum flexibility in use of funds** to respond and adapt, avoid job losses and service cuts

Briefing

Community services have been 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 it can to support and sustain the community services sector at a time when the need to care for our community is greater than ever.

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 existing individualised, demand driven funding models and the current restrictions on their work, particularly in jurisdictions where there are health and movement restrictions in place that make face to face service delivery difficult or impossible.

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

The following measures should form part of a Community Services Support Package, to build on the support provided by the JobKeeper scheme.

Recommendations



1. As proposed in our JobKeeper Transitions brief, keep JobKeeper payments fully in place until at least 27 September 2020, and beyond that, phase it down gradually (avoiding a 'fiscal cliff'), subject to progress in containing the spread of COVID19 and easing lockdowns, both on:
 - the basis of *need*, by testing the ongoing impact of COVID19 and lockdowns on the income of employers receiving JobKeeper, and
 - the *level of payment*, by gradually reducing payment rates from the current \$1,500 p.f. rather than fully removing the subsidy all at once.

2. 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. This Fund should be in place before any reduction or withdrawal of JobKeeper. The Fund would be open to applications from community organisations to secure additional ongoing government funding to ensure financial sustainability, continuity of service, protection of job losses, and any increased service demands. 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.
3. Commit to **restore funding for Equal Remuneration Order** implementation. (For more detail, see [Future Cuts to ERO Supplementation – An ACOSS Briefing Note](#))
4. 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 contracts that expire on 30 June 2021 for a further year where there are reform processes underway** to provide stability and risk reduction for existing services and avoid job losses.
 - b) **Authorise affected organisations (particularly those in jurisdictions where there are ongoing health restrictions in place) to use government funds as they see fit** across all their program and cost centre areas, for at least three months, with reporting backwards to account for use.
 - c) **Extend or relax reporting** obligations for organisations affected by ongoing health restrictions.
 - d) **Avoid commencement of new funding reform or tendering** processes without prior engagement with affected organisations to ensure their capacity to engage.
 - e) Unilaterally suspend KPIs and outcomes for organisations affected by health restrictions to allow for adaptation to new conditions.
 - f) **Remove penalties for non-compliance** with contracts arising from the COVID-19 emergency.