



## Tasmania's Community Services Industry Fair Funding Position Paper

### ➤ What we are seeking:

On behalf of the [community services industry Network of Peaks](#), TasCOSS is seeking 9.5% indexation across Tasmanian Government funded community services for the 2023/24 Budget and a commitment to the introduction of fit-for-purpose model for indexation from 2024/25.

### ➤ Why?

For years, the indexation offered by the Tasmanian Government for essential community organisations has not kept pace with CPI.

Indexation has also not considered major shifts in structural costs such as those brought about by the long-term organisational response to COVID-19.

For the past 20 years, annual indexation for the industry has been between zero and 3% (2021/22). During this period, inflation has averaged 3.45% each year.

In practice, the gap between income and growth in our costs is even larger. For example, in the years 2020 and 2021, annual government indexation was 2.25%, while the majority of community service organisations experienced cost increases of 9.2% and 13.1% for each of those years.

Just like any other business, community service organisations need to remain profitable so they can provide services and invest in improving services for the community. The ever-increasing gap between income and expenditure will result in the loss of vital services to the Tasmanian community.

We have undertaken comprehensive research and calculated that to meet our increased costs the industry requires a 9.5% uplift this year. Beyond this year both the industry and the government need confidence the industry is sustainable and budgets are predictable, both of which will be addressed by introducing an indexation formula that captures the costs specific to delivery of community services.

### ➤ The community services industry:

The community services industry is critical to both Tasmania's society and economy.

It is a significant part of the Health Care and Social Assistance Sector, employing just over 15% of Tasmania's total workforce and contributing 13.1% of Tasmania's Gross State Product (GSP).

The community services industry delivers essential services either instead of, or on behalf of, the Tasmanian Government.

Services delivered by the community services industry include:

- Support for people to gain and retain housing, as well as the provision of homelessness support services.
- Support for newborns and their parents.
- Support for young people to engage in education, training and employment.
- Family support and counselling.
- Emergency and food relief.
- Financial support and counselling.
- Mental health and trauma support.
- Supporting volunteering across community services and within school settings
- Services to reduce alcohol and other drug related harm.
- Aged and disability support.
- Palliative care.

➤ **Contextual information:**

***Public sector wages policy***

The Tasmanian Government has no formal wage policy but struck an agreement with most of their employees for an increase of approximately **10% over three years** from 1 December 2022 (when accounting for one-off cash bonuses).

***Minimum wage increase***

A significant portion of employees in the community services industry are employed on the minimum wage and wage increases are determined by the Fair Work Commission. On 1 July 2022, **the federal minimum wage increased by 5.1%** (including the superannuation guarantee increase) – this was well above the indexation the Tasmanian Government offered. With inflation remaining high, another substantial increase is expected in 2023.

As many community organisations are services, a large proportion of our costs are wages. Many of our staff are on the minimum wage, partly because it is a highly feminised industry and the work we do has been historical undervalued.

**Around the states: overview of community services industry indexation increases in 2022/23:**

- [Victoria – 4.6% in 2022/23](#)
- [New South Wales – 5.5% in 2022/23](#)
- [Queensland – 5.07% in 2022/23](#)
- [Western Australia – 3.53%](#)
- Tasmania – (just) 3%

➤ **Who we are:**

The community services industry Network of Peaks includes:

- Aged and Community Care Providers Association (ACCPA)

- Alcohol, Tobacco and other Drugs (ATDC) Council Tasmania
- Carers Tasmania
- Council on the Ageing (COTA) Tasmania
- Families & Children Tasmania (FACT)
- Health Consumers Tasmania
- Mental Health Council of Tasmania (MHCT)
- Multicultural Council of Tasmania (MCOT)
- National Disability Services (NDS)
- Neighbourhood Houses Tasmania (NHT)
- Shelter Tasmania
- Tasmanian Council of Social Service (TasCOSS)
- Volunteering Tasmania
- Youth Network of Tasmania (YNOT)

### ➤ **Consequences**

There is no endless pile of cash for these providers to operate with and there are no other service providers to step in to fill the gap.

Make no mistake, if we do not receive a fair and reasonable funding increase from the Tasmanian Government, the result will be more people presenting to Emergency Departments (EDs), more people living on the streets, and more Tasmanians without jobs.