



5 November 2025

The Hon Eric Abetz MP

Treasurer, Minister for Business, Industry and Resources

Level 10, 15 Murray Street, Hobart, TAS, 7000

RE: 2026/27 Pre-Budget Submission from the Tasmanian Coalition of Community Service Peaks

Dear Treasurer Abetz,

The community services industry is one of Tasmania's largest employing industries, supporting over 28,000 workers and 46,000 formal volunteers. We provide the essential safety net for people experiencing vulnerable circumstances, implement invaluable preventive health measures and community building initiatives for all Tasmanians.

However, rising operational costs and short-term funding cycles are threatening the viability of these essential services. To support your objective of long-term budget repair, we present the following investment proposals for the 2026/27 Tasmanian Budget:

1. Fairer Funding

To avoid higher downstream government expenditure in health, justice and housing, we recommend the following measures:

- Fast-track the implementation of five year funding contracts across the community services industry peak organisations by the start of the 2026/27 Financial Year, along with full, industry-wide implementation by the start of the 2027/28 Financial Year.
- Implement a funding review process at least six months before the end date of a contract.
- Develop a transparent indexation formula for all community service organisations, in consultation with our industry and reflective of industry costs.
- Deliver on the commitment to establish a Partnership Agreement with the Tasmanian Coalition of Community Service Peaks and the Tasmanian Government as a priority in 2026. As part of this, fund an accredited independent Partnership Broker to assist in establishing a partnership agreement between these parties.
 - o **Proposed Investment: \$50,000 over 12 months**



These actions will strengthen your fiscal repair agenda by reducing duplication, administrative churn and system inefficiencies. A more stable partnership will also enable innovation, more efficient service design and better prevention outcomes — ultimately lowering total government expenditure.

2. Implementation of the findings of the Gender Undervaluation Review of the Social, Community, Home Care and Disability Services Industry (SCHADS) Industry Award

To mitigate market instability caused by impending wage changes, we ask the Government to:

- **Establish a Community Service Industry Workforce Reform Program** to support organisations through the upcoming changes to the SCHADS Industry Award rate. This program would provide strategic policy guidance and tailored assistance via a dedicated Workforce Reform Program.
 - o **Proposed Investment: \$400,000 over 12 months**

The Workforce Reform Program is a vital safeguard against the financial shock of SCHADS Industry Award changes. Proactive investment creates the conditions for high quality, reliable services that put people first and support their long-term wellbeing.

Whilst a final determination has not yet been handed down at the time of writing, it is clear that there will be increases to wages for organisations. As such, TasCOSS recommends a co-investment approach with the Commonwealth Government, recognising that shared funding responsibility across multiple agencies is essential to ensure reforms are introduced sustainably and equitably moving into the 2027/28 Tasmanian Budget. This approach would ensure joint accountability for delivering fair employment outcomes in publicly funded services.

We look forward to discussing these proposals with you and your department to ensure a sustainable and efficient future for Tasmania's community service industry.

Yours sincerely,

Adrienne Picone

CEO, Tasmanian Council of Social Service

On behalf of the Tasmanian Coalition of Community Service Peaks