



National Women's
Safety Alliance



**EQUALITY
RIGHTS
ALLIANCE**

**Submission in response to the
Department of Social Services' issues
paper *A Stronger, More Diverse and
Independent Community Sector***

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Submitted by

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Acknowledgement

The National Women's Safety Alliance & Equality Rights Alliance acknowledge the Traditional Owners of the land on which we work and live. We pay our respects to Aboriginal and Torres Strait Islander Elders past, present, and we value Aboriginal and Torres Strait Islander Elders past and present. We value Aboriginal and Torres Strait Islander histories, cultures, and knowledge.

Equality Rights Alliance

Equality Rights Alliance (ERA) is Australia's largest network of organisations advocating for women's economic security, women's leadership and recognition of women's diversity. We bring together 67 non-government organisations and social enterprises with a focus on the impact of policy or service delivery on women. ERA uses a human rights framework to advance gender equality in Australia.

National Women's Safety Alliance

The National Women's Safety Alliance (NWSA) brings together a diversity of voices, expertise, and experience to inform and guide national policy on women's safety. The NWSA, established in August 2021, connects the sector, experts, government, and victim-survivors with a shared vision to end violence against women. This will be achieved through consultation, research, and the collaborative development of expert policy advice to government.

Recommendations:

1. Ensure that the present review incorporates a robust gender impact analysis.
2. Work with the Office for Women to ensure the Department's analysis considers related strategies which address gender equality, such as the National Plan to End Violence Against Women and their Children, the related Action Plans, the National Women's Health Strategy and the upcoming National Strategy to Achieve Gender Equality.
3. Review Australia's international commitments relating to the development, funding and support of civil society organisations. Test all proposed reforms and approaches against these commitments.

4. Adopt a definition of community sector organisations which explicitly includes organisations which engage in activities aimed at:
 - a. changing laws, structures, policies and social practices which enable or promote disadvantage to or the marginalisation of certain populations or groups of people;
 - b. bringing to governments the concerns of individuals who experience discrimination or disadvantage or whose human rights are being denied or impinged upon; and
 - c. monitoring government policies and activities with the intention of protecting the human rights of individuals or groups of people.
5. Obtain data on the quantum of Commonwealth grants to the community sector. Report on this data as part of the present discussion.
6. Liaise with the Gender Data Steering Group to determine what other sources of data may be available.
7. Commission the Workplace Gender Equality Agency or another suitable entity to report on whether grants aimed at the community sector are underfunded when compared to Commonwealth grants and procurement processes which involve male-dominated or gender-neutral sectors. Include an analysis of:
 - a. the calculations used to determine appropriate wage levels for grants and procurement processes which make provision for staffing costs;
 - b. Permissible levels of management fees and similar allowances;
 - c. Frequency and complexity of reporting requirements
8. Implement recommendation 7.4 of the WEET Final Report to Government.
9. Build a broad network of community-based entities which are resourced on an ongoing basis to:
 - a. identify community need, structural inequities and any barriers to the enjoyment of human rights;

- b. engage in community development activities (including building relationships with and supporting other community service providers) to increase the capacity of individuals and CSOs engaging in consultation and co-design processes and to facilitate an ongoing dialogue about need within communities;
 - c. communicate findings regularly to government and to other stakeholders in order to facilitate efficient design of political policy platforms, government policy and government programs.
10. Work with these entities to develop plans to facilitate rapid engagement between these entities and government during crisis periods to inform urgent program design.
11. Departments must consider the administrative costs of the reporting requirements under the contract and balance those costs against a genuine risk assessment of each contract.

We also support the recommendations by ACOSS in their 2023 report *'At the precipice: Australia's community sector through the cost-of-living crisis, findings from the Australian Community Sector Survey'*¹ particularly the following recommendations:

12. Fund the full cost of service delivery, including infrastructure, management, workforce development and administration costs in all Commonwealth grants and contracts for community services.
13. Apply equitable and transparent indexation to all grants and contracts for community sector organisations, that reflects the actual increase in costs incurred by funded organisations. Ensure providers are notified in a timely manner and rates are published annually.
14. Guarantee necessary funding for pay decisions made by the Fair Work Commission affecting the community sector. Pay and conditions for the community sector should be improving with the introduction of industrial relations changes at the end of this year. As the main purchaser of services, the Federal Government must guarantee it will fund any relevant pay rises and improved workplace conditions for the community sector workforce arising from decisions made by the Fair Work Commission.

¹ Cortis, N. and Blaxland, M. (2023) *At the precipice: Australia's community sector through the cost-of-living crisis, findings from the Australian Community Sector Survey*. Sydney: ACOSS at 8

Introduction

ERA and NWSA welcome this opportunity to provide comments in response to the issues paper *A Stronger, More Diverse Community Sector* prepared by the Department of Social Security. We support the five focus areas drawn from the government's commitment to support the community sector and we look forward to a continuing conversation beyond this submission.

Both ERA and NWSA are funded by grants from the Department of Prime Minister and Cabinet through the Office for Women's National Women's Alliances program. These grants are administered through GrantConnect. In addition, both ERA and NWSA have memberships which contain large numbers of community organisations receiving funding from a range of sources. We bring this experience to our consideration of the matters raised in the issues paper.

A female-dominated workforce

The questions raised in the discussion paper are, by nature, gendered questions. The community sector is overwhelmingly a workforce of women, with a more diverse demographic profile than other sectors.² According to the Workplace Gender Equality Agency (WGEA), the gendered wage gap in the health care and social assistance sector has barely shifted between 2013 and 2022 (13.6% to 13.4% of total full-time remuneration), while gender segregation in the community sector has become more pronounced in recent years; between 1998 and 2018 the percentage of workers performing health care and social assistance roles who were female rose from 67.8% to 71.4%.³ As of 2022, the workforce in the 'social services' component of the Healthcare and Social Assistance Sector is 77% female.⁴

A female-dominated client base

The client base of the community sector is also gendered. 65% of people using aged care services are women.⁵ Women are more likely than men to have a chronic health

² for example, we note the 2021 review of the Victorian community legal sector, which found the workforce was 77% female, 1.6% gender diverse / non-binary, 17% LGBTIQ, and 10% reported a disability. Interestingly, that report notes that WGEA data indicates that the workforce of the broader legal services sector is 68% female and the 2019 People Matter survey indicates that the Victorian public service workforce includes 2.5% people with a disability and 4.4% LGBTIQ workers, both lower than the community legal centres workforce. See Kutin, J. J., McDonald, H. M., Hagland, T., Kennedy, C., & Balmer, N. J. (2021). Working in community legal centres in Victoria. Results from the Community Legal Centres Workforce Project: Workforce profile. Melbourne, Australia: Victoria Law Foundation. Available at: <https://victorialawfoundation.org.au/research/research-reports/> pg 17-18

³ <https://www.wgea.gov.au/publications/gender-segregation-in-australias-workforce#gender-seg-occupation> at table 6

⁴ KPMG, *Shes Price(d)less: The Economics of the Gender Pay Gap*, Prepared with Diversity Council Australia (DCA) and the Workplace Gender Equality Agency (WGEA), Sydney, KPMG, 2022. At 47 <https://www.wgea.gov.au/publications/fourth-edition-of-the-shes-pricedless-report-released>

⁵ AIHW *People Using Aged Care – GEN Aged Care Data Series* June 2022 <https://www.gen-agedcaredata.gov.au/Topics/People-using-aged-care#Aged%20care%20use%20and%20sex>

condition (56% of women compared with 49% of men) and more likely to have multiple conditions (11% of females compared to 7% of males).⁶ Women are more likely than men to use mental health-related services (21% of women compared with 12% of men). Women are the clear majority of clients seeking assistance in from specialist housing services (60%),⁷ and community legal services (70.4%). Women are more likely than men to be carers (12% of all women compared with 9% of all men) and are therefore more likely than men to be accessing services on behalf of others. We note that the women experiencing multiple and intersecting forms of disadvantage are even more likely to be users of community services – for example, the majority of Indigenous users of specialist housing services are women (61%).⁸

Gendered poverty is a driver of need for community services

Many of the services provided through the community sector also have a gendered element, particularly those that address issues relating to or exacerbated by gendered poverty and gender-based violence. Australia's persistent gender inequalities, including structural inequality in our economic and welfare systems and high levels of gender-based violence, mean that women are disproportionately affected by cost-of-living pressures. Women experience gendered wage gaps, work in gender segregated industries (such as the community sector), are less likely to move into management and leadership roles and are more likely to work part time, casually or to be under-employed. Women take a larger share of the unpaid work of caring for children, people with disability and aging relatives. They experience gender-based violence and are subject to social pressures stemming from rigid gender stereotypes, which can limit their opportunities and choices. For many women, structural and societal gender inequality intersects with other forms of disadvantage or discrimination, increasing vulnerability and creating additional barriers to security and wellbeing.

A gendered approach to the Community Sector

As a consequence, it's critical that this discussion takes a deliberately gendered approach to its subject. Proceeding with this discussion on the basis that the community sector is a gender-neutral subject will produce warped results which miss an opportunity to address some of the real barriers to engagement with government.

⁶ AIHW *How does the health of males and females compare? - Factsheet 2023* <https://www.aihw.gov.au/reports/men-women/female-health/contents/how-does-the-health-of-females-and-males-compare>

⁷ AIHW *Specialist homelessness services annual report 2021–22* December 2022 <https://www.aihw.gov.au/reports/homelessness-services/specialist-homelessness-services-annual-report/contents/clients-services-and-outcomes#SHS%20clients%20at%20a%20glance>

⁸ Australian Institute of Health and Welfare (2022) *Specialist homelessness services annual report 2020-21* <https://www.aihw.gov.au/reports/homelessness-services/specialist-homelessness-services-annual-report/contents/about>

Recommendation:

- **Ensure that the present review incorporates a robust gender impact analysis.**

The broader context for the discussion

The issues paper and appendix A identifies several related strategies and other initiatives which the Department considers relevant to community sector development. Given the gendered nature of the community sector, it is highly concerning that the list of relevant strategies fails to include key strategies relating to gender equality, such as the National Plan to End Violence Against Women and their Children, its related Action Plans, the National Women’s Health Strategy and the upcoming National Strategy to Achieve Gender Equality.

In addition, the issues paper does not reference Australia’s international commitments under human rights treaties, the Sustainable Development Goals (SDGs) and the Agreed Conclusions of the Commission on the Status of Women. These are all highly relevant to the rationale for a strong and sustainable community sector and should form an overriding framework for the Department’s analysis. Relevant international commitments include (but are not limited to) targets 1.2,⁹ 1.3,¹⁰ 5.4,¹¹ 5c,¹² 10.2,¹³ 16.7¹⁴ and 17.7¹⁵ of the SDGs, article 7(b)¹⁶ of the Convention on the Elimination of Discrimination Against Women (CEDAW) and paragraph 86(mmm)¹⁷ of the Agreed Conclusions of CSW67. We strongly urge the Department to consider these commitments in their consideration of the relationship between Government and a robust and sustainable community sector.

⁹ “By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions”

¹⁰ “Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable”

¹¹ “Ensure women’s full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life”

¹² “Adopt and strengthen sound policies ... for the promotion of gender equality and the empowerment of all women and girls at all levels”

¹³ “...empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status”

¹⁴ “Ensure responsive, inclusive, participatory and representative decision-making at all levels”

¹⁵ “Encourage and promote effective public, public-private and civil society partnerships...”

¹⁶ “...take all appropriate measures to eliminate discrimination against women in the political and public life of the country and, in particular, shall ensure to women, on equal terms with men, the right: ... (b) To participate in the formulation of government policy ...; [and] (c) To participate in non-governmental organizations and associations concerned with the public and political life of the country.”

¹⁷ “Support the important role of civil society actors in promoting and protecting the human rights and fundamental freedoms of all women...;”

Recommendations

- **Work with the Office for Women to ensure the Department’s analysis considers related strategies which address gender equality, such as the National Plan to End Violence Against Women and their Children, the related Action Plans, the National Women’s Health Strategy and the upcoming National Strategy to Achieve Gender Equality.**
- **Review Australia’s international commitments relating to the development, funding and support of civil society organisations. Test all proposed reforms and approaches against these commitments.**

Definition of Community Services

The definition of community sector organisations in the issues paper fails to adequately incorporate organisations which exist primarily or purely to bring the voices of marginalised populations to government or to promote structural or legal reform to address the effects of discrimination or inequality. The issues paper defines ‘community services’ as those that *‘provide support and assistance to individuals, families and groups to maximise their potential and enhance community’* and defines ‘community sector organisations’ as organisations which engage in *“...activities, facilities or projects for the benefit or welfare of the community...”*¹⁸

Considering the decision of the Administrative Appeals Tribunal in *Equality Australia Ltd v The Commissioner of the Australian Charities and Not-for-profits Commissioner*,¹⁹ we feel it is important to be specific about the types of activities which are included in the definition and in the present discussion. In particular, the definition should explicitly include organisations which engage in activities aimed at:

- changing laws, structures, policies and social practices which enable or promote disadvantage to or the marginalisation of certain populations or groups of people;
- bringing to governments the concerns of individuals who experience discrimination or disadvantage or whose human rights are being denied or impinged upon; and
- monitoring government policies and activities with the intention of protecting the human rights of individuals or groups of people.

18

¹⁹ [2023] AATA 2161 (30 June 2023)

The United Nations uses the analogous term ‘civil society organisation’ to describe organisations which *“bring citizens’ concerns to Governments,” “monitor policies,” “encourage political participation at the community level,” “provide analysis and expertise”* and *“help monitor and implement international agreements.”*²⁰ These are all activities which are critical to building healthy democracies and promoting and protecting the human rights of individuals, and should therefore be encompassed by the working definition of community sector organisations for the purpose of this review.

It is important that the definition of community services is not fixated on services provided directly to individuals or groups. Service provision to individuals is critical to alleviating immediate need. However, individual service provision is not the most efficient approach to ending discrimination or distress for groups of individuals. Addressing the core drivers of inequality and discrimination is a far more effective and efficient approach to reducing need in a community. As Archbishop Desmond Tutu famously put it: *“There comes a point where we need to stop just pulling people out of the river. We need to go upstream and find out why they’re falling in.”*

The federal government has recognised the importance of a structural reform approach to addressing inequality in a range of areas, including gender inequality. Its funded programs to address gender inequality include the six National Women’s Alliances, which are funded to *“provide the Australian Government with an understanding of the issues affecting Australian women,”* and *“advocate for Australian women and collaborate with policymakers to inform Australian Government policies which impact women.”*²¹ These six organisations are deeply embedded within the community sector, have significant numbers of community sector organisations in their memberships and are covered by the SCHADS award.²²

Given the government’s aim to double philanthropic giving in Australia by 2030, it would be unfortunate to adopt definitions of ‘community sector’ and ‘benefit... of the community’ which discourage philanthropic giving to organisations adopting these highly efficient means of promoting equality and wellbeing in our communities. But

²⁰ See for example: [https://www.un.org/en/civil-society/page/about-us#:~:text=A%20civil%20society%20organization%20\(CSO,local%2C%20national%20or%20international%20level](https://www.un.org/en/civil-society/page/about-us#:~:text=A%20civil%20society%20organization%20(CSO,local%2C%20national%20or%20international%20level).

²¹ Commonwealth of Australia, Department of the Prime Minister and Cabinet, Global Institute for Women’s Leadership and the Office for Women, Evaluation of the National Women’s Alliances Model, 2023 at 8 <https://www.pmc.gov.au/resources/evaluation-national-womens-alliances-model>

²² *“Social and Community Services Sector...means the provision of social and community services including... organisations who primarily engage in policy, advocacy or representation on behalf of organisations carrying out such work”* Social, Community, Home Care and Disability Services Industry Award [MA000100] Schedule B - Classification

regardless of the outcome in the *Equality Australia Ltd* case, there is no reason to exclude organisations focussed on law and policy reform from the present discussion provided those organisations are focussed on addressing disadvantage, discrimination or impairment of human rights.

Recommendation:

- **Adopt a definition of community sector organisations which explicitly includes organisations which engage in activities aimed at:**
 - **changing laws, structures, policies and social practices which enable or promote disadvantage to or the marginalisation of certain populations or groups of people;**
 - **bringing to governments the concerns of individuals who experience discrimination or disadvantage or whose human rights are being denied or impinged upon; and**
 - **monitoring government policies and activities with the intention of protecting the human rights of individuals or groups of people.**

Data holes – community grant funding to the community sector

It is concerning that data is not available regarding the amount of funding granted to community sector organisations. The fact that both the community sector’s workforce and its client base are female-dominated raises issues about underfunding of paid work and overreliance on women’s unpaid work in Commonwealth grants. Knowing exactly how much is spent on these grants is therefore critical, especially if the Department is to perform gender impact analysis on recommendations arising from this process. It will be particularly important for the Department to be able to compare grant levels in the female-dominated community sector with comparable grants made to male-dominated or gender-neutral sectors.

Recommendations:

- **Obtain data on the quantum of Commonwealth grants to the community sector. Report on this data as part of the present discussion.**

- Liaise with the Gender Data Steering Group to determine what other sources of data may be available.
- Commission the Workplace Gender Equality Agency or another suitable entity to report on whether grants aimed at the community sector are underfunded when compared to Commonwealth grants and procurement processes which involve male-dominated or gender-neutral sectors. Include an analysis of:
 - the calculations used to determine appropriate wage levels for grants and procurement processes which make provision for staffing costs;
 - Permissible levels of management fees and similar allowances;
 - Frequency and complexity of reporting requirements

Giving the sector the voice and respect it deserves through a meaningful working partnership

1.1 What would a partnership between CSOs and the government that achieves outcomes for Australians being supported by the community sector look like?

Effective partnerships between CSOs and the government must start with a clear articulation of the intended purpose of the grant. In the past two reviews of the National Women's Alliances, concerns have been raised by external reviewers that the intended purpose of the grants under the National Women's Alliances program have been unclear, making assessment extremely difficult.

The review of the Alliances model in 2016 found that a failure to update the Alliance operating framework since 2010 had '*created challenges for the relationship between OfW and the Alliances as parties work towards a new understanding of their respective roles and responsibilities.*'²³ The review went on to find that:

'The desired outcomes outlined in the current Operating Framework are high level, out of step with Alliances' resources, difficult to measure or attribute progress and provide no indication of timeframes.

This lack of measurability means that it is difficult to hold Alliances accountable for their work, or to measure the effectiveness of the work that they undertake

²³ KPMG Review of the National Women's Alliances Operating Framework Prepared for the Office for Women, Department of Prime Minister and Cabinet 3 March 2016 at 2.

or identify how they might improve the work they are undertaking. The lack of measurable outcomes has also created tension in the working relationships between OfW and the Alliances, as OfW attempts to apply an outcomes-led contract management approach to the Alliances.”²⁴

More recently, a review of the NWA model by the Global Institute for Women’s Leadership and Office for Women found that the objectives in the grant guidelines were not consistent with the program logic and other program documentation.²⁵

Inconsistency between government expectations and a grant recipient’s understanding of the aim of the grant undermines trust. One method of ensuring common understanding is to design the grant in consultation with the community it is designed to assist. Clarity about which elements of the design are non-negotiable (for example, which reporting conditions are required under government accounting standards or risk management frameworks) and what the government is seeking to achieve is essential at an early stage.

Ensuring that the government’s aim is also held by the relevant parts of the community sector is also critical. Attempting to implement a project which has aims identified by the community sector as incorrect is not going to work. Grant aims should be constructed following meaningful consultation with the relevant community. There is a tension here, as community sector grants are often made to implement a political platform or policy. This tension can be addressed by ensuring that information about need and appropriate solutions is available to all, including political parties, via a sustainable network of organisations designed to identify and communicate those needs and solutions. This is addressed in more detail below.

There is an inherent complexity in setting objectives and measurable outcomes for long-term advocacy and community building work, and yet both types of work are essential to successful communication between the community sector and government.

Community sector work often involves shifting people’s values in order to address discriminatory practices or remove barriers. This work may be conducted at community level (such as organisations in migrant communities working to change attitudes on dowry abuse), or at government level (such as building an understanding of unconscious bias in parliamentarians and policy designers to support gender responsive budgeting), or in other structures (such as educating judges about

²⁴ KPMG at 26

²⁵ Department of the Prime Minister and Cabinet, Global Institute for Women’s Leadership and the Office for Women, *Evaluation of the National Women’s Alliances Model*, 2023 at 8 <https://www.pmc.gov.au/resources/evaluation-national-womens-alliances-model>

controlling behaviours). In this type of work, grant designers must be prepared to accept long timelines, as values change is a slow process. There is a structural tension here as governments are under pressure to demonstrate success in a three-year political cycle. The answer lies in setting both short and long-term goals. The most immediate goals might relate to completing a program design process, followed by a set of goals relating to roll out of the program, with long-term goals capturing actual attitudinal change as a result of the program. To make this work, contract lengths and funding must be sufficient to permit robust monitoring and evaluation of programs. This is currently not a focus area for many grants.

1.3 How can government ensure the community sector, including service users and those not able to access services, have an opportunity to contribute to program design without imposing significant burdens?

Co-design processes have significant gendered impacts. Australia has a long history of using the labour of women without remuneration or recognition, especially in care work. Consultation on community needs is a type of care work, and it is no accident that we rely on the women-dominated community sector to provide this labour. When engaging service users and others in design processes, it's important to recognise this labour and make provision for it.

Maintaining funded, ongoing consultation structures in key communities is one way to bring service users and others into the design process without increasing pressure in those communities. A network of funded, continuing entities tasked with building and maintaining a two-way communication pipeline between government and community should be considered essential government infrastructure. The National Women's Alliances are one example of such a structure, but we note that different models will be required for different communities. The need for these structures was recognised in the context of gender equality by the Women's Economic Equality Taskforce, which recommended the resourcing of:

“critical women’s advocacy work, such as the National Women’s Alliances or similar models, to provide a consultative mechanism to elevate the voices of diverse women and girls around the country. These advocacy groups should also provide advice on policy priorities to improve women’s economic equality and life outcomes, including by working with the National Women’s Economic Equality Advisory Body (recommendation 1.4).”²⁶

²⁶ Women's Economic Equality Taskforce *The Women's Economic Equality Taskforce final report to government* October 2023 Recommendation 7.4 <https://www.pmc.gov.au/news/womens-economic-equality-taskforce-final-report-government>

The issues paper notes that co-design processes are not appropriate in situations where an urgent response is needed.²⁷ Funding ongoing infrastructure to provide urgent advice on policies and programs will be increasingly important as climate change and the globalised economy bring more frequent pandemics and climate-related weather events. In a ‘permacrisis’ environment, robust mechanisms for obtaining up-to-date and expert advice about community need will become necessary as governments move quickly to mobilise resources to assist in times of crisis.

The on-going role of community building should be considered here. Properly resourcing supporting entities such as the National Women’s Alliances to identify emerging need and potential solutions as a core function will reduce some of the burden of relying on direct consultation with service users, as those Alliance structures can source the relevant views in the course of other community building activities, such as the provision of training or the establishment of community support groups or discussion forums. In this way, the participation of service users or people unable to access services, is partly compensated through the provision of other benefits. In other situations, it may be necessary to directly compensate participants in design processes, especially where the program in question is aimed at alleviating economic disadvantage.

Recommendations:

- **Implement recommendation 7.4 of the WEET Final Report to Government.**
- **Build a broad network of community-based entities which are resourced on an ongoing basis to:**
 - **identify community need, structural inequities and any barriers to the enjoyment of human rights;**
 - **engage in community development activities (including building relationships with and supporting other community service providers) to increase the capacity of individuals and CSOs engaging in consultation and co-design processes and to facilitate an ongoing dialogue about need within communities;**
 - **communicate findings regularly to government and to other stakeholders in order to facilitate efficient design of political policy platforms, government policy and government programs.**

²⁷ At 15

- **Work with these entities to develop plans to facilitate rapid engagement between these entities and government during crisis periods to inform urgent program design.**

Providing grants that reflect the real cost of delivering quality services

For a government with a commitment to gender equality, the underfunding of the community sector is a barrier to achieving progress in addressing gendered poverty. Underfunding the community sector means fewer resources to combat the effects of gendered poverty for the sector's majority female client base and puts downward pressure on already low wages for the majority female workforce.

Underfunding the community sector also reduces the capacity for the sector to support government's aims by reducing its capacity to conduct research and focus on information gathering and discussion within communities to inform consultation processes, which in turn pushes the costs of consultation and communication on to government, forcing it to establish new community links and communication channels for each process and for each Department.

Adequately funding the community sector is therefore an effective measure to cut government consultation costs, address the wage gap for a significant population for women and efficiently deliver services to those most in need.

Gendered Wage Gap

We welcome the passage of the *Fair Work Legislation Amendment (Secure Jobs, Better Pay) Act 2022*, particularly the inclusion of promoting gender equality as an objective of the Fair Work Commission, the new equal remuneration principle and the establishment of the new expert panels on pay equity and the care and community sector. However, these initiatives will only produce real results if the government commits to increasing funding in line with any determinations from the Commission.

Reliance on women's unpaid work

Community sector workers tend to be strongly committed to the values and aims of their work. Working closely with clients who are experiencing significant trauma, physical harm and systemic discrimination creates frustration and distress in employees where resources are inadequate to address the level of need. The result in many workplaces is the development of a culture of employees working unsustainably beyond their remunerated hours and sometimes outside the scope of their employment to meet the level of need.

It is very difficult to find evidence of the extent to which the community sector is reliant on unpaid work provided by its mostly female workforce. However, anecdotal evidence of this practice abounds. The National Women’s Alliances are an identified example of this problem. The most recent evaluation of the model found that:

“a key consequence of NWAs’ limited funding is the NWAs heavily reliance on the unpaid labour from the women’s sector. This work is largely provided by volunteer workers, paid employees working longer hours than they are remunerated for, and donated staff time from the auspicing agencies. NWA interviewees expressed gratitude for this work, but noted that the voluntary nature of the work left Alliances lacking sustainability. To allow Alliances to succeed in informing policy and decision making, and to future-proof the voice of under-represented women in government, greater funding is required.”²⁸ [emphasis as per original]

Under-funding wages and making insufficient provision for staffing levels in the community sector creates the perfect conditions for reliance on unpaid work, with knock-on effects on women’s economic security through ‘lost’ wages and superannuation for the hours spent in unpaid work.

Indexation

The funding contracts for the National Women’s Alliances did not include any form of indexation between July 2015 and December 2022. The loss of indexation meant that funding for each Alliance dropped in real terms by approximately \$40,000.²⁹ During this period, salaries for ERA staff fell from above award rates to award rates, training for staff was reduced and support for member and community projects was cut. Indexation is a critical component of any multi-year grant, and we welcome the changes to the Indexation Framework to incorporate the Wage Cost Index.

Differential treatment

An issue arises where funding for community sector organisations is administered across different Departments. Without a clear and expansive definition of ‘community sector organisation’, there is a risk that key measures to address underfunding will not be made available to all CSOs. The provision of additional funding to address the Equal Remuneration Order of the Fair Work Commission in 2012 is an example of this differential treatment. This payment was not provided to grants administered through

²⁸ Department of the Prime Minister and Cabinet, Global Institute for Women’s Leadership and the Office for Women, *Evaluation of the National Women’s Alliances Model*, 2023 at 13 <https://www.pmc.gov.au/resources/evaluation-national-womens-alliances-model>

²⁹ Calculated as a 2% increase on funding year-on-year over the period.

the Department of the Prime Minister and Cabinet, resulting in the National Women's Alliances having to fund the wage increase through existing (already inadequate) funding. As noted above, the amendments to the *Fair Work Act* will only produce more equitable wage settings if the orders are funded. The experience to date for employees under the National Women's Alliances grants has been that such orders won't address inequities on their own.

Cost of reporting and monitoring and evaluation

In the experience of the National Women's Alliances, the quantum of funding for grants often fails to make provision for the costs incurred in meeting reporting requirements. Some of these reporting requirements appear not to be linked to any available risk assessment process and there seems to be little appetite to customise reporting requirements to meet the specific risk profile of individual grant recipients. For example, the National Women's Alliances are required to report on their expenditure three times per financial year for an annual grant of approximately \$310,000. Two of the reports are in the form of a profit and loss statement, the third must be an audited acquittal. This is an extremely high level of financial reporting for a relatively small grant, even though some of the entities receiving the funding have administered these or similar grants for the same Department for multiple decades without previous issues. No specific risk has been identified which justifies this level of reporting.

Providing longer grant agreement terms

Short-term contracts create issues for both government and the community sector. Three-year contracts do not provide sufficient time to consult, plan, execute and assess a project. In our experience, this results in projects which are under-planned, not properly assessed on completion or which are routinely extended by the Commonwealth to provide sufficient time to organise the next tender process.

By way of example, the National Women's Alliances program has offered four grant rounds since the program's inception. The last three grants have all been extended by contract variation for an additional twelve months, either because the next grant process was not ready or because a review process for the program was not complete.

Short contract terms also have impacts for grant recipients. The recent review of the National Women's Alliances model found that:

“Both Government and Alliance interviewees noted that longer funding cycles would also maximise the NWAs impact. The short-term nature of existing funding led to insecurities about the Alliances' futures, which made long-term

*planning difficult. The worry and planning about the future distracted Alliances from their core tasks. Longer-term funding would allow for more imaginative policy initiatives, and longer-term thinking about how to enhance gender equality in Australia.*³⁰

Recommendations:

- **Departments must consider the administrative costs of the reporting requirements under the contract and balance those costs against a genuine risk assessment of each contract.**

We support the recommendations by ACOSS in their 2023 report ‘*At the precipice: Australia’s community sector through the cost-of-living crisis, findings from the Australian Community Sector Survey*’³¹ particularly the following recommendations:

- **Fund the full cost of service delivery, including infrastructure, management, workforce development and administration costs in all Commonwealth grants and contracts for community services.**
- **Apply equitable and transparent indexation to all grants and contracts for community sector organisations, that reflects the actual increase in costs incurred by funded organisations. Ensure providers are notified in a timely manner and rates are published annually.**
- **Guarantee necessary funding for pay decisions made by the Fair Work Commission affecting the community sector. Pay and conditions for the community sector should be improving with the introduction of industrial relations changes at the end of this year. As the main purchaser of services, the Federal Government must guarantee it will fund any relevant pay rises and improved workplace conditions for the community sector workforce arising from decisions made by the Fair Work Commission.**

We would be happy to clarify or expand on any of the comments above or engage with further consultation processes.

³⁰ Department of the Prime Minister and Cabinet, Global Institute for Women’s Leadership and the Office for Women, *Evaluation of the National Women’s Alliances Model*, 2023 at 14 <https://www.pmc.gov.au/resources/evaluation-national-womens-alliances-model>

³¹ Cortis, N. and Blaxland, M. (2023) *At the precipice: Australia’s community sector through the cost-of-living crisis, findings from the Australian Community Sector Survey*. Sydney: ACOSS at 8