

## **Proposed economic stimulus package for the social and community services industry**

### 1) Provide indexation of 4% for community sector grant funding

Last year, indexation for funded services/programs varied across departments with those funded through the Department of Communities and Justice initially receiving 1.5% indexation, later increased to 1.75% (Health-funded NGOs received 2.5%).

While the increase of 0.25% was a step in the right direction, it was not sufficient to cover the cost of the Fair Work Commission mandated wage increase of 3%, nor other rising costs associated with service provision. It has led to service levels being curtailed and worker hours being cut back, which ultimately results in a lesser service for those in need.

Indexation of 4% for 2020-21 would work towards rectifying this historic shortfall, ensuring that NGOs can restore service levels and staff hours, and assisting them to respond to rising demand.

Estimated cost: \$24.5 million

### 2) Establish a Resilient Communities – Support and Connect fund

The bushfire recovery effort is rightly focused on clearing and disposing of waste, repairing and/or rebuilding critical infrastructure and meeting immediate community needs for shelter and essentials.

Recovery will need to stretch beyond this to focus on supporting those who have been hardest hit, and building community resilience, connectedness and inclusion. The risks associated with COVID-19 increases the importance, but also the enormity, of this task.

COVID-19 is likely to impact vulnerable and disadvantaged people most severely, as well as increase the overall number of people in our communities who experience hardship. Already we are seeing job losses, increased health risks for people with pre-existing conditions, rising anxiety and mental health concerns, difficulties with accessing essential goods and services, and closure of community social facilities. Moreover, organisations that previously relied on volunteers are now reporting that this source of labour has dried up.

Research from the Black Saturday bushfires found that informal social supports, the ability to maintain and build community connections, and regaining a sense of agency and control – rather than formal psychological or psychiatric services – provide the greatest assistance to individual and community recovery.

Establishing a *Resilient Communities – Support and Connect* fund to supplement existing programs will enable small to medium-sized organisations embedded in their local communities to:

- expand existing offerings and meet spikes in demand;
- undertake targeted outreach to connect with people who are most vulnerable and at risk of slipping through the cracks; and/or
- develop new, tailored offerings - in partnership with the community - that build connections, facilitate recovery and promote psychosocial resilience.

The injection of additional funding into the sector will enable jobs to be created, work hours extended and more people supported.

Estimated cost: \$30 million

### 3) Establish a NSW Institute for the Social Services Industry (NISSI)

The social and community services industry is a significant employer in NSW, including in regional communities. It has experienced unparalleled growth over the last five years, and is expected to see the biggest increase in employment of any industry in Australia over the next five years.<sup>1</sup>

The industry provides employment and career pathways for people with differing backgrounds, skills and qualifications - from allied health professionals to early childhood specialists, ageing and disability carers, domestic violence support workers and financial counsellors.

These are essential services that are vital to keeping our society functioning and increasingly, the economy afloat. Already the industry is experiencing increased demand as the impacts of recent natural disasters put more pressure on families and exacerbate challenges for vulnerable people.

Yet the industry faces enormous challenges. The advent of the NDIS and the aged care reforms have led to workforce shortages. There is the ongoing need to build capabilities in:

- being outcomes driven and client-centric;
- fostering innovation;
- becoming more data-driven; and
- digitizing business to leverage technological transformation and changing customer preferences.

Given rising unemployment as a result of businesses shutting down, now is the time to capitalize on demand and purposefully grow the social services industry. The proposed NSW Institute for the Social Services Industry (NISSI) would be a partnership between the NSW Government, NCOSS and Western Sydney University. It would also involve NSW TAFE, regional universities such as Southern Cross, Charles Sturt, Wollongong and Newcastle Universities, peak bodies, and other community sector and private sector representatives. It would be based at Western Sydney University, with a strong presence in regional locations.

Through education, training, research and industry development, NISSI would aim to:

- Establish social and community services as an industry with a rewarding range of professional and vocational career opportunities, rather than being characterised by connotations of 'welfare' and low-paid casualised work;
- Equip the industry to deliver the quality and level of service provision and leadership required to meet the increasing and changing demands of NSW's social support and care needs;
- Monitor emerging developments and trends to identify gaps and opportunities and ensure a fit-for-purpose industry;
- Facilitate continued growth of an expanding workforce by building entry-level and ongoing career pathways in both regional and metropolitan locations for different population groups including school leavers, mature aged workers needing to change careers, newly arrived migrants, those who have been out of the workforce because of caring responsibilities etc.

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<sup>1</sup> *Health care and social assistance jobs on the rise* – [www.employment.gov.au](http://www.employment.gov.au) September 2018

Ultimately, NISSI would contribute to NSW's economic recovery, thriving regional communities and high quality care and support for vulnerable individuals and families.

Estimated cost: \$2 million.

#### 4) Creating employment opportunities for disadvantaged groups through social procurement

Natural disasters wreak havoc on communities and can lead to an immediate increase in joblessness. But they can also create opportunities as clean-up, rebuilding and other stimulus activity gets underway.

There is an opportunity to capitalise on the rebuilding task arising from the bushfires, and the NSW Government's ongoing significant spending power in the delivery of services to NSW residents – by using social procurement to ensure that the purchasing of goods and services from the private sector delivers social value.

Systematically using procurement processes to require contractors to sub-contract with social enterprises and/or create employment in disadvantaged communities, will provide opportunities for those most at risk of entrenched unemployment and people in regional communities where there is ongoing economic decline.

It builds on various initiatives that have already been undertaken in NSW (such as the creation of jobs for young unemployed people in the delivery of the North West metro), but would ensure such an approach is embedded and systematically used in NSW procurement processes and the delivery of key infrastructure, goods and services.

Rapidly scaling up such an approach will require short-term, intensive resourcing to bring necessary NGO and business expertise into Government to drive its establishment, broker solutions across agencies and sectors, and support social enterprise to flourish in NSW.

Estimated cost: \$300,000