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28th October 2008

National Compact
Community Support Program
Department of Families, Housing, Community Services and Indigenous Affairs
PO Box 7576
Canberra Business Centre ACT 2610

c/- Dr Jeff Harmer
Secretary, FaHCSIA

By Email: AustralianCompact@fahcsia.gov.au

Dear Dr Harmer,

The Australian Services Union represents workers in the non-government social and community services sector. We wish to make a submission to the National Compact consultations. We trust our views can be considered, even though our letter is late.

Our members have a direct interest in a National Compact particularly in terms of who is represented, the nature of its workings, as well as the matters that are discussed by its members.

Key Elements

The ASU supports a national Compact and our position is that it will achieve its objective when:

- The compact is genuinely negotiated by the parties to it;
- All relevant players in the industry are equally represented in its development;
- It details real and measurable commitments by government to the social and community sector;
- It addresses the real challenges facing the sector;
- It is open to annual review and amendment;
- It is directly linked to budget cycles and funding mechanisms – including COAG.

We say that these are essential features and that without them a Compact can not fully recognise the imbalance that exists between the parties; one provides funding, the other receives it. This imbalance can only be redressed if matters pertaining to the Compact are negotiated.

Funding

There are many issues that could potentially be negotiated and discussed through the Compact discussions. In our view, funding is one that should be a priority. For example, a model for adequate indexation of funded services should be one of the first funding issues considered along with removal of so called efficiency dividends.

Similarly, a process for addressing the wages gaps between work in the non-government community services sector and the public sector should be a priority issue negotiated through a Compact process.

The ASU's view is that the workers in the not-for-profit sector should be directly represented through their own democratic structures – their union -amongst the Compact non-government members. More specifically, the ASU as the largest union representing the not-for-profit workforce and specifically the non-government social and community services sector, should be represented on matters relating to the government-funded community services sector.

If the government chooses to have the Compact struck with the broadest definition of the not-for-profit sector, then it runs the risk of 'skimming' issues rather than making real gains towards Social Inclusion particularly if it only addresses the broadest issues which affect all.

While the not-for-profit sector has many issues in common, such as regulatory mechanisms, we also have many divergent interests. We suggest that a 'sub-stream' relating to the non-government social and community services sector be established in recognition of the complexity of issues which the funder-provider relationship establishes.

The legacy of the Howard years means that chronic under-funding and competitive models of funding have left the sector unable to meet many social inclusion goals, despite strong support for those goals. A negotiated Compact with a non-government social and community services sector 'sub-stream' could make real gains in addressing the problems left by the previous government. This would also create additional goodwill to work with government to assist those at highest risk of social exclusion.

Thank you for considering our views. Should you have any further questions please call Linda White on 03 9342 1400.

Yours faithfully



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Linda White
ASSISTANT NATIONAL SECRETARY

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