

Frequently Asked Questions:

1. *What was the Fair Work Australia's Equal Remuneration Order decision in 2012?*

On 1 February 2012 Fair Work Australia (FWA) awarded a pay increase for social and community services (SACS) workers employed under the *Social, Community, Home Care and Disability Services Industry Award 2010 (SCHCDS Award)*. The Full Bench of FWA ruled in favour of a pay increase of 19-41%, with a 4% loading, for SACS sector employees. The pay rise will be phased in over nine equal instalments with the first payment due on 1 December 2012 and final payment on 1 December 2020.

2. *Who is impacted by this decision?*

The decision affects only social and community services (SACS) sector workers employed under the *Social, Community, Home Care and Disability Services Industry Award 2012 (SCHCDS Award)*. The decision does not include home care and family day care workers.

This decision does not affect State Government employees, as they are employed under the appropriate State Award. However, it does impact non-government organisations (NGOs) employing staff under the *SCHCDS Award* that are contracted by the South Australian Government to provide services.

3. *Will the Government provide additional funding to cover the additional costs incurred due to the Fair Work Australia decision?*

On 14 April 2013, the Premier reiterated the Government's commitment to meeting its share of the costs incurred as a result of Fair Work Australia's (FWA) Equal Remuneration Order (ERO) in 2012 and outlined the supplementation funding available to affected NGOs. The Government recognises the essential contribution social and community services sector workers provide to the South Australian community.

The Government has worked with representatives from NGO peak bodies (Association of Major Community Organisations, SA Council of Social Services and National Disability Services) and the Australian Services Union (ASU) to determine the most equitable and practical mechanism for providing supplementation funding to affected NGOs.

4. *How will the Government determine which NGOs will receive supplementation funding?*

NGOs receiving grant funding from the State Government to provide programs and are impacted by the Fair Work Australia's Equal Remuneration Order 2012 are in scope for supplementation funding. The supplementation funding is conditional on:

- the NGOs employing SACS sector workers under the *SCHCDS Award*,
- these workers are providing the service delivery for the government program(s), and
- the NGO is financially affected by the FWA decision.

At the end of the financial year, NGOs need to certify that the funding they have received has only been used to meet the additional wages costs associated with requirements of this FWA Equal Remuneration Order.

To assist NGOs determine if their program is eligible for supplementation funding, a list of program categories has been prepared. If an NGO program is not included on the list, but the NGO believes it meets the criteria for funding the NGO should contact the program manager in the government. A review mechanism has been established for programs that have been omitted from the current program list.

5. *What is the quantum of funding that will be provided?*

The supplementation funding rate is based on the proportion of the grant funding dedicated to paying SACS wages (and not administrative costs) at an average *SCHCDS Award* wage rate of level 4, step 1. Cabinet has approved program funding percentages of:

- 73% of the total grant program for most programs (including disability, homelessness and mental health programs),
- 21% of the total grant program for health programs as these programs employ mainly medical workers,
- 36% of the total grant program for the Safer Communities Australia program,
- 30% of the total grant program for Recreation and Sport Development programs, and
- 40% of the total grant program for Recreation and Sport Sustainability programs.

6. *I am undertaking a program that is not included in the scoping document. What can I do?*

There is also a review mechanism for NGOs to seek recourse for

- grant programs not currently identified as in scope or
- the quantum of funding is insufficient and causing financial hardship to the organisation.

The affected NGO needs to approach their program manager in the department for a review of the situation. If a resolution cannot be reached, the NGO can approach the CE for a review of the process.

The Department of the Premier and Cabinet will provide assistance to departments in ensuring consistency of process between departments.

In the event there are still outstanding issues, the NGO can approach the responsible Minister, currently the Treasurer. An NGO may seek the advice of an independent body, such as the ASU or NGO peak body, at any time in the process

7. *Program funding is received from the Commonwealth Government for the delivery of services. Are these programs in scope for supplementation funding?*

If the program is funded directly from the Commonwealth Government, supplementation funding is being provided by the Commonwealth directly to the affected NGO. If you have any questions, please contact your relevant Commonwealth Government grants manager.

If the program is funded via the State Government, the State Government will provide the supplementation funding. This includes programs for which the State receives and manages funding from the Commonwealth for jointly funded programs.

8. *If a large number of different services are stated on individual agreements and brokerage contracts - will a decision be made on what the core business of the organisation is or where the majority of services lie?*

A letter of offer will be provided by the relevant government department incorporating the affected program(s). If an NGO has contracts with several departments, then they will receive letters of offer from each department. The supplementation funding will be provided on a grant by grant basis.

9. *For NGOs providing services in the community housing sector*

A different funding mechanism for NGOs is in place for community housing programs. Housing SA is currently developing an appropriate approach to addressing the impacts of the FWA decision on this part of the NGO sector.