

Dr Damian West  
Advisory Council Chair  
Deputy Director-General  
Workforce Capability and Governance  
Chief Minister, Treasury and Economic Development

Via email: [securelocaljobs@act.gov.au](mailto:securelocaljobs@act.gov.au)

Dear Dr West

### **Submission to Secure Local Jobs Code (the Code) – Advisory Council Review**

The ACT Council of Social Service (ACTCOSS) advocates for social justice in the ACT and represents not-for-profit community organisations.

Many ACTCOSS member organisations have undergone the Secure Local Jobs Code Certification process. Our response is informed by our members and their experience of this process.

ACTCOSS supports the goals of the Code, including: the promotion of job security in the Territory and a reduction in the incidence of insecure work; ensuring that territory-funded work is carried out by organisations who respect and comply with industrial relations obligations; and the promotion of workforce diversity and inclusive workplaces.

However, ACTCOSS has concerns that the Code has resulted in an additional administrative and compliance burden that has diverted resources away from service provision and value adding activities such as staff training – instead of improving job security and employee wellbeing.

### **Community sector resourcing**

In its [submission on the introduction of the Code in March 2018](#), ACTCOSS called on the ACT Government to:

“Increase ACT Government funding to community organisations to cover the gap between current funding levels and the funding required to enable full compliance with the requirements of the Secure Local Jobs Code” (p.5), and that “prior to implementation, the Act Government negotiate with representatives of community service organisations an agreed methodology for costing the implementation of the Secure Local Jobs Packages in community services contracts administered by the ACT Government” (p.5).

Neither of these recommendations has been adopted by the ACT Government. ACTCOSS believes that this reflects a lack of understanding of the substantial financial investment and staff time required to undergo an audit and to meaningfully comply with the code.

Once again, ACTCOSS stresses the importance of providing sufficient resources to community sector organisations to:

1. Cover the costs of fully implementing the Code with the goal of achieving meaningful outcomes for staff rather than solely complying with the audit; and
2. Cover the costs of undergoing the audit process.

The community sector is already heavily regulated by Territory and federal legislation, including: [QIC Health and Community Services Standards](#); [National Quality Standard for Early Childhood Education and Care and School Aged Care](#); [National Regulatory System for Community Housing](#); [Registered Training Organisations Standards](#); *Fair Work Act 2009* (Cth) and other pay awards; *Charities Act 2013* (Cth); *Australian Charities and Not-for-profits Commission Act 2012* (Cth); *Human Rights Act 2004* (ACT); *Children and Young People Act 2008* (ACT); *Long Service Leave (Portable Schemes) Act 2009* (ACT), etc.

To ensure that the community sector is not unnecessarily burdened, work is required by the Code team to ensure coherence between the Code and other regulatory schemes impacting community sector organisations so that there is no repetition in reporting. This will ease the administrative burden, and the associated high compliance costs, experienced by our members.

### **Nature of the ACT Government – community sector partnership**

ACT Government policies articulate a partnership approach to contracting services, not a straight purchaser-provider model of funding. The implementation of the Code in the community sector needs to be consistent with this partnership approach and where necessary adapted to reflect the requirements of a partnership.

To address this ACTCOSS recommends:

- The ACT Government negotiate with representatives of community service organisations an agreed methodology for costing the implementation of the Code in community service contracts administered by the ACT Government
- That the ACT Government increase funding to community organisations to cover the gap between current funding levels and the funding required to enable meaningful implementation of the Code
- That the ACT Government increase funding to community organisations to cover the cost of an audit under the Code
- That the ACT Government resource development and dissemination of information resources, training and organisation development to ensure

funded organisations are well placed to comply with the requirements of the Code.

### **Code certification duration and audit costs**

ACTCOSS members have shared their experiences with ACTCOSS of difficulties engaging with the Code team where disputes or enquiries have arisen.

In one instance a community sector organisation received a six month only Code certification. The reason provided for the short certification related to the 'expiry' of the [Community Sector Multiple Enterprise Agreement 2014-2018 \(MEA\)](#). Other community sector organisations, under the same MEA, were given a Code certification with a longer duration.

However, ACTCOSS had received advice that until such time a new MEA is formally renegotiated (and endorsed by the Fair Work Commission), the existing MEA will remain as the valid and enforceable employment agreement for relevant staff. The MEA had not expired and staff remain covered by the MEA. This is also the understanding the Australian Services Union.

The organisation in question had to pay twice in 12 months for an audit and manage the associated heavy administrative burden. This diverted scarce resources away from services that should have been focused on supporting vulnerable Canberrans.

Specifically, multiple ACTCOSS members have highlighted the significant financial and other costs associated with engaging an approved auditor. Most auditors have little or no understanding of the community services sector and organisations must expend significant time and resources identifying an affordable and appropriate auditor. Cost differences between auditors are significant without clear explanations of the differences. There appears to be no avenue to appeal against a decision of an auditor.

To understand and address community sector concerns ACTCOSS recommends:

- The Advisory Council responsible for reviewing implementation and advising the Minister responsible for procurement includes a community sector representative
- The Code compliance unit established to oversee, implement, monitor and review measures introduced by the Code includes a person with specialised community service knowledge and experience
- Training is provided to auditors, whether government or private, on the community sector context.

### **Broader insecure work context**

ACTCOSS supports the goal of reducing insecure work in the community services sector and across the Canberra economy. ACTCOSS made a comprehensive [submission on the nature of insecure work in the ACT in July 2017](#).

Research shows that insecure work is a key barrier to the recruitment and retention of staff in ACT community service organisations.

Security of employment in community services is undermined by funding arrangements and levels that are inadequately indexed and/or short term in nature, resulting in a gap between funding provided and the true cost of delivering community services operated by community service organisations.

The benefits of a stable workforce in the community services industry also extend to service users. Insecure work in the sector can interrupt continuity, quality and sustainability of services, thereby risking the credibility of the broader system.

Deskilling and casualisation – qualities of insecure work – can compromise service provision and long-term capacity to meet demand. For the sector to adequately meet the needs of service users, the industry must uphold both its perceived and actual reputation. For service users who rely on the work of the community services industry, it is important to address the issue of insecure work in the sector.

The prevalence of insecure work within the community services industry should be addressed as part of ACT Government procurement reform in consultation with the community sector. This needs to be a central part of the implementation of the ACT [Community Services Industry Strategy 2016-2026](#), including its focus on the workforce.

An important starting point is the acceptance and endorsement by the ACT Government of the [Workforce Data and Community Needs Analysis](#) which seeks to describe the current ACT community services industry workforce and projected growth, diversity, skill and knowledge demands into the future to best meet the needs of the ACT Community.

Please do not hesitate to contact me on 02 6202 7200 if you require further information regarding the Code implementation and the broader community services sector.

Yours sincerely



Dr Emma Campbell  
Chief Executive Officer

Email: [ceo@actcoss.org.au](mailto:ceo@actcoss.org.au)

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