

Secure Jobs and Funding Certainty Roadmap



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Acknowledgement of country

The NSW Government acknowledges Aboriginal people as the First Nations Peoples of NSW and pay our respects to Elders past, present, and future.

We extend this acknowledgement to the Aboriginal and Torres Strait Islander people that contributed to the development of this Secure Jobs and Funding Certainty Roadmap.

We advise this resource may contain images of deceased persons in photographs.



Aboriginal dancers perform during the Homeground festival, which is Australia's biggest celebration of Indigenous culture. (Photo credit: PomInOz).

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Minister Washington foreword

The NSW Government values the vital role the community services sector plays in supporting families and strengthening communities right across the state.

More than one million people every year receive support from the 240,000 predominantly female workers employed in more than 7,800 community service organisations.

We know people across the state are doing it tough right now, and it's becoming increasingly difficult for families in NSW to make ends meet. The demand on services is increasing, with the sector expected to grow by 60,000 jobs by 2030, almost half of which will be in regional areas.

That is why job security and funding certainty are more important than ever, especially for the services who are supporting people who are doing it the hardest.

Our Secure Jobs and Funding Certainty Roadmap is designed to tackle the biggest challenges facing the community services sector by ensuring the important support that the sector provides continues into the future.

The Roadmap, codesigned with the sector, is our shared vision for a strong and sustainable community services sector which:

- Puts providers on a path towards five-year contracts,
- Provides an all-of-government Community Services Funding Framework,
- Delivers a Community Services Jobs Compact to support secure jobs, and
- Implements a Community Services Prequalification Scheme that streamlines funding application processes.

By embedding these priorities, this Roadmap lays the foundations for a secure future for community services and those they support.

Because we know that long-term stability in the sector is key to delivering better outcomes for vulnerable children, families and communities right across the state.

Thank you to all of the organisations, agencies and the Australian Services Union for working with our Government on this important project and look forward to continuing our productive partnership.

The Hon. Kate Washington, MP

**Minister for Families and Communities,
and Minister for Disability Inclusion**

Purpose of this Roadmap

The Secure Jobs and Funding Certainty Roadmap (the Roadmap) sets out the NSW Government and the community services sector's co-designed approach to increase secure jobs and funding certainty across the sector and ultimately create better outcomes for the people and communities in NSW.

The design of the Roadmap considers the input, expertise and experience of the 68 organisations and 179 individuals that contributed during the consultation phase.

The development of the Roadmap has been guided by the Secure Jobs and Funding Certainty Leadership Group ('SJFC Leadership Group'), which is made up of NSW Government agencies, peak organisations representing the varied parts of the community services sector and the Australian Services Union (NSW & ACT branch).

The Roadmap is an important step forward towards increasing job security and funding certainty for the NSW community services sector. Following the sector-wide consultation, and consultation across NSW government agencies, the Roadmap outlines a shared vision for the future of the NSW Government and community services sector's partnership, explains the importance of this work and shapes the approach to the key Priority areas. To achieve progressive and lasting change, the actions of this Roadmap and its implementation, will require sustained commitment from both the NSW Government and community services sector.

SJFC Roadmap phases over time



The Roadmap is limited to NSW Government directly funded community services, which includes:

- Aboriginal and Torres Strait Islander community services
- Accommodation support services
- Advocacy services
- Alcohol and other drug services
- Child safety and support services
- Community care services
- Community development services
- Community education services
- Community legal services
- Community-managed mental health support services
- Disability supports and services
- Early childhood education services
- Employment services
- Family and domestic violence services
- Family support services
- Financial counselling services
- Foster care services
- Homelessness support services
- LGBTQI+ services
- Migrant and multicultural support services
- Neighbourhood and local community services
- Out-of-home care services
- Respite care services
- Sexual assault services
- Settlement and refugee services
- Social housing services
- Social work
- Women's health support services
- Youth justice services
- Youth support services.

The outcomes of the Roadmap are expected to specifically benefit community services directly funded by the NSW Government. However, an indirect benefit from the Roadmap may also be realised by these out-of-scope areas such as Commonwealth funded programs. It is noted that some areas, such as aged care, disability and employment services are primarily the responsibility of the Commonwealth Government.

Note that early childhood education differs from other community services in that it provides access to education and care often with shared responsibility with the Commonwealth Government and therefore not all programs will be in scope for the purposes of the Roadmap.

Note that where Non-Government Organisations provide services as Public Health Organisations (as defined under s.7 of the *Health Services Act 1997*), including Affiliated Health Organisations (AHOs), these services are not considered community services for the purposes of the Roadmap. Other community services provided by these Non-Government Organisations that are not provided as an AHO are in scope.

The future of the NSW community services sector

The Roadmap recognises that the partnership between the NSW Government and the community services sector is key to providing these much needed services (see list on previous page) to NSW communities. To support this strong partnership and the continued delivery of these critical services, it recognises that increasing funding certainty for the NSW community services sector to enable increased job security, is necessary. This is essential to supporting the sustainability of the sector to continue to deliver high quality community services, as well as increasing its capacity to meet future demand, all while driving meaningful and long-lasting change in our communities.

This Roadmap also recognises the NSW Government sector stewardship role to build and maintain effective relationships, and oversee a healthy, supported sector where new and experienced service providers foster productive partnerships with open and consistent communication and access longer term funding.

This Roadmap recognises the dual responsibility of the sector and the NSW Government to ensure accountability and transparency about how public funds are used to enable positive outcomes for clients and communities. This includes the accountability for service providers to report on use of funds and achievement of program outcomes, and for agencies to continually monitor performance as per contractual expectations.

This Roadmap sets the scene to enable the work of the sector and its impact on the lives of the people it supports to be valued through funding arrangements that facilitate high quality, consistent, long term, stable community service provision.

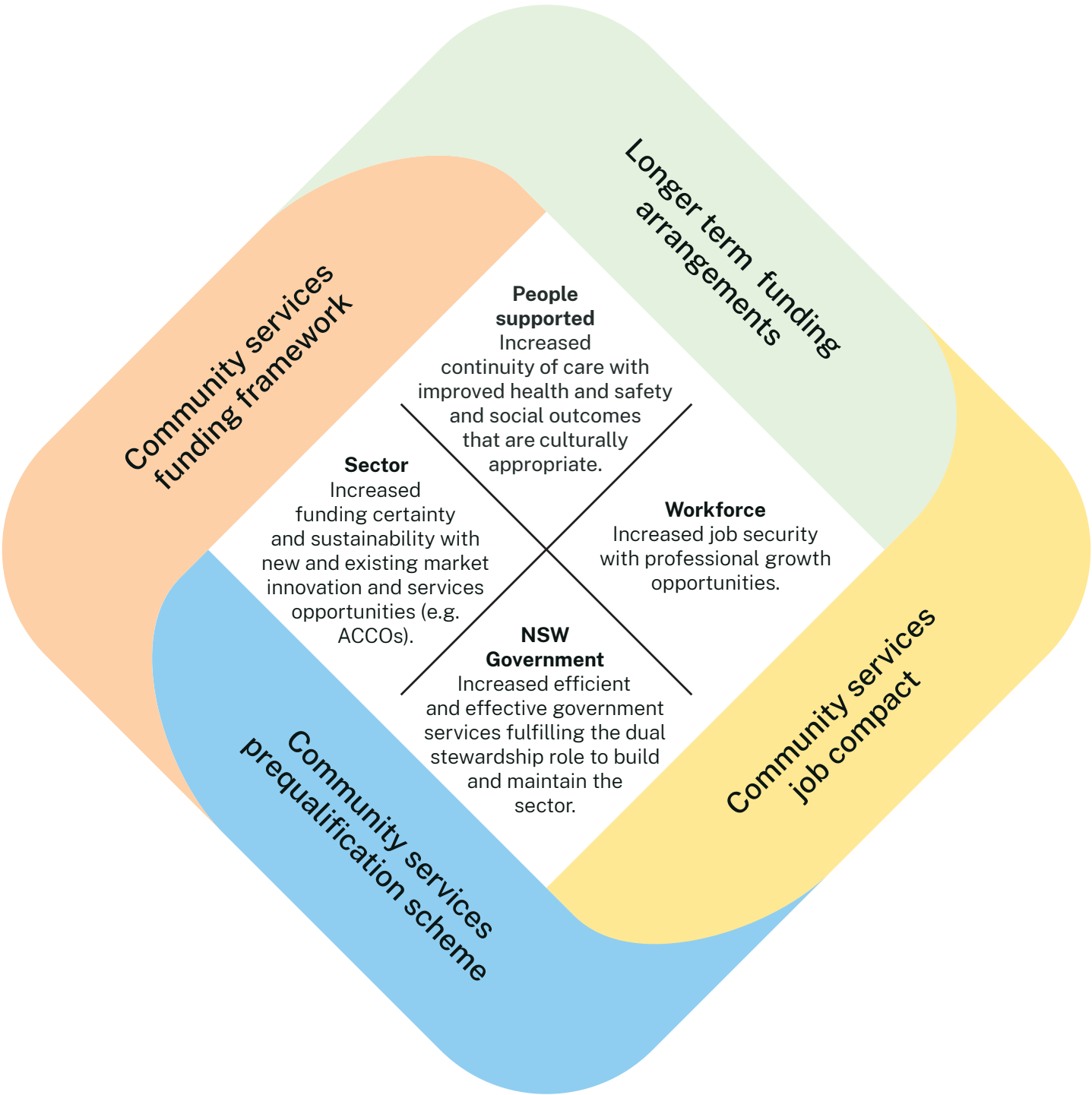
This Roadmap aspires to a future where more community services workers are employed in permanent positions because of longer term funding arrangements. The community services workforce is recognised and valued as having the skills, knowledge and experience to navigate the complexities of their work and is provided with the necessary professional growth opportunities for themselves and future workers.

This Roadmap aspires to a future where community service providers are funded for a program length that aligns with the intended outcomes, at a level that represents the true cost of service delivery. Service providers will be able to recruit, train and retain staff, engage in forward planning and be supported by a transparent, consistent, all-of-government community services funding framework.

This Roadmap will support a viable NSW community services sector, where the principles of collaboration, strong partnership, transparency and trust, support innovation and better outcomes for NSW communities.

The many voices that have come together to develop the Roadmap have a clear and consistent message: a stable, sustainable, innovative community services sector that delivers outcomes for the NSW community within the available budget is achievable. This Roadmap sets out how.

The future of the community services sector




Why the SJFC project is needed


The NSW community services sector operates across a range of services including (but not limited to): aged care, early childhood education and care, community-managed mental health services, disability care, child protection, housing and homelessness services and domestic violence. It provides supports to over one million people every year (including Commonwealth funded aged care and disability care).¹

The broader community services sector is a significant employer within NSW. At February 2021, the sector employed over 240,000 people (including commonwealth funded aged care and disability care),² and this is estimated to increase by 33,000 jobs in Greater Sydney and 27,000 jobs in regional areas by 2030.³

The community services sector is hugely important to communities and society. The sector:

was made up of around  **80%** women at February 2021⁴

 employed **1 in 4** workers who were aged 55 or over at February 2017⁵

 had an annual economic output of **\$15.4b** (2.4% of Gross State Product) in 2019-20.⁶



The table below contains a research summary of the current challenges being faced by the NSW community services sector.

Service providers

Currently within the community services sector, there is broad use of short term (less than two years) funding arrangements by government. The use of short term funding arrangements has significant implications for service providers. These include administrative burdens of regularly completing onerous applications; reapplying for funding (including quarterly or annually); competing on price resulting in a 'race to the bottom'; completing different requirements and applications for different government departments; and limiting forward planning beyond the life of existing funding timeframes.⁷ The impact of this is that resources are allocated from service delivery to administrative tasks, innovation is stymied, ongoing service sustainability is undermined, and the ability of service providers to hire, train, support and retain staff is reduced.⁸

Community service workers

The short term funding arrangement and flow on impacts to service providers have significant impacts on service workers. The community services sector relies heavily on employment structures which can respond to short term funding cycles, with half of all NSW social sector workers employed in fixed term or casual positions.⁹ These contract structures impact the economic security of employees including their ability to: accrue leave, including sick leave; have guaranteed ongoing work and income; and consistent hours of work.¹⁰ Research suggests that this can result in decreased morale, stress, and staff leaving the sector for greater pay and job security.¹¹

Further, the service sector is characterised by low wages compared to similar or lower skill levels in other sectors.¹² Many roles requiring tertiary qualifications are remunerated at minimum wage.¹³ Low wages (and insecure working arrangements) often stem from the nature of government contracts and funding competition which drives down the funding available for salaries and remuneration.¹⁴ Additionally, caring and support work is often culturally undervalued.¹⁵

Women are the most impacted by these issues as research finds that three in four NSW social sector workers are women.¹⁶ Low wages in the sector are contributing to the gender wage gap.¹⁷

Service beneficiaries and communities

Service beneficiaries and communities may also be impacted by service provider funding arrangements. Turnover of staff and short term funding can result in loss of relationships between community and organisations, service users ‘bouncing’ between services to ensure ongoing support when service funding ends, service disruption due to staff shortages or resourcing gaps, or services turning people away when they reach capacity.¹⁸ It is likely that these issues more greatly affect already vulnerable people who experience systemic disadvantage or intergenerational trauma who benefit from long-term support and continuity of care.¹⁹

Challenges within the community services sector may have potential flow on impacts to family members and carers of those requiring services. If funding arrangements undermine the ability of services to meet the needs of their communities, this increases the reliance on informal care and decreases those available to work in the broader economy.²⁰

The NSW Government, community service providers, sector peaks and sector employees collectively aspire to achieve better outcomes for community service recipients by improving job security for sector workers and certainty of funding for service providers across the NSW community service sector.

The actions identified in this Roadmap reflect shared roles and responsibilities across Government and the sector, and an intention to continue to work together through the scoping and implementation of this Roadmap to achieve this shared aim.

As Roadmap actions are progressed, they will be evaluated using data and evidence to continually monitor progress towards desired outcomes. Ensuring that the work we do addresses known challenges in the sector is crucial.

Leadership

The implementation of this Roadmap will be overseen by the Secure Jobs and Funding Certainty Leadership Group (the SJFC Leadership Group), comprised of NSW Government agencies, peak organisations representing the varied parts of the community services sector and the Australian Services Union (NSW and Act branch) (“the ASU”).

Working groups have been established to coordinate actions in five key areas:

1.	Working group 1: Long term funding arrangements staged approach
2.	Working group 2: Community services funding framework
3.	Working group 3: Pricing approach
4.	Working group 4: Community services jobs compact
5.	Working group 5: Community services prequalification scheme

The SJFC Leadership Group and all five working groups will be coordinated by a Secretariat function within the Department of Communities and Justice (DCJ).



SJFC priority areas

The NSW Government is committed to a future where the community services sector is characterised by secure jobs and certainty of funding.

To do this, the NSW Government and the SJFC Leadership Group have heard what the sector has told us and considered the most appropriate way to address the important issues raised by the sector, including factoring in existing policies, how potential actions intersect with them and whether any changes might be required.

This commitment includes a program of work, organised into four priority areas, to be delivered over several years that will be developed and implemented in partnership with the sector.

For each Priority area, the SJFC Leadership Group has identified and will oversee the implementation of focused actions. For all Priority areas, further scoping will be undertaken as a first step in partnership with the sector.

Actions progressed will seek to align with complementary or relevant activity being undertaken at a Commonwealth Government level, or in other jurisdictions.

The following four Priority areas are essential to the transformation of the community services sector in NSW.

Priority area 1



Long term
funding
arrangements

Priority area 2



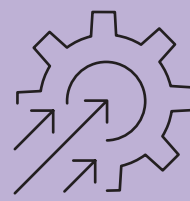
A community
services funding
framework

Priority area 3



A community
services jobs
compact

Priority area 4



A community
services
prequalification
scheme

Priority area 1: Long term funding arrangements

“We are asked to create generational change but given three years of funding to do it. Longer term funding will enable us to do what needs to be done.”

— **SJFC Roadmap consultation participant**





During SJFC consultation, the sector told us:

- Long term funding arrangements are highly supported by the sector and are seen to have multiple benefits including being a sign of government trust in the sector and giving service providers the capacity to hire and train staff in permanent positions and develop longer term strategic plans, which impacts on sector sustainability and creates opportunities for innovation and evidence-based programs over time. Longer term funding must be balanced with appropriate reporting and meaningful use of data to inform program improvements over time.
- Five-year term lengths are seen by the sector to be the minimum term for most program types to foster stability in the sector. Exceptions do exist and it is accepted that five-year or longer terms will not be appropriate in all circumstances, including some pilots, one-off time specific initiatives and programs related to disaster recovery. Term lengths of five years with an option for an additional five years are highly supported for programs that have a demonstrated ongoing need, to enable more consistent care for service recipients.

What we must consider (links to other policies, programs or initiatives):

NSW Government commitments under Closing the Gap.

The National Agreement on Closing the Gap, priority reform 2 requires Commonwealth, State and Territory governments to increase funding to Aboriginal and Torres Strait Islander Community-Controlled organisations.²¹ The Strategic Plan for Funding the Development of the Aboriginal and Torres Strait Islander Community-Controlled Sector, agreed by the Joint Council on Closing the Gap, states an overarching principle to be:

“Funding allocations should support development and sustainability – long term funding is preferred”.

Rationale: Short term funding (such as 12-month funding agreements) does not provide certainty or sector sustainability. Long term funding supports strong sector elements, by providing the certainty needed to attract, retain and build the capacity of its workforce, and adopt a planned approach to maintaining and replacing capital items.”²²

In response, we will:

- Recognise experienced, trusted community service providers that are addressing ongoing, sustained community needs, delivering agreed outcomes and fund them via funding arrangements that have five-year terms. These must continue to be supported by mechanisms to monitor and report on agreed milestones or key performance indicators (KPIs), and with contracts that are suitably flexible for changes in community needs or government priorities.
- Develop new, and emphasise the currently available, pathways to transition shorter term community services funding arrangements to longer term funding arrangements over time as they meet identified criteria and demonstrate evaluated outcomes.
- Expect that service providers maximise opportunities to engage workers permanently as a result of receiving longer term funding.

This work is important so that:

- Achievement of positive client outcomes is supported through having service providers that are confident in their future, delivering quality community services, and can be funded for a program length that is better aligned to the outcomes they are trying to achieve.
- Workers have greater financial security because service providers have increased capacity to hire staff in permanent positions and retain them for longer program cycles.



We will take the following action:

1. Develop an all-of-government staged approach to the term length of community services funding arrangements that:
 - Starts from a base position that five-year terms are preferred for most funding arrangements;
 - Expect service providers to maximise opportunities to engage workers permanently as a result of receiving longer term funding, and to deliver on the government commitment of more permanent, secure jobs in the sector; and
 - Recognises that in some circumstances contracts will be short to medium term and, where the attainment of program outcomes requires a longer term, articulates pathways for these funding arrangements to transition to longer term lengths over time if they meet identified criteria and evaluation outcomes.

Noting the preferred term length for most funding arrangements is five years, criteria considered for other term lengths might consider:

- Service provider capability, expertise and experience;
- The external environment (for example, is the program supporting an ongoing need, based on evidence and outcomes);
- The type of program outcomes (for example, are the program outcomes long term outcomes or achievable in a shorter term); and
- The availability of funding.

The staged approach will be developed through consultation with the sector, led by a Working Group and advised by the SJFC Leadership Group.

Once finalised, it will be made publicly available.

2. Transition all funded community services that meet identified criteria onto funding arrangements that are appropriate for their stage as soon as possible. Identify upcoming commissioning opportunities for early implementation and transition.
3. Define and implement a process within the NSW Government whereby community service funding arrangements, if appropriate, can be classified as “ongoing”, to minimise the impact of the forward estimates on funding for long term community service provision.

Priority area 2:

A community services funding framework

“Obviously it’s important to contract the right provider but there is a lot of time wasted going to market to recontract the same providers again.”

“What I think comes down to is respect. Many of us in the sector feel like we’re doing this hard work for the homeless who are the end of the road, but we’re constantly fighting for money all the time.”

“We spend so long getting all of that data together. It all goes out of our communities, but we never see it again. If it was used for something then that’s fine. But what’s it being used for?”

— SJFC Roadmap consultation participant



During SJFC consultation, the sector told us:

- The NSW Government is currently using competitive tendering more frequently than required. A funding framework should identify parameters for the use of a spectrum of procurement approaches that are client and community focussed to bolster stable and high quality service delivery. Funding decisions should be transparent, and based on data and evaluation.
- Developing a shared understanding of what it costs to deliver high quality, evidence-based community services (including direct, indirect and overhead costs) is critical to the sustainability of service providers. The true cost of the delivery of community services is not currently being funded. Community service providers must be adequately funded to deliver high quality community services, maintain financial sustainability and sustain a stable, trained and supported workforce. This includes adequate indexing of contracts.
- Collaborative, respectful and trusting relationships between funding agencies and funded services are critical to achieve the highest quality client outcomes, and therefore long-lasting value for government, the sector and communities.
- With longer term contracts, reporting frequency, KPIs and data required should be negotiated upfront, and there must be transparency and sector agreement regarding the minimum labour standards and award levels being funded in each program. Longer term contracts make it necessary and possible to spend time upfront developing contract terms that meet everyone's needs and check points so that they can be adjusted if needed, recognising dual accountability for performance and managing performance over time.
- Data collected through reporting must be useful and proportionate to the type of funding arrangement. Collecting and making meaningful use of data has the capacity to inform program improvements, develop evidence-based programs and innovate over time, to the benefit of service recipients, service providers and the NSW Government.
- If the NSW Government makes a policy decision not to renew or a service provider is unsuccessful through a commissioning process, there should be consideration for how that decision impacts on service providers, their staff and those requiring services. This could include how industrial obligations of providers are met (for example, notice periods, redundancy entitlements) or how transmission of business options can be facilitated to ensure continuity of employment for the workforce from provider to provider.

What we must consider

(links to other policies, programs or initiatives):

- The Independent Pricing and Regulatory Tribunal (IPART) is undertaking a review of the costs and pricing of out-of-home care in NSW. An interim report was published on 10 September 2024 with a final report in February 2025. Finding from this can inform SJFC work.
- NSW Government commitments under Closing the Gap which include redirecting existing funding to Aboriginal Community-Controlled Organisations (ACCOs) and developing community-led design and delivery of services.
- The Commonwealth Government's Community Sector Partnership Framework, which will be developed in partnership with the Community Services Advisory Group during 2024.
- The NSW Primary Health Network (PHN) and Mental Health Community-managed Organisations (CMO) Working Group is working to create consistency across NSW PHNs in relation to: commissioning, funding (including indexation), KPIs, reporting, data collection and outcomes measures.

- NSW Procurement Board Directions have the standing of law and agencies must follow them wherever they are relevant.
- The time-limited system review of Out of Home Care (OOHC) which includes in its Terms of Reference inquiring into “the contractual and financial management arrangements for OOHC”.
- Minister Washington’s Ministerial Aboriginal Partnership Group, which will be a key mechanism for working with Aboriginal Communities on essential reforms to OOHC.

In response, we will:

- Outline and support a spectrum of procurement and commissioning approaches that are client-focused and bolster stable and high quality service delivery whilst ensuring there is transparency and fairness in the approach. Noting that all current NSW Government guidelines for procurement and existing policies about contestability will need to be considered, with competitive procurement processes not always the default position.
- Be transparent in how funding decisions are made, including how funding is allocated (for example, across different geographies; across different community groups).
- Fund community service providers based on a pricing model to deliver high quality, evidence-based community services, maintain financial sustainability, incentivise ongoing efficiency, sustain a stable, trained and supported workforce, productivity and ensure overall value for money for taxpayers.
- Implement a flexible contracting framework that offers providers the necessary agility to respond to changing needs of the communities they support whilst continuing to adhere to the intent of the program being funded and the terms and conditions of the funding agreement in place.
- Implement a framework to support the consistent management of community service contracts across agencies, supported by principles of respect, trust and transparency and that recognises dual accountability for performance and managing performance over time.
- Adapt to reporting that is useful and proportionate to the contract size, length or risk, in terms of depth and frequency of reporting.
- Review and update contracts and funding instruments to enable longer terms, the ability to negotiate terms upfront and to ensure that standard terms are reflective of any changes to pricing, contract management or reporting approaches implemented as part of this project yet maintain sufficient flexibility to enable change over time. This includes reviewing the Agreement for Funding of Services.
- Ensure that the funding framework addresses end of contract arrangements, so that continuity of employment and service provision in the sector are not adversely impacted.
- Identify and use different approaches for Aboriginal and Torres Strait Islander Community-Controlled organisations, specifically holding to the principles that Aboriginal people and communities lead and have decision-making authority, and that are in line with Closing the Gap commitments and initiatives, as part of the NSW Government partnership with the Coalition of Aboriginal Peak Organisations (CAPO).
- Identify and have different approaches for funding allocated in times of crisis or disaster.

This work is important so that:

- Consistent, transparent, client-focused community service funding arrangements enable minimal service disruption.
- Funding instruments, arrangements and processes are clear and transparent to maximise parties' understanding of requirements and facilitate accountability of all parties over the length of agreements to better ensure agreed performance outcomes are achieved.
- Service beneficiaries are supported through high quality, consistent, long term, stable community service provision.
- Community service providers are funded at a level that is transparent in design and enables them to deliver programs that are client focussed, deliver agreed outcomes and founded in quality of service delivery, and covers organisational needs to sustain a stable, trained and supported workforce.
- Funding arrangements ensure that minimum industrial standards are protected and maintained.
- The needs of Aboriginal communities and people are central to the design and delivery of community services and self-determination is increased.

We will take the following action:

1. Develop and implement an all-of-government Community Services Funding Framework that addresses how we:

- Work with community service providers, sector peaks and the ASU.
- Allocate funding based on need, impact and outcomes and alignment with Government priorities.
- Price the delivery of community services.
- Procure community services.
- Contract manage community services funding arrangements.
- Develop reporting requirements for community services funding arrangements which demonstrate achieving outcomes for communities.
- Decommission community services when a program is ceasing or transitioning to another service provider.

The Community Services Funding Framework is expected to include:

- Overarching principles for the way in which the government will engage with the sector.
- Guidelines designed to address specific funding components including the specific needs of Aboriginal communities and supports holistic approaches to service delivery.

The Framework may include updates to existing policies, development of new policies, and staff training and development. It will build on and improve existing frameworks and processes in place in various government agencies.

The Framework will be publicly available.

2. Review and update contracts and funding instruments to enable longer terms, the ability to negotiate terms upfront and to ensure that standard terms are reflective of any changes to pricing, contract management or reporting approaches implemented as part of this project, yet maintain sufficient flexibility to enable change and innovation over time as determined by community needs or government priorities.

Priority area 3:

A community services jobs compact

“It’s about respect for people who have been working hard in really challenging roles, dealing with complex clients. It’s really disrespectful to just leave it up to that last minute and then say, you know, see you later, there’s no funding a couple of weeks down the track. Plus people want to stay with their employers, not just for security, but for professional dignity.”

“We have negotiated commercial rent for our five sites but our real value is in our staff –without them we have four walls and nothing.”

“Razor thin funding is unable to cover professional development, access to external supervision, vicarious trauma support and adequately remunerate the lived experience and high levels of expertise required for sustainable and effective work which is seen and valued.”

— SJFC Roadmap consultation participants



During SJFC consultation, the sector told us:

- More work is needed to ensure needs of workers are met, including funding positions at the correct level (ensuring compliance with the Federal Award). A percentage of funding should be made available for supervision, support, ongoing professional development and training, and cultural responsiveness.
- There must be transparency and sector agreement regarding the minimum labour standards and award levels being funded in each program as part of the contract development, including price setting. This will help ensure that service providers comply with the Federal Award and that minimum labour standards are adequately funded.

What we must consider (links to other policies, programs or initiatives):

- National Fair Work Legislation Amendments resulting from the Fair Work Legislation Amendment *Fair Work Legislation Amendment (Secure Jobs Better Pay) Act 2022*.
- Consultation on the Commonwealth Government's Secure Australian Jobs Code, which started in the first half of 2024.
- Research conducted by the UNSW Social Policy Research Centre for the Australian Services Union relating to pay rates for community services workers in Australia (May 2024).
- NDIS Provider and Worker Registration Taskforce.

In response, we will:

- Develop a Community Services Jobs Compact that articulates how the NSW funding framework and contracts will support minimum labour standards and conditions in the NSW community services sector (including those outlined in the Federal Award). This will also address commitments specific to Aboriginal Community-Controlled Organisations.
- Develop a culture that supports the growth and retention of a skilled and motivated community services workforce that is underpinned by working conditions and entitlements set out in the relevant workplace relations laws.
- Develop a culture that supports a workforce that is reflective of the diverse communities it supports and where the needs of Aboriginal communities and people are central to the design and delivery of community services.

This work is important so that:

- Frontline workers have secure jobs, are paid at the correct level based on their experience and the work being undertaken, and are provided with the supervision, support and training they need.
- Service delivery and client outcomes are optimised as a result of increased workforce retention and lower rates of burnout and stress amongst frontline workers.
- The NSW community services sector workforce grows and is able to meet future needs because it is characterised by appropriate recognition for workers and the impactful work they do.
- There is an impact on the lives of women in NSW and their economic security; noting the high proportion of women working in the community sector.
- Services are delivered which are culturally safe and increase the wellbeing and improve the life outcomes of all service recipients, including Aboriginal people living in NSW.

We will take the following action:

1. Co-design a Community Services Jobs Compact as outlined above with the three stakeholder groups that will be signatories to the Jobs Compact: NSW Government, sector employers and sector workers (via the Australian Services Union).

This work will include drafting a scoping paper that sets out what the Compact could achieve and broad themes it will address, and incorporates examples in other jurisdictions and any lessons learned. The paper will distinguish:

- Areas that are important to reflect in the Jobs Compact but that are already in place and are not expected to require major changes in policy or practice;
- Areas that are new and are expected to require changes in policy or practice;
- Areas that are already in place but that may require changes in practice or implementation; and
- Areas where there is an opportunity to embed the Closing the Gap Priority Reforms.

The Jobs Compact will reflect how longer term funding arrangements will support more secure and permanent jobs in the community services sector.

It will acknowledge that the Fair Work Commission determines content of the Federal Award.

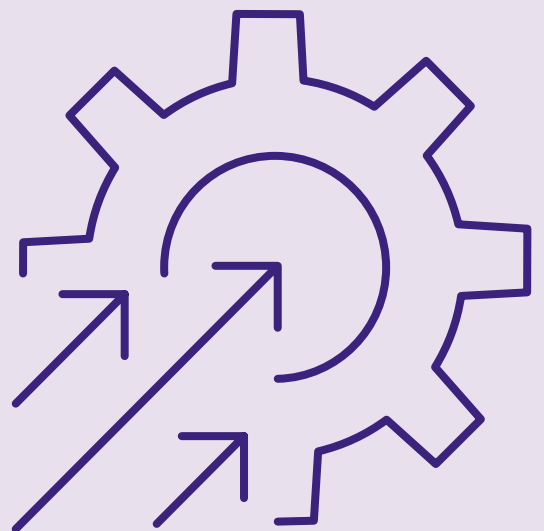


Priority area 4:

A community services prequalification scheme

“Administration costs a lot – in time and money. I call funding applications the ‘after 5pm work’ because that’s exactly when I get to do it. Bigger agencies might be able to absorb it better than we can.”

— SJFC Roadmap consultation participant



During SJFC consultation, the sector told us:

- The administrative burden associated with regular, lengthy and onerous funding applications should be reduced. Longer term contracts could go some way towards addressing this.
- A community services sector prequalification scheme could also assist, particularly if it is able to link to existing accreditation schemes. A scheme could have the following benefits:
 - To be a repository for supplier information that would be accessible by all of government.
 - To reduce the administrative burden for government associated with procuring service providers.
 - To reduce the administrative burden for service providers associated with applying for funding from government (including, potentially, burden associated with accreditation schemes).
 - As a pathway towards longer term funding arrangements.
 - To ensure that programs for Aboriginal people are delivered by Aboriginal Community-Controlled Organisations.
 - To identify capacity or potential capacity in various community service program areas or various geographical regions (enabling organisations to self-identify existing capability and what they are interested in building capability in).

What we must consider (links to other policies, programs or initiatives):

- Existing accreditation and compliance support services for community service providers.
- Australian Charities and Not-for-Profits Commission (ACNC) register.

In response, we will:

- Develop an all-of-government prequalification scheme for the community services sector that:
 - Makes sure that processes associated with applying for community services funding from the NSW Government are efficient, not duplicative and reflect the needs of all types and sizes of service providers; and
 - Supports strengthening and increasing the Aboriginal Community-Controlled Organisations sector.

This work is important so that:

- Community service providers do not have to divert resources away from core service delivery due to lengthy accreditation and application processes.
- Funding agencies are able to quickly and efficiently access trusted, capable service providers when and where there is a need for them.
- Aboriginal people receive services delivered by Aboriginal Community-Controlled Organisations.

We will take the following action:

1. Develop an all-of-government community services prequalification scheme.
2. The community services prequalification scheme will ensure that:
 - Service providers are not having to duplicate the information they provide in multiple funding applications; and
 - Government agencies will be able to access information about service providers in a more streamlined manner.
3. Once implemented, evaluate whether the information service providers supply for accreditation or other regulatory requirements can be used to reduce information required when applying for the community services prequalification scheme.



SJFC delivery phases

The below diagram sets out an indicative timeline for all components of the SJFC Project.

	Priority area 1: Long term funding arrangements	Priority area 2: Community services funding framework
Complete	<ul style="list-style-type: none"> Working group 1 (long term funding arrangements) established Five year contract terms implemented by some funding agencies in some program areas, including: DCJ's Targeted Earlier Intervention (TEI) programs (commenced July 2020) 	<ul style="list-style-type: none"> Working group 2 (community services funding framework) established Working group 3 (pricing approach) established
Year 1	<p>Scoping and implementation planning, including:</p> <ul style="list-style-type: none"> Mapping current contracts Develop staged approach criteria and conditions Develop implementation plans 	<p>Scoping and implementation planning, including:</p> <ul style="list-style-type: none"> Collate existing research and data and carry out necessary targeted research Identify relevant policies and frameworks across funding agencies and examples of good practice Develop snapshot of current sector pricing levels and approaches including indexation Develop shared definition of adequate funding Review contracts and funding instruments, including the Agreement for Funding of Services Scope how to address relevant issues through: policy and framework updates; training and development; and new guidelines Develop implementation plans for any new principles, guidelines or policies that form the new Funding Framework
Year 2	<p>Implementation of longer term funding arrangements across all NSW Government funded community services will be phased in from year 1</p>	<p>Implementation of funding framework policies, initiatives, guidelines</p>
Year 3	<p>Evaluation of longer term funding arrangements</p>	<p>Evaluation of funding framework</p>

	Priority area 3: Community services jobs compact	Priority area 4: Community services prequalification scheme
Complete	<ul style="list-style-type: none"> Working group 4 (community services jobs compact) established 	<ul style="list-style-type: none"> Working group 5 (community services prequalification scheme) established
Year 1	<p>Scoping and implementation planning, including:</p> <ul style="list-style-type: none"> Draft a scoping paper to determine priorities and themes for the Compact Review related work in specific parts of the sector, other jurisdictions or at a national level Co-design the Jobs Compact with the community services sector 	<p>Scoping and implementation planning, including:</p> <ul style="list-style-type: none"> Map existing information requirements relating to relevant: prequalification schemes; accreditation schemes; and templates for funding applications. Review the Affordable Housing Prequalification Scheme to understand issues Look at prequalification schemes, operating through Buy NSW portal, assess which components may be suitable for a community services prequalification scheme Explore options for implementing the prequalification scheme Recommend changes to funding application templates with respect to information supplied for accreditation requirements or where information is duplicated
Year 2	<p>Implementation of the jobs compact in parallel with the rollout of longer term funding arrangements</p> <p>Evaluation of community services jobs compact</p>	<p>Implementation of initiatives, including:</p> <ul style="list-style-type: none"> Set-up of the prequalification scheme Updates to funding application templates <p>Evaluation of the prequalification scheme</p>
Year 3		

Innovation
Consistency
Future planning
Productive partnerships
Healthy, supported sector
Stable, trained, supported workforce
Long term, stable service provision
Respectful relationships
Financial security
Transparency
Collaboration
Trust

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