

Homelessness NSW: Submission to the consultation on portable long service leave for community services

April 2024

Homelessness NSW welcomes the proposed introduction of a portable long service leave scheme in NSW for workers in the community services sector, as outlined in *the Draft Community Services Sector (Portable Long Service Leave) Bill 2024*.

Homelessness NSW is the peak body for homelessness in NSW. We have a commitment to a future where everyone has a safe home and the support to keep it. Our 200+ members include specialist homelessness services, people with lived expertise, allied organisations and services working to end homelessness. As such, many of our members and staff would be directly impacted by the introduction of a portable long service scheme for community services.

Despite the increasing demand for its services, research has shown that the work within the homelessness services sector is becoming more complex, placing high demands on staff. These challenges significantly contribute to the sector's struggles in attracting and retaining its skilled workforce.¹

Homelessness NSW believes that implementing a portable long service leave scheme could assist to address these issues. Such a scheme would provide fair recognition of, and incentives for, long-term workers in the homelessness services sector. However, we also acknowledge the need to address additional costs and burdens associated with the operation of homelessness services under this scheme. Therefore, we recommend the following:

- 1. Introduce a portable long service leave scheme for the community services sector.*
- 2. Ensure that increased funding is allocated to the community services sector to accommodate the costs associated with implementing such a scheme.*
- 3. Minimise the administrative burden to community services.*

4. *Provide resources and support to ensure that community services are well informed and prepared for the introduction of the scheme.*

Recommendation 1: Introduce a portable long service leave scheme for the community services sector.

The community services industry is one of the fastest growing workforces in Australia. However, workers such as those providing homelessness services are poorly remunerated relative to the complex and critical nature of their roles and high levels of qualifications.^{2,3} The sector also has a large proportion of staff on fixed term contracts⁴ and the nature of inconsistent contracting arrangements can significantly limit people's opportunities to attain long service leave.

Turnover of staff and worker burnout are significant issues for the homelessness sector⁵, and more needs to be done to recruit and retain a skilled workforce. In particular, there is an urgent need to recruit, retain and promote First Nations homelessness services workers. Currently, while approximately 30% of specialist homelessness services clients are Aboriginal, only 8% of the workforce is Aboriginal.^{6,7}

The NSW homelessness sector workforce is predominantly female (78%). Periods of time out of the workforce, for caring responsibilities for example, disproportionately impact women and therefore many homelessness sector workers are disadvantaged in terms of accessing benefits such as long-service leave and superannuation.⁸

A portable scheme, including the provision for four years out of the workforce, may go some way to improving conditions for this workforce, which in turn can aid attraction and retention of staff.

Recommendation 2: Ensure that increased funding is allocated to the community services sector to accommodate the costs associated with implementing such a scheme.

As the community services sector workforce has grown, so too have the costs of operating services. This was the sector that experienced the highest increase in the Wage Price Index in 2023, representing increased costs to the delivery of homelessness services.⁹ Indexation of

funding provided to homelessness services has inadequately accounted for costs associated with increases to wages, superannuation, workers compensation, insurance, and costs of operating services such as rent and utilities.

A national survey of community services sector leaders found that only 11% considered that their organisation's funding adequately covers increased wage costs and only 14% considered that their funding is sufficient to attract and retain quality staff.¹⁰ Greater remuneration and valuing of the workforce is crucial, but it must also be recognised that this comes at a cost to already under-resourced and over-stretched homelessness services.

The estimated 1.7% additional cost to employers that would be associated with the scheme represents an additional financial and administrative burden to an already under-funded and over-stretched sector. There are also financial implications for a scheme where the funds are held by a central authority and are non-refundable to the employer if a person permanently leaves the sector. As such, the introduction of a portable long service leave scheme must be accompanied by an increase in funding to homelessness services and other community services.

Recommendation 3: Minimise the administrative burden to community services.

At present, specialist homelessness services in NSW cannot support the accommodation needs of more than half of the people who come to them for urgent support.¹¹ Homelessness services workers report lower capacity than other community services, to meet the demand for their services.¹² The sector has very limited capacity to take on additional administrative tasks. Therefore, we recommend that a portable long service leave scheme be designed such that administrative requirements, including registration, reporting and returns, are streamlined and minimal.

Consultation with community services organisations is necessary to design regulations and processes that are effective, efficient, and feasible, particularly for smaller organisations. This might include the introduction of a tiered approach by which reporting obligations vary depending on the size of the organisation.

We suggest that the proposed frequency of quarterly returns is too resource intensive for community services. We suggest that returns be required no more than twice per year (or even once per year for smaller organisations). Further, we suggest that the timeframe for submission of returns should be no less than 28 days, rather than the proposed 14 days. These are details that would benefit greatly from further consultation with the sector.

Recommendation 4: Provide resources and support to ensure that community services are well informed and prepared for the introduction of the scheme.

There is substantial diversity in the size and makeup of homelessness services throughout NSW. We are concerned that the impacts of such a scheme may be disproportionately borne by smaller organisations, including the challenges for transition to such a scheme. The transition to the scheme may be an encumbrance for many small organisations with very limited human resources, and administrative staff. Appropriate information and systems upgrade support would be vital to ensuring that organisations have necessary mechanisms in place to comply with the scheme.

It is also crucial that clear and accurate information be provided to all workers in the sector, with opportunities for workers to have their questions answered. Information should be tailored to the specific needs of different groups of workers, and a range of communication methods must be used, with consideration to the diversity of workers and the high levels of staff mobility and turnover in the sector.

Conclusion

We look forward to further consultations to refine the regulations and transition plans for a portable long service scheme. A thoughtfully designed and well-resourced portable long service leave scheme for the community services sector could have significant benefits to this essential group of workers.

Should you wish to discuss these recommendations further, please contact Kate Davies, Policy and Research Director, at kate@homelessnessnsw.org.au. We thank you for your consideration.

Yours sincerely,



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Homelessness NSW

¹ James, A., Dunlop, P.D., Gilbert, C., Gilbert, J., Gagné, M., Parsell, C., Cawthray, J. & Farid, H. (2023). Investigative panel into building and retaining an effective homelessness sector workforce, AHURI Final Report No. 409. Australian Housing and Urban Research Institute.

² Brackertz, N. & Davison, J. (2022). Evaluation of the Homelessness Industry and Workforce Development Strategy. AHURI commissioned by Homelessness NSW.

³ James et al. (2023).

⁴ Cortis, N. & Blaxland, M. (2017). Workforce Issues in Specialist Homelessness Services. Domestic Violence NSW, Homelessness NSW & Yfoundations.

⁵ James et al. (2023).

⁶ Australian Institute of Health and Welfare. (2023). Specialist homelessness services annual report 2022–23. AIHW. Australian Government.

⁷ Cortis & Blaxland. (2017).

⁸ Brackertz & Davison. (2021).

⁹ Australian Bureau of Statistics. (2024). Wage Price Index, Australia, December 2023. Available at

<https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/wage-price-index-australia/dec-2023>

¹⁰ Australian Council of Social Services. (2023). At the precipice: Australia's community sector through the cost-of-living crisis: Findings from the Australian community sector survey. ACOSS.

¹¹ Australian Institute of Health and Welfare. (2023).

¹² Australian Council of Social Services. (2022). Helping people in need during a cost-of-living crisis: Findings from the Australian Community Sector Survey. ACOSS.