

Western Australia

Implementation Plan

NATIONAL PARTNERSHIP AGREEMENT ON PAY EQUITY FOR THE SOCIAL AND COMMUNITY SERVICES SECTOR

PART 1: PRELIMINARIES

1. This Implementation Plan has been developed to facilitate the implementation of the National Partnership Agreement on Pay Equity for the Social and Community Services Sector (SACS NP) and should be read in conjunction with that Agreement.
2. The objective in the SACS NP is to provide Eligible Service Providers with wage supplementation to assist them in meeting the increased wage costs arising from the Fair Work Australia (FWA) Pay Equity Order of 1 February 2012 in respect of the social and community services (SACS) sector and a related decision by the Western Australian Industrial Relations Commission (WAIRC) on 29 August 2013.
3. The Commonwealth is providing supplementation for its share of the wage increase for in-scope programs funded through existing National Specific Purpose Payments (SPP) and National Partnership Agreements (NP).
4. The Implementation Plan describes the method for calculating and allocating Commonwealth supplementation to Eligible Service Providers.

PART 2: TERMS OF THIS IMPLEMENTATION PLAN

5. This Implementation Plan will commence as soon as it is agreed between the Commonwealth of Australia, represented by the Minister for Social Services, and the State of Western Australia (WA), represented by the Minister for Mental Health; Disability Services; and Child Protection.
6. The purpose of this Implementation Plan is to provide the public with an indication of how the Commonwealth's funding is intended to be distributed and demonstrate Western Australia's capacity to achieve the outcomes outlined in the SACS NP.
7. This Implementation Plan will cease on completion or termination of the SACS NP, including the acceptance of final performance reporting and processing of final payments against milestones.
8. This Implementation Plan may be varied by written agreement between the Commonwealth and WA Ministers responsible for it.

PART 3: STRATEGY FOR WESTERN AUSTRALIA'S IMPLEMENTATION

Project Information

9. On 1 February 2012, FWA handed down a decision on the equal remuneration case that will increase wages for employees in the SACS sector by 23 to 45 per cent over nine equal instalments commencing on 1 December 2012 and ending on 1 December 2020. In a related decision, the WAIRC granted equivalent wage increases under State awards commencing on 29 August 2013.
10. The FWA decision applies to workers covered only by Schedule B and C of the Social, Community, Home Care and Disability Services Industry Award 2010. The WAIRC decision applies to all eligible workers employed under the Social and Community Services (WA) Interim Award 2011 and the Crisis Assistance, Supported Housing Industry – WA Interim Award 2011.
11. WA enters into contractual pricing arrangements with SACS related organisations to provide services under the joint funding arrangements of the SPPs and NPs described in Schedule A to the SACS NP.
12. The contractual pricing framework does not require Eligible Service Providers to separately identify salary and non-salary components of the prices received.

Eligibility of Service Providers to receive supplementation

13. Supplementation will only be paid to organisations that:
 - (a) employed eligible SACS workers (that is, workers who are covered either by the FWA SACS award or the equivalent Western Australian Industrial Relations Commission (WAIRC) awards, or paid under other industrial agreements that are linked to or derived from those awards) on 1 February 2012 or 29 August 2013 (depending on the relevant award).
 - (b) currently employ eligible SACS workers; and
 - (c) agree to use the price adjustment to meet the wage increases imposed by the FWA and/or WAIRC decisions or, where the organisation has already increased rates of pay above award conditions, to meet the cost of increased wages and conditions.
14. Eligible Service Providers will meet all certification requirements through the State's existing grant and contracting processes.
15. Paragraph B12 (b) in the SACS NP, regarding certification of constitutional corporation status, is no longer relevant or applicable to WA.

Retrospective payments

16. To the extent that the Commonwealth provides supplementation for previous financial years, WA Government agencies will pass this on as per the arrangements set out in this Implementation Plan. These payments will not be subject to any interest or indexation.

Recourse

17. If an Eligible Service Provider believes the supplementation paid is not consistent with the methodology described under paragraph 18 of this Implementation Plan, it may

request a review on their funding adjustment through the relevant WA Government agency.

Method for calculating the supplementation

18. To calculate the supplementary funding the following formula will be used for Eligible Service Providers under the relevant joint funding arrangement:

Total Commonwealth supplementary funding * contract price / sum of contract prices

whereby

- a) Total Commonwealth supplementary funding is the total of the amounts identified in Schedule A of the SACS NP (relating to both the FWA and WAIRC decisions) under the relevant NP or SPP, per financial year and as adjusted for the offset amounts identified in paragraphs 19 to 21 of this Implementation Plan.
- b) Contract price is the annual price specified in the contract with an Eligible Service Provider.
- c) Sum of contract prices is the total of eligible contract prices in specified financial year under the relevant NP or SPP.

SACS Supplementation Relating to the National Disability Insurance Scheme (NDIS) Perth Hills Trial Site and the My Way Lower South West and Cockburn/Kwinana Trial Sites

19. A proportion of Commonwealth funding from payments due under the SACS NP will be retained by the Commonwealth to meet part of the Commonwealth contribution to the cost of the NDIS Perth Hills Trial Site and the My Way Lower South West and Cockburn/Kwinana Trial Sites.
20. The amount of payments from the National Disability SPP and the Home and Community Care Program Review Agreement that will be contributed to the NDIS Perth Hills Trial Site (as set out in Table 1) is based on the methodology outlined in the relevant appendices of the Intergovernmental Agreement on the NDIS Launch.

Table 1: SACS payment offset by the Commonwealth to meet part of the contribution to the cost of the NDIS Perth Hills Trial Site

Table 1: SACS Amounts - NDIS

Western Australia	2014-15	2015-16
Effective Participants in Trial - NDIS [A1]	678	2,701
Potential Total Participants [B]	44,273	44,716
Effective / Potential Participants [C1 = A1 / B]	1.5%	6.0%
Disability SACS Supplementation (\$'000) [D]	9,385	13,833
SACS Supplementation Retained - NDIS (\$'000) [E1 = C1xD]	144	836

21. The amount of payments from the National Disability SPP and the Home and Community Care Program Review Agreement that will be contributed to the My Way Lower South West and Cockburn/Kwinana Trial Sites (as set out in Table 2) is based on the methodology outlined in the National Partnership Agreement on Trial of My Way Sites.

Table 2: SACS payment offset by the Commonwealth to meet part of the contribution to the cost of the My Way Trial Sites

Table 2: SACS Amounts – My Way

Western Australia	2014-15	2015-16
Effective Participants in Trial – My Way [A2]	819	3,036
Potential Total Participants [B]	44,273	44,716
Effective / Potential Participants [C2 = A2/ B]	1.8%	6.8%
Disability SACS Supplementation (\$'000) [D]	9385	13,833
SACS Supplementation Retained – My Way (\$'000) [E2 = C2xD]	174	939

Total SACS Supplementation Retained by Commonwealth (\$'000) [E1 + E2]	317	1775
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Engaging with the Sector

22. WA announced significant reforms as part of the 2011-12 State Budget to ensure sustainable funding and contracting arrangements between the Government, public sector and not for profit sector. These reforms included an additional \$600 million over four years and the establishment of a public and not for profit leadership group, the Partnership Forum, to oversee the reform program. WA remains committed to working collaboratively with the not for profit sector, reducing unnecessary administrative burdens and encouraging the not for profit sector's flexibility and responsiveness to community need.
23. The Western Australian community and not for profit sectors have been engaged regularly on the principles underpinning the SACS NP and will continue to be involved in communicating and supporting its implementation.
24. Eligible service providers will receive specific funding adjustment advice through the relevant State government agency with which they have a service agreement.

Estimated Costs

25. The maximum financial contribution to be provided by the Commonwealth to WA as per the SACS NP is \$36.9 million payable as outlined in Table 3 and in accordance with Part 5 and Schedule A of the SACS NP. All payments are exclusive of the GST.

Table 3: Summary of total Commonwealth financial contributions

(\$'000)	2012-13	2013-14	2014-15	2015-16
Contributions relating to FWA decision	2,029.47	5,492.05	9,530.43	11,297.66
Contributions relating to WAIRC decision		1,650.32	3,176.81	3,765.89

26. The total amount will be reduced by the proportion of funding to meet part of the Commonwealth's contribution to the cost of the National Disability Insurance Scheme Perth Hills trial site and the My Way trial sites. The total amount to be offset is \$1.761 million.

Program Logic

27. The project information detailed in the Implementation Plan will achieve the outcomes and objectives stated in the SACS NP by providing wage supplementation to Eligible Service Providers impacted by the FWA Pay Equity Order of 1 February 2012 and the related WAIRC decision of 29 August 2013.

Sign off

The Parties have confirmed their commitment to this agreement as follows:

Signature		Date	18 MAR 2015
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Premier			

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Signature		Date	
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Minister for Social Services			