

Valuing the community sector

Significant initiatives

- **Supporting community sector jobs**

\$2.5m in 2025-26 (\$10m/4 yrs) across the Department of Health and Department of Justice and Community Safety for community service organisations that deliver social services on behalf of the Government.

- **Support for people with lived experience**

\$5m in 2025-26 (\$10.1m/2 yrs) to continue services that support people with lived experience of mental illness and their carers, including the Victorian Mental Illness Awareness Council (VMIAC) and Satellite Foundation.

- **Maintaining regulation of disability and social services**

\$13.6m in 2025-26 (\$27.5m/2 yrs) to continue the operation of the Disability Worker Regulation Scheme through the Victorian Disability Worker Commission and the Disability Worker Registration Board, as well as the Worker Carer Exclusion Scheme administered by the Social Services Regulator.

- **Family violence risk assessment and information sharing schemes**

\$8.5m in 2025-26 (\$16.9m/2 yrs) to enable departments and agencies to support prescribed organisations to meet obligations under the Multi-Agency Risk Assessment and Management (MARAM) framework and Child and Family Violence Information Sharing Schemes, including for workforce training and change management guidance.

What's missing

- This Budget invests \$240m into supporting business and industry via the Economic Growth Statement, but recognition and support for the community services industry is notably absent from this agenda and meaningful investment into the sector is missing from the Budget. The community sector is critical to the economy and is one of the largest employers in the state, yet there is insufficient recognition of rising cost pressures facing community services, including superannuation guarantee increases from 1 July 2025. Investment in

social and community services – and “paying what it takes” to deliver safe, high-quality services – is vital for a thriving and inclusive Victorian economy.

- Long-term, strategic investment into the community sector workforce is lacking in this Budget. To strengthen the community sector and amplify the economic and social contribution it makes, the 2025 Budget could have invested in developing Victoria’s care workforce of the future. This funding is urgently needed as Victorian Government modelling indicates that over 83,000 new workers will be needed in the health care and social assistance workforce by 2026. We are not on track to meet that target, and strategic, holistic solutions are required. In our pre-Budget submission, VCOSS called for several workforce development initiatives, including:
 - Funding the development and first-phase implementation of a community sector workforce strategy, including funding to scope a Community Services Academy that would promote excellence in social service delivery via sector-led professional learning, governance and capacity-building programs.
 - Strengthening rural and regional workforces.
 - Supporting the supply of high-quality student placements across the community sector.
- VCOSS understands that the \$2.5m funding allocated to support community sector jobs in this Budget relates to indexation payments to match award wage increases from 2024–25 for a number of service providers in health and justice. These payments are critical to ensure the ongoing operations of the organisations that benefit. However, this Budget did not include a broad base funding uplift to “pay what it takes.” Existing funding levels for government-funded community service organisations do not cover the full cost of service delivery, which includes increases to wage-related costs as well as indirect costs such as safety and risk requirements and workforce retention measures. VCOSS continues to call on the Government to:
 - Adjust base funding to the community sector to reflect the full cost of delivering services, including specific allocations recognising increases to the superannuation guarantee, portable long service leave contributions and WorkCover premiums.
 - Commit to funding any award wage changes arising from the Fair Work Commission’s review of the Social, Community, Home Care and Disability Services Industry Award and other priority awards reviewed on the basis of gender undervaluation; as well as making funding available to organisations to transition to any new award structure.
- While this Budget includes much-needed funding to continue the vital work of organisations like VMIAAC and Satellite Foundation in supporting people with lived experience of mental illness and their carers, the funding allocated is short term. Long-term, sustained funding is

needed to support people with lived experience and embed lived experience leadership into the service system.

- While the Budget includes funding to support the important work of emergency services volunteers, there is no funding for place-based Volunteer Support Services or for the implementation of the Victorian Volunteer Strategy 2022–27. Volunteers are a vital part of the community and social services workforce, but the promotion, training and coordination associated with volunteering is costly. Failure to invest in volunteering represents a false economy as volunteers not only offset the costs of service delivery, but also contribute to social cohesion, address loneliness and social isolation, and create employment pathways.