

Value the community sector

SIGNIFICANT INITIATIVES

- **Supporting community sector jobs**
\$5.8m in 2026-27 (\$32.9m/4 yrs) across the Department of Government Services and Department of Justice and Community Safety for community service organisations that deliver social services on behalf of the Government.
- **Expansion of financial counselling services**
\$2.7m in 2026-27 for additional front-line financial counsellors to address geographical expansion of service delivery in line with population growth.
- **Strong Families, Safe Children: Restoring Families**
\$84.7m in 2026-27 (\$164.7m/2 yrs) to continue Restoring Families intensive family support services, to allow at-risk children to safely remain at home and prevent entry into more acute and statutory child protection services, through a range of early interventions.
- **Improving child safety by supporting an effective worker screening service**
\$16.8m in 2026-27 to the Social Services Regulator to continue to deliver its new regulatory functions including working with children checks and NDIS screening checks.
- **Communities and families information technology transformation program**
\$19.3m in 2026/27 (\$126.2m/4 yrs) to begin a phased modernisation of the digital systems that support services for at-risk children, young people and families.

WHAT'S GOOD

- VCOSS welcomes investments in supporting community organisations to continue to deliver relevant DJSC and DGS funded outputs including legal assistance and youth justice community based and custodial services; advocacy, human rights and victims support; justice policy and law reform; and prisoner supervision and support.
- VCOSS is pleased to see targeted early intervention and prevention investments to ensure the system responds appropriately to growing demand. This includes funding to expand the Family Preservation and Reunification program, which will contribute to community sector workforce growth and allow more at-risk children to remain safely at home. VCOSS also welcomes investments in family violence prevention and response, and continued funding for Sexual Assault Services Victoria.

WHAT'S MISSING

- Meaningful investment in sustainability of Victoria's community services industry is frustratingly absent in this budget. The community services industry is part of the largest employing industry – and the fastest growing – in Victoria, and a key driver of women's workforce participation with 79% of workers identifying as women. Organisations are struggling with increasing demand and new cohorts of Victorians seeking help for the first time, exacerbated by the rapidly rising cost of living, the housing crisis, the fuel supply crisis and the impacts of successive disasters in parts of the State. Funding for the community sector should fully cover the rising cost of delivering services (including costs to meet changing regulatory requirements, to ensure quality service provision with regular supervision and debriefing, and upgrades to IT, client management and other critical systems), and provide long-term security for services responding to growing and increasingly complex needs.
- Community sector workforce skills development and growth is largely missing from this Budget, notwithstanding the investment in the building of the Home and Community Care TAFE Centre of Excellence, and justice-specific investment for workforce. Healthcare and social assistance is the fastest growing labour market in

the Victorian economy, with over 90,000 new workers expected over 2025-28¹ and the current pipeline of new workers is not keeping pace with Government employment projections about the workforce needed to meet increasing demand into the future.² It is critical to invest in workforce skills development and capacity uplift now – across a broad spectrum of attraction, retention and leadership supports – in order to support sustainable workforce growth, retain experienced workforce and ensure that Victorians relying on these essential services can continue to receive effective support when they need it. VCOSS continues to urge the Government to:

- Fund the development and first-phase implementation of a ‘whole of industry’ workforce strategy
 - Introduce a funding model for community organisations hosting student placements, based on a ‘per placement day’ fee³
 - Provide financial support for students undertaking key community sector TAFE qualifications (such as the Diploma of Community Services) that are currently ineligible for the Commonwealth Government’s Prac Payment⁴.
- Whilst this Budget includes approximately \$154 million to strengthen cyber security and data protection across Victoria Police, health and education, there is no specific funding in these areas for the community and social service sector, despite the fact that services hold vast amounts of sensitive client data for some of the most disadvantaged Victorians. Moreover, long-term, strategic investment to strengthen innovation, collaboration and technology across the community sector is lacking in this Budget. Community organisations face increasing risk of collapse due to limited capacity to modernise systems, adopt digital tools and maintain cyber-resilience. Failure to invest in digital tools and data systems, and enable equitable access to modern technology, will result in inefficiencies and critical service loss. VCOSS

¹ Victorian Government, Victorian Skills Plan for 2025 into 2026, <https://www.vic.gov.au/victorian-skills-plan-2025-publication/5-victorias-growth-sectors-offer-many-skilling-and-employment-opportunities/51-victorians-can-find-good-jobs-various-sectors-economy/health-care-and-social-assistance-including-health-technologies-and-medical>

² Victorian Skills Authority, Employment Projections Dashboard 2025-35

³ This recommendation is based on findings from VCOSS’ 2025 insights paper ‘[Supporting high-quality placements in the community services sector](#)’, developed in partnership with the Department of Families, Fairness & Housing.

⁴ As above

continues to call for a \$20 million Community Sector Digital Capability and Innovation Fund to support digital uplift and capability development across the sector.