

COMMUNITY SERVICES SECTOR — FUNDING

Motion

HON DONNA FARAGHER (East Metropolitan) [10.23 am] — without notice: I move —

That this house —

- (a) recognises the invaluable contribution made by the community services sector in providing critical support and care to Western Australians every day;
- (b) acknowledges that with ever-increasing cost-of-living and other pressures impacting individuals and families, the sector is facing unprecedented demand for both emergency relief and other essential services; and
- (c) calls on the Cook Labor government to provide an immediate significant uplift in funding to support the sector.

I seek to achieve two things by moving this motion today—firstly, to acknowledge a sector that is very much doing the heavy lifting right now across our state, supporting many Western Australians who are experiencing severe hardship and challenge across a range of fronts. Secondly, what I am seeking to achieve and what this motion calls upon is that the now Cook Labor government recognises the unprecedented demand and pressure that is being placed on community service organisations and supports them to enable them to continue to do what they do best, supporting the most vulnerable people in our community and those who need a helping hand. To preface the motion, it is important that I give some background. Across WA we are fortunate to have hundreds and hundreds of community service organisations that support the community in a variety of ways. The Western Australian Council of Social Service, the peak body for the community services sector, represents around 240 community service organisations and around 500 organisations that are involved in the provision of community services in one shape or form. Of course, other organisations, both large and small, across the state might not be members of WACOSS; nonetheless, they provide critical care and support for Western Australians every day—organisations such as those that are represented by Linkwest, neighbourhood centres, community centres and community resource centres that are also increasingly supporting individuals and families in similar ways to those I will outline as part of my discussion on this motion.

The community needs these organisations now more than ever. Western Australians across the state are hurting. People are going without. People are living in their cars. Many are seeking support for the very first time in their lives. The impact of those pressures is being felt by both individuals and families. According to the *Foodbank hunger report 2022*, over two million Australian households experienced severe food insecurity in the past 12 months, with the rising cost of living being the single biggest reason accounting for some 64 per cent, and WA is certainly not immune. A media statement by Foodbank just last month states —

The skyrocketing cost of living is pushing many people into poverty and is forcing people to make impossible decisions each week about whether to pay a bill or put food on the table.

Cost of living pressures have seen a 47% growth in demand for Foodbank WA services in May compared to May last year. This is a trend we are seeing each month.

Foodbank WA now have over 14,332 households registered and have access cards to Foodbank representing over 35,000 adults and children.

This May alone, Foodbank WA provided 925,718 meals.

...

Single parents are some of the hardest hit, with 37% of single parent families experienced severe food insecurity in the last year, skipping meals or going whole days without eating.

Foodbank WA recently saw 1,040 households come through their network of six branches in one day, an unfortunate new record broken for the state.

I repeat: that was a new record broken for the state.

Pressures that are being felt by Foodbank are not isolated. It is occurring across the sector. According to Vinnies WA, which I visited just a couple of weeks ago, in February this year the number of people seeking help for the very first time had increased by almost 50 per cent compared with February last year. These are new clients to Vinnies who have never sought emergency relief assistance before for food, petrol and clothing. According to documents provided to me, in that month alone Vinnies supported more than 2 500 families with 2 300 hampers, food vouchers and other support measures. Its emergency relief line received more than 4 600 calls, which, according to Vinnies, exceeded its capacity to assist. These figures were from back in February but, sadly, the situation has not changed.

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A similar trend can be seen through the emergency relief and food access service, which is supported through the financial counselling network. That service was launched back in April 2020. It is designed to provide an easy access point for individuals who are seeking emergency relief to be put in touch with local emergency relief providers. In March this year, the service received 3 469 calls, which is a 52 per cent increase from March 2022. The service supported 1 578 callers, and 1 299 clients were provided with 1 511 emergency relief pathways. Between February and March, there was a 28 per cent increase in clients supported. Notably, there was a 43 per cent increase in employed clients seeking assistance compared with the previous month. A further 279 individuals were supported with local emergency relief and service referrals such as housing, bond, furniture or bills assistance. That was outside the emergency relief eligibility. We also know that financial counselling services are really stretched at the moment both in the number of clients who are attending services or seeking support and in the complexity of cases that are being presented to financial counsellors.

Across the board, as the shadow Minister for Community Services, no matter whom I am speaking with—whether it is peak organisations, community service organisations or individuals—the increase in demand for emergency relief, financial support and crisis assistance is unprecedented in this state. The figures I have outlined from just a couple of the non-government and charitable organisations working across this state show it. They are reflective of a number of comments that were made even just a couple of weeks ago when I attended the launch of the Red Shield Appeal in support of the Salvos, who do an amazing job right across the state. As I said at the beginning of my contribution, these organisations both large and small, are absolutely doing the heavy lifting. They need support and they need to feel valued. I often say that if, today or tomorrow, the non-government or charitable sector was to walk away and no longer assist the most vulnerable in our community and that was left to government, government—irrespective of whether it was a Labor or a Liberal government—would collapse. It simply would not be able to cope with all the things that the community service sector currently provides and does for the most vulnerable within our community. Because of that, the community services sector needs to be strong and it needs to be strong now more than ever. It also needs support. It needs support from government. The general response from the sector and from individual organisations when I meet with them however is that they do not believe they are getting enough support right now. They do not always feel that they are getting true recognition for the invaluable role that they play every day.

Earlier this year, the Western Australian Council of Social Service and the University of Western Australia through its business school released the findings of its *2022 Sustainable funding survey report*. There were 87 community service organisations that responded to the survey. It examined funding, the extent to which demand was being met, the impact of contractual arrangements on administration and it examined the decisions that are subsequently being made in response to these issues, including the ability to respond, the impact on staffing and the ability to further invest and expand. The results are extremely disturbing. Some of the key findings from the report include —

2. Short-, medium- and longer-term sustainability of social services is under threat in Western Australia due to a lack of appropriate commissioning approaches and inadequate indexation of contracts.
3. Funding inadequacy was reported across ALL government funded contract service areas ...
4. 53% of respondents could not meet service demand in 2022.
5. 78% of respondents reported staff burnout.
6. 40% of respondents reported that they had reduced their operations in order to survive in 2022 thereby reducing services in a time of increased demand.

In 2022, services were reduced using the following strategies: turning people away, referring people to other services and reducing operations due to indexation. Waiting times were increased, waiting lists were closed, face-to-face time was replaced by online services, services were targeted to smaller groups of clients and there was more group work or increased sizes. In addition, 72.9 per cent tried to find more funding. Of great concern is that 73 per cent of respondents said that they intended to reduce their services and 65 per cent foreshadowed that they would reduce their employee hours in 2023. What does that mean? It boils down to that if the capacity of these organisations to provide services continues to be reduced, not only are they—the community service organisations, the staff and the services that they provide—directly impacted, but quite obviously so are the individuals and families whom they are seeking to support. The report states in its concluding remarks —

... the real risk associated with service delivery contraction is borne by service users—vulnerable people and communities who need support and services. Unfortunately, the nature of reductions in service delivery are such that unmet need can go unnoticed as demand is based on funded activity not on identified need. Inadequate funding outcomes are very likely to be resulting in people and communities not receiving what they need to live their lives.

The final statement reads —

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Overall, the results of the WACOSS State Sustainable Funding Survey are very worrying and the key indicators of risk, including staffing challenges and service reductions must be taken seriously.

Earlier this year, the opposition called on the then McGowan Labor government to provide an immediate funding uplift boost to charities and not-for-profit organisations that are filling the gap right now. At the time, that call was ignored by the government. I have no doubt that members of the government will again reiterate today that, in the most recent budget, an additional \$137 million will be delivered in this coming financial year to index funding for services delivered by community service organisations. I accept that, but it is not enough. That is being said by not only me as the shadow minister but also the sector. The statement released by WACOSS on the day of the budget said about community service organisations —

... we are concerned there is a lack of investment in community services to provide the ongoing assistance households will need as this situation continues.

“The community services sector—which already operates on a shoestring budget—is in desperate need of extra funding, to continue to deliver essential services and supports to people in the community who are doing it tough, and retain and better pay the workforce who are predominantly women.

I am consistently being told this. The fact is that the government can do something. The government’s own indexation policy for the non-government human services sector reflects that variations can be considered in “extraordinary situations”. Those are not my words but those of the policy. I am not using the word “extraordinary”; that is what is in the policy. I would argue that we are in an extraordinary situation.

The clear view from across the sector is that indexation policy more generally is no longer fit for purpose, it is inadequate and it needs immediate review. The current indexation policy has allocated an increase of 4.11 per cent for 2023–24. However, if we look at in the context of the modern awards that are approved by the Fair Work Commission, we see that over the past two years it was 4.6 per cent and 5.75 per cent respectively. This also follows the Perth consumer price index increasing. Taking the figures in both 2021–22 and 2022–23 as well as the forecast, that is also likely to increase at the next budget update. Obviously, the current levels of indexation provided have not kept pace with cost pressures. Any reduction in funding creates significant gaps in the delivery of essential services, and that is having a real impact on the most disadvantaged and vulnerable within our community. Other states are aware of this issue. I understand that Queensland, for example, has adopted an indexation policy that is tied to increases in the modern award, rather than the wage price index growth that WA uses. It has applied an indexation rate of 5.63 per cent. That is above what WA has provided. As I say, the government’s own indexation policy reflects that variations can be considered in extraordinary situations. As I understand it, as a general rule, the government has so far chosen not to do that. Because of that, according to those who have provided the information to me, WA is now facing a shortfall of around 5.41 per cent over the past three years.

The sector and the organisations that work within the sector are very clear in their request that the policy and the model needs to be reviewed. It does not need to be reviewed in a few years’ time or even next year; it needs to be reviewed now. That is in line with priority 4 of the *State commissioning strategy for community services — Implementation plan 2022–2024*, which is headed “Supporting a sustainable system for commissioning community services”. In part, it states —

The COVID-19 pandemic has highlighted the need for flexible models that enable both government and the community services sector to respond quickly to change. Increased demand as a result of COVID-19 has sparked requests to consider additional funding for community services.

The strategy continues —

To address this priority, reviews of sustainable funding options and demand funding considerations will be conducted, along with implementation of trials of innovative pricing solutions in collaboration with line agencies and the community ... sector.

I put to the government that this strategy specifically references COVID-19, but it is not just COVID-19 now. That is not the only thing that is being faced. It is everything else. It is all the things I have already raised at the beginning of the contribution that I make today.

In concluding my remarks in speaking to this motion, I implore the government in good faith to recognise that the sector is doing much, much more with a lot, lot less. It is facing unprecedented demand for its essential services—for crisis support, financial support and emergency relief. It has been working at more than capacity for at least the last couple of years. Sadly, the challenges that the sector is currently facing are not lessening. That impacts the sector, but, most importantly, it impacts the people it is seeking to care for and support. It is not lessening; in fact, it is getting worse. I know that; everyone here knows that. The government knows it. The new Premier and his government have an opportunity and an ability to respond positively to the sector’s request. They have an ability

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to respond, given the massive surplus about which the government members on the other side of the house are all too proud to boast.

President, this motion has been moved today on the last day before we head into the winter recess. It has been pretty cold the last few days, but we are heading into the real heart of winter. This is a really, really difficult time for the community services sector and the individuals and families it is seeking to support. I ask, through moving this motion, which has been moved in good faith, that the government responds positively and supports this motion.

HON STEVE MARTIN (Agricultural) [10.44 am]: I rise to make a contribution to this excellent motion moved by my colleague Hon Donna Faragher. It is good to have her back in the house. We have heard from Hon Donna Faragher the broadbrush of what is confronting the community services sector, and I thought I would give one example in which we can see exactly the impact it is having on a small community service provider. Before I get to that, as Hon Donna Faragher said, we absolutely should recognise the vital contribution that this sector makes to the state. If the sector suddenly backed away for whatever reason, it would be catastrophic. Even if one or two services backed away in one or two small regions, the impact would be very significant, so we in this place should certainly value the enormous contribution that these individuals, not-for-profit organisations and businesses make.

I refer to Esperance Care Services. Hon Shelley Payne and Hon Darren West have probably visited Esperance Care Services. Its CEO, Chris Meyer, and his team run an outstanding business—not a business; an outstanding service—for the people of Esperance and that broader south coast region. It started in a shed or a glorified garage with a card table and a really good idea in 1996, and it now encompasses approximately 50 volunteers, some full-time staff, and a very, very passionate board and group of people. It is a faith-based organisation that pretty much provides this vital service on its own in Esperance. I spoke to Chris yesterday afternoon, just to check how they were travelling. As we heard from Hon Donna Faragher, the sector is under enormous stress. It is groaning under the increased workload. Chris reported that in the first four months of 2023, demand for emergency relief in Esperance was up 63 per cent on the previous year. An increase in demand of 63 per cent in a country town like Esperance is an extraordinary number. He informed me that Esperance Care Services is seeing more elderly people, particularly women and particularly people on a pension. It is seeing the first signs of mortgage stress, impacting the services it provides. As most members will be aware, during the COVID pandemic, there was a spike in reports of domestic violence. Alarming for Chris, that has not gone away, at least in the services that Chris is providing and the calls his team is getting. Unfortunately, that spike has pretty much stayed at peak COVID levels. Everyone, including Chris, thought that would be a brief but unfortunate blip. Unfortunately, it seems to be fairly persistent.

One thing that Esperance Care Services provides is a lovely op shop. It is more like a Kmart; the amount of gear they have in there is extraordinary, and that helps the service to set up homes. It can quickly deploy bedding and clothes and furniture if someone needs emergency relief. The op shop also provides some of the very valuable funding that the service needs to keep that business afloat. Esperance Care Services provides food vouchers, which are always very welcome, and it tries to provide some sort of access to housing. Apparently, at the moment in Esperance, accessing housing is impossible. There is just nothing at all. Private rentals almost do not exist, and access to social housing is very, very tough. That is a common issue right across Western Australia, as we have heard. Esperance Care Services has recently purchased another building, which is exciting, to set up what will basically be a low-cost supermarket. It will be a food bank of sorts for the Esperance region. That will provide a great service for those people who struggle to meet the weekly shopping bill. We have all seen that the price of the weekly shop has gone up in the past 18 months, and that is impacting on providers like Esperance Care Services and right across the community services sector.

Another interesting point that Chris was very keen to stress to me, and I think we hear this from right across the sector—I spoke to Anglicare representatives recently and they stressed this as well—was the impact on the team during the period of COVID and subsequently the start of this year when, as we have heard, demand had increased by 63 per cent. The impact on staff has been significant. There are enormous levels of burnout in the volunteers whom services absolutely need to stay afloat, and paid staff are working longer hours. It is a stressful place. Some of these community services deal with people in some very tough circumstances presenting at their front door. Chris is nervous about what the next 18 months to two years will look like with the level of burnout that he is seeing in his team. The service gets some government funding, as almost all the community sector does. Obviously the service could do a better job and provide more services to meet that 63 per cent uptick in demand if it were better funded. To follow on from Hon Donna Faragher's comments, we know there is a need, we know the demand for services has grown enormously in recent years and the government needs to seriously consider how services such as Esperance Care Services and dozens of other services around Western Australia can meet that 63 per cent increase in demand for services with the same contracts that they have had for some time. If there are extra funds, it would be a very useful home for them.

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I want to briefly refer to the housing situation more broadly. This morning we tabled the eighty-eighth report of the Standing Committee on Estimates and Financial Operations, *Funding of homelessness services in Western Australia*. It is a lengthy document that I commend to members. It took a long time to put together. During the compilation of the report we heard from a number of community service providers about how it is hard to obtain housing at the moment. We heard from Centrecare Geraldton, which operates the Geraldton Housing First service, that effectively the state is trying to deliver the Housing First service without any houses. That makes the task of organisations such as Esperance Care and Centrecare Geraldton and all the other providers very tough at the moment. It is weighing hard on those services. We heard from the Salvation Army. I will briefly quote from the report what the Salvation Army said —

In Karratha, our staff are reporting a five-year wait for housing. The Salvation Army's family and domestic violence service in Karratha is a short-term crisis service, but because of the housing crisis women who should only be staying for 6-8 weeks are now staying for 6-12 months and are sometimes living in hotel-sized rooms with 2-4 children.

As we heard from Hon Donna Faragher, this motion was moved in good faith. It is intended to be constructive and suggests that the government needs to provide a significant uplift in the amount of funding to this sector. That is obvious. Members out and about in their communities will be hearing exactly this story told over and over again. Services do not have the resources to deal with the increase in demand and their staff and volunteer base have had a very tough two or three years and are struggling, the contracts they have been attempting to work through for probably over a decade are continually rolled over and there is no uplift in funding for changing circumstances or an increase in demand necessarily, or the ability to try something new. All those issues could be addressed in that recommissioning process that the Department of Communities is doing. I hope that it does it very, very quickly. As we heard earlier, we are going into the heart of winter and it is a very tough time for all the services due to cost-of-living increases and interest rates going up. Demand is not going away; in fact, we absolutely know that it is increasing. Therefore, anything the government can do to address this situation would be gratefully received by people like Chris at Esperance Care Services.

HON DR STEVE THOMAS (South West — Leader of the Opposition) [10.54 am]: I am grateful for the opportunity to make a few comments on the excellent motion moved by Hon Donna Faragher, who has risen Lazarus-like to rejoin us in the chamber—much to the relief of many of us.

Hon Darren West: Member, I think you'll find that Lazarus was Donna Faragher-like!

Hon Dr STEVE THOMAS: Yes. Fair enough, too. If people knew the high esteem in which this side of the house holds Hon Donna Faragher, they would absolutely make that comment.

Hon Darren West: Both sides.

Hon Dr STEVE THOMAS: Both sides—well. Acting President, it a lovefest on a Thursday morning, which is incredibly unusual. I am not even going to change that particularly with my contribution, so maybe it is me who should be described as not necessarily feeling on top of the world!

It is a very important motion. It is so important that in February, following the change in leadership of the opposition, it was the first thing that was addressed and the topic of the first media release that went out. For members who are not aware, the opposition called for the government to increase funding to the community sector by \$150 million in the 2023–24 financial year and another \$150 million in the 2024–25 financial year so that the community sector would have better capacity to look after the most vulnerable Western Australians. We think there is still time—there is a week left before the beginning of the 2023–24 financial year—for the government to step up and put some additional funding into that sector. We like to make sure that we are being positive and helpful during our Thursday morning debates.

Why is this critically important? I will focus in particular on part (b) of this motion, which deals with cost-of-living issues, because it is absolutely an issue for many Western Australians, many of whom are facing the issue of increases to the cost of living for the first time. We often simply think that places that provide support such as the Salvation Army and Foodbank et cetera—I do not want to start a list because I always forget somebody—support people without employment, but more frequently these days they are supporting people who are employed but still struggling. It is a difficult process that they have not found a solution to. Whether or not one calls that group of people on low incomes the working poor, which is an expression I have not always been fond of, a person on a pension is getting up to \$30 000 and there are employed people making not much more than that. That group of people particularly struggle with housing costs as well. I know Hon Steve Martin raised that issue. I have always taken the view that people on low incomes who own their own house have a chance, but it is very hard to see how those who do not can survive because it is very difficult environment. It does not matter whether a person is a renter or a mortgage holder because either way they are ultimately paying inflated housing costs as interest rates rise.

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It has been very easy for everybody to blame the Governor of the Reserve Bank of Australia, Mr Lowe, for interest rate rises. I find it quite amusing. Let us have a very brief look at what goes on here. Every country in the world, including Australia, printed massive amounts of money during the COVID crisis. We call it quantitative easing. There were trillions of additional dollars around the world and billions and billions of extra dollars in Australia. Guess what? That propped up the economy. We have politicised the process of cost delivery to a point at which no-one is allowed to struggle anymore, so when the government threw the money out there during the COVID crisis, people had more money and they spent it. Funnily enough, that is exactly what countries have done when they have had cost-of-living crises previously, including Germany post World War II and Argentina. There are many more famous examples—Zimbabwe. When governments print hundreds of billions of dollars of extra cash, it circulates in the economy. When COVID disappeared, there was all this extra cash circulating in the economy. The Reserve Bank is trying to take some of that extra money out of the economy. How does it do that? It does that by raising interest rates. There have been 12 interest rate rises over 13 months, and I suspect that it is not finished yet. Funnily enough, the Reserve Bank is doing its job. There are alternatives to that, but nobody likes them because the whole point is that we have to take cash out of the economy.

For example, taxation could be increased or more cash could be shifted into superannuation. Of course, the problem with that is that as it is shifted into superannuation, guess what those superannuation funds are doing? They are spending and investing it. In many circumstances, superannuation can drive up inflation as well. If it is put into taxation, that is all well and good, but if the government spends on infrastructure, that also drives up inflation. Dare I suggest that if governments were raising taxes, they should be doing it to actually pay off debt. However, I know that is a tricky subject. Any increase in taxation is not likely to be met with a popular response in the community. Funnily enough, when we talk to people about the issue of taking money out of the economy, we tell them that their choices are effectively for it to be taken up by the government through taxation to pay down debt or that it could be given to the banks. Everybody goes “Let’s give it to the banks because we don’t like government”, even though the government represents the people. That is the economic argument that we have to address.

There are the working poor—again, I do not like that term—struggling to keep a roof over their heads and put food on the table. The government’s response to that has been at least visible. It has put out an electricity credit three years in a row to assist people who pay electricity bills. I acknowledge and recognise that each time it has come out, I have welcomed it. I do not think it is the most efficient version of what the government can do and I think there are alternatives, but I want to acknowledge that the government is doing something about the cost of living. Those measures help. However, the government can also give greater support to those frontline workers dealing with that group of people, whether they are unemployed or cannot work, on a pension or on such a low income that it is really not much better than any of those aforementioned circumstances. That is absolutely the case. That is why we call for additional funding to this sector. There is no doubt that the sector is calling for more support. It is struggling to provide the level of support needed for the most vulnerable. It is interesting that although electricity credits help everybody, and help many, but not all, of the most vulnerable, it is certainly not a targeted response. I know that it might be populist to go “Everybody who has an electricity account gets a credit” and that is great. I imagine that everybody here pays at least one electricity bill. We all get credit on our incomes and everybody likes that. However, is that the most efficient response to the cost of living? I suspect the answer is that it is not.

The group of people wondering how to put food on the table tonight might not be big electricity users. There were people who took six or eight months to actually use the amount of electricity covered by the \$400 credit. It was pretty useful, and that was well recognised, but it will not put food on the table tonight. However, some of the community organisations that put food on the table are struggling to do so. The motion put today by Hon Donna Faragher is an attempt to look after the most vulnerable cohort of Western Australians and is critically important. It looks to support the people who are trying to pick up the pieces. Hon Donna Faragher is absolutely right—not that I would be courageous enough to disagree with her. Without that cohort of, for the most part, volunteers out there supporting the most vulnerable in our community, the government would be completely unable to meet that need. Governments, be they Liberal or Labor, are generally fairly inefficient at delivering services at the best of times. They certainly could not meet the needs of this vulnerable cohort.

The service provided is absolutely critical and is needed now. I do not expect the inflation rate and consumer price index to get a lot better in the near future. There will be a couple of years of this. This government has had \$30 billion worth of surpluses in the last two years, plus the forward estimates—I had to get that in some way. It is rich. It can better look after the people of Western Australia who are not. I know that there is always competition for government expenditure, but this is a good motion from Hon Donna Faragher and it deserves serious consideration. The government can step up under the current circumstances and do more.

HON SUE ELLERY (South Metropolitan — Leader of the House) [11.04 pm]: I thank Hon Donna Faragher for bringing this motion to the house today. Apart from anything else, it gives us the opportunity to acknowledge the work that is done by the not-for-profit community sector across Western Australia. One of the pleasures of all

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three of my new portfolios, but primarily in finance around the commissioning strategy and in commerce around consumer protection matters, is that I deal much more regularly with peak bodies than I used to in my previous portfolios. I am working with people I have known for a very long time and for whom I have a great amount of respect. That is a pleasing part of my portfolios. However, it means that I regularly hear from them about the kind of pressure they are under. I want to acknowledge the work that they are doing.

There has been a combination of things. We are living in a post-COVID-pandemic economy and have experienced 12 interest rate hikes in Australia over the last 14 months or so. That has put real cost-of-living pressure on Western Australians. I accept that those organisations are providing services to a growing and changing demographic of people. What I do not accept is the proposition put by Hon Donna Faragher that they are doing more with less. I accept that there is an argument that they are doing more for a different demographic, but it is not the case that they are doing it with less. In fact, our government year on year has increased funding to support the work that these fantastic organisations do.

Members right across the chamber will have their own local organisations that they assist. In my neck of the woods, we regularly collect non-perishable foods for Foodbank of Western Australia and other organisations, particularly around Christmas time. The RSL, local State Emergency Services and other frontline services do a great Santa run for toys at Christmas time. All the local members contribute to that. That was a collaborative effort started by Ben Morton and me and it has extended to all the members around my electorate office in Willetton.

I want to talk about the funding that the government has provided to this important sector and recognise that it is also one of the most significant employers in Western Australia. Our government invests around \$4 billion a year in community services. The Department of Communities alone provides around \$1 billion annually to support vulnerable clients. That is across community services, homelessness support services, early intervention and family support services, preventing and responding to family and domestic violence, arrangement and support for services for children in the CEO's care.

I also wanted to touch on the proposition flagged by Hon Donna Faragher about indexation. I think it is important to understand its history. Community services receive guaranteed additional funding each year under the non-government human services sector indexation policy. The policy was based on CPI, but back in 2019 the sector came to government and said that it wanted to change that. The model that Hon Donna Faragher described is the model that the sector asked the state government to put in place. It wanted a blended rate of 80 per cent wage price index and 20 per cent CPI. That generated an increase in funding to community services of \$30.2 million over the four years from the time of the model change to indexation that the sector requested. It is important to note that if we had not done that, there would have been a significant gap in its funding because of where CPI was at the time.

It is also the case that in 2022–23, a one-off funding boost was provided to the indexation rate in light of immediate cost pressures being faced, with an additional \$48.1 million being provided to the sector. We previously provided several funding increases, including \$82 million from 2019–20 to support the sustainability of contracts awarded prior to the 2012 Fair Work Equal Remuneration Order, which the honourable member referred to as well. An additional \$27.6 million was provided in 2021–22 and 2022–23 to ensure the continuation of really important community services, including through the COVID-19 recovery period. It is worth noting the community services sector was further supported during COVID with an additional \$30 million.

We are in an extraordinary period in our economic history. There is no question we have a strong economy, but the range of factors that I have referred to means it is a difficult period for many. We are doing whatever we can to make it easier for people by providing cost-of-living support measures to families across Western Australia. In the most recent budget, our commitment to keep the household basket of fees and charges low is not to be sneezed at. Budget paper No 3 sets out the component measures that make up that basket of household fees and charges and limit the increase to 2.4 per cent from 1 July this year. This is the fourth consecutive year that the basket of household fees and charges have been kept below inflation. When including the \$400 electricity credit, the household basket will be lower in 2023–24 than it was in 2018–19. The rises are well below the projected inflation rate and in stark contrast to the double-digit increases in electricity prices experienced on the east coast.

It is worth noting that the electricity price increase is up by 25.7 per cent in Sydney. Under what government might we have seen double-digit electricity price increases recently, I wonder? Can anyone remember? I think it might have been under the Barnett government, and it might have been year on year on year on year! We made deliberate decisions not to repeat that. We made sure our budget included the \$400 energy bill relief to ease the cost of living, and provided additional support to those most in need, with \$826 of total support available for around 350 000 of the most pressured households eligible for the energy assistance payment. In addition, the hardship utility grant scheme payments will be increased by 10 per cent for those who are in financial hardship and unable to pay their utility bills, with grants of up to \$640 per household or \$1 060 for households in the north of the state. An additional \$20.7 million was added to the successful regional airfare zone cap scheme so that people living in regional

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Western Australia could fly to medical appointments—or whatever they needed to do—at a capped price. Public transport is free on the first Sunday of every month. The seniors cost-of-living rebate increased in line with inflation at a cost of \$15.6 million. As I said, the budget continues to keep fees and charges low. Electricity prices are much lower than the double digits seen on the east coast. Small businesses across the state will also receive a credit of \$650 on their power bills. There are a range of other measures, including the free flu vaccines for all Western Australians that has been available for two months now, and capping public transport fares to two zones to make travel across our suburbs cheaper.

In the time I have left, I will talk about something that is unique to Western Australia. We are the only state where Lotterywest is not required to give money that it raises through the sale of lottery products back into consolidated revenue. The money that Lotterywest raises through the sale of its lottery products goes to supporting community organisations across Western Australia. In 2021–22, \$323 million in grants was provided back to the WA community, supporting 428 organisations. Last year, former Premier Mark McGowan announced that funding to crisis and emergency relief support will nearly triple to \$30 million for the next two years to address increased demand. Grants will also support people on low incomes not familiar with receiving support and not in a system—picking up that new demographic of people—address rental and mortgage stress, and an escalation in costs, such as food, fuel and utilities. It is the case that more families are under pressure because of a range of things, not the least of which is 12 interest rate rises. It is not the case that those organisations providing them with support are doing it with less.

In this year's budget, my portfolio increased funding for the tenancy advice and education service to rebalance funding after the previous government reduced the funding to this service by 25 per cent back in 2016. We increased the funding in that little organisation alone, to provide services in 16 community legal centres across the state to help those seeking assistance with tenancy matters. In 2022–23, \$12.6 million in crisis and emergency relief has been paid to 127 organisations through Lotterywest. Further grants are under assessment now. Some of the recipients of those funds include: Red Cross; St Patrick's Community Support Centre in Fremantle, which does a fantastic job; the Western Australian Council of Social Service; Uniting Care West; Southern AgCare; Waroona Community Resource Centre; Multicultural Services WA; and Anglicare. It is not the case that the community sector—that does a fantastic job—are doing it with less. I accept they have got an argument and they are advocating for more. I do not dismiss that. I do not accept the proposition put by Hon Donna Faragher that they are doing it with less. I agree that they are asking for more and that the demographic that they are looking after and the number of people seeking assistance continues to grow. It is not the case that the McGowan and Cook governments are not providing them with additional funding, because we are. We have demonstrated time after time that we will listen and adjust our funding. We did it: when they came to us in 2019 and said, "This indexation model is not working for us, we need to change it," we sat down with them, we worked through the issues, and we changed it. We continue to work with them and listen to the issues that they raise, adjust our policies in partnership and collaboration with them, to ensure that they are able to meet the needs that are turning up at their doorstep every day. They provide essential work.

Hon Donna Faragher is also correct when she makes the point that no government could operate and provide the level of service that is required by our community if we did not have organisations like those in the sector. I have long held the view that it is not the case that the only adequate governance and risk-averse policymaking happens in government. I do not accept the proposition that the not-for-profit sector is not able to adapt, adapt early, change their policies, and advocate for government to do things better, based on the essential services that they are providing to people every single day, 24 hours a day, seven days a week. They are doing a great job. We can always do better and work more closely with them to ensure we are supporting what they do. It is not the case that the Cook or McGowan governments have not continued to increase funding year on year to the community sector. We have, and we will continue to do so.

HON NEIL THOMSON (Mining and Pastoral) [11.19 am]: I appreciate that the government has acknowledged the challenges, and that is important. Certainly, the cost-of-living challenges in the regions of Western Australia are magnified by additional challenges such as transport issues, as we saw after the floods in the Kimberley, and the massive increase in the price of fuel. That has really hit the bottom line of some of the not-for-profit groups I have spoken to in recent times.

I was not here for the earlier discussion, so I can only go on the recent comments made on this motion, but paragraph (b) is not about attacking the government on this. We are not suggesting that funding streams have not been made available to not-for-profit organisations. I will comment a bit on that because I have had some feedback. Paragraph (b) states —

acknowledges that with ever-increasing cost-of-living and other pressures impacting individuals and families, the sector is facing unprecedented demand for both emergency relief and other essential services ...

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That is really the key. I understand the argy-bargy across the chamber, and I hope that does not happen today, but the fact is that we can all agree with paragraph (b); there has been a massive increase in the cost of living. I acknowledge some of the measures in the budget to address government costs and charges to alleviate the cost-of-living pressures. The point is that there are other pressures—for example, the cost of fuel, the general rate of inflation in Western Australia and the cost of labour. The cost for not-for-profit organisations to get people into regional communities has not been spoken about, but it is very difficult for them. I do not know the most recent outcome, but I know that the women's refuge in Broome was at serious risk for a while because of the inability to find accommodation for the manager. This is the reality for a lot of organisations. The cost of rental accommodation in some regional towns is incredibly tight. We have seen a massive escalation in rental prices in recent times. It is very hard for community sector organisations to attract people, who are often on salaries that are much lower than those in the general sector.

The community sector plays a vital role in community harmony and in delivering those important services that are not always best delivered by government agencies. We have already seen some of the challenges in the Department of Communities. I do not have to go into this, but I have said many times that I do not think combining the Department for Child Protection and Family Support and the Department of Housing has really worked. I think we have ended up with a massive agency that is just dysfunctional to be frank. That is my view. We can disagree in the chamber, but it is an important discussion that we need to have. We need look only at some of the statistics to see some of the challenges with family violence in the regions. I have mentioned women's refuges and their important intervention services, and I know that some excellent groups in our regions work with men who have a history of family violence. It is important that we have intervention services, particularly for those people who come out of incarceration, and a process by which we can try to rectify some of those terrible behaviours.

I am putting a specific focus on the regions. Whether they are church-affiliated groups or just community organisations, they all play a critical role in the things that I have mentioned, including housing. It is important to find good housing. I was in Port Hedland the other day and I was very saddened to see that people are still living in cars. The Department of Communities still has housing stock that has not been refurbished in the way that it should be. I know that being in government is tough, and it is the job of those on the other side to highlight these things and put a different perspective on it. There are opportunities to leverage the community housing sector in a greater way than we have done. Maybe one of the opportunities for the Cook Labor government is to provide an immediate significant uplift in funding for the housing sector. We have seen the inability of the department of housing to deliver new housing. It cannot get the trades or the contractors to get those houses built. Hon Steve Martin has spoken at length on this issue. I know there are huge opportunities around leveraging assets. It is something that I thought was a great idea and started when the Liberal–National government was in power and there was a bit of a step towards it. Maybe it did not go far enough, but there is a chance to revisit it and leverage the community housing sector. We know that when people have that asset, they can access other funding sources that the state government cannot provide. Those sources also have the ability to work separately from the normal procurement processes that might otherwise occur in government, which can be quite complicated for a whole range of reasons, and more rapidly deliver emergency housing. We have seen that happen with some of the temporary housing in Fitzroy Crossing with the buildings in the humanity hubs. I am the first to support the government when it does something creative to get people back into their homes. That is important. But we are also seeing some massive problems in making sure all those people are returned to their homes, notwithstanding some of the challenges, which I also accept.

I think this is an entirely reasonable motion. It is more than entirely reasonable; it is a very laudable motion. We should strongly stand in support of the motion that my colleague Hon Donna Faragher has moved. I recognise the invaluable contribution made by the community services sector in providing critical support and care for Western Australians today. As members know, the Joint Standing Committee on the Commissioner for Children and Young People presented its important report, which I encourage people to read and follow through on. It is a bipartisan committee and members were incredibly supportive of each other as we met a significant number of community services sector organisations and discussed the issues around nutrition. Again, those organisations play a vital role. They fill in the gaps that the government cannot fill. I am not saying that the government should have to fill in all the gaps; in fact, it is not the role of the government to fill in the gaps all the time. We should put more emphasis on, and really promote, long-term funding for those groups. That is the point I want to make.

HON COLIN de GRUSSA (Agricultural — Deputy Leader of the Opposition) [11.29 am]: I, too, rise to contribute to the motion moved by Hon Donna Faragher and, in particular, to paragraphs (a) and (b) that recognise the invaluable contribution that the community services sector makes and acknowledges the cost-of-living pressures. I am sure that everyone in this chamber has interacted many, many times with those community service organisations in their electorates and around the state over the years, as have I. I am really proud of the work those people do to look after the most vulnerable people in our community in their time of incredible need. Of course, that sector depends not just on funding. I know that in her reply the Leader of the House said that the government has continued to increase funding, which is great, but it is incredibly dependent on volunteers. As we know, volunteers are getting

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harder and harder to come by in whichever sector it is, whether it is the community services sector or firefighting, for example. A big challenge that the community sector and society in general faces is how we can encourage more people to volunteer so that we do not burn out those who are already there. Some time ago I had the pleasure of visiting the Foodbank of Western Australia in Geraldton. I am sure many members would have visited that fantastic facility in Geraldton.

Hon Dr Steve Thomas: And Bunbury.

Hon COLIN de GRUSSA: And Bunbury. There are Foodbanks everywhere, of course, and members would have visited many of them. I noticed how hard the volunteers at that organisation were working to keep up with the ever-increasing demand at that time. I take my hat off to all those people for the work they do in the difficult situation they are in.

I am sure that other members have taken the time, as I have done in the past, to go around in a soup van and deliver meals to those who cannot put food on the table. It is important to recognise that there is a stigma associated with providing those sorts of services to people and there is a perception about who the needy people might be. The people in our community in those circumstances are often not who members would expect. That stigma needs to be broken down. Members could drive past the most immaculate and well-kept house in the street yet go to the soup van that night and find that the person who lives there cannot put food on the table for whatever unfortunate reason; they may have lost their job. We need to recognise that the perception in the community of the types of people who need these services needs to be broken down. It is a bit like people's perceptions about mental health. We work very hard to break down those stigmas and we should do the same for the community services sector. It is very important for us to acknowledge the people who work in that area.

Obviously, cost-of-living pressures are increasing. I have friends and colleagues who are struggling at the moment with the additional costs they have to bear, whether it is the rising fuel price or interest rates and so on. That puts a tremendous amount of pressure on people in the community and it is incumbent on all of us, not just government, to do whatever we can to assist those organisations that are providing essential services to people. Of course, they do not have to be financial services. Yes, it is important that those organisations have core funding, but it is also important for them to have whatever they need to provide the services. In some cases, that might mean visiting a local supermarket to help get it to donate some additional leftover or unused products to Foodbank.

Hon Dr Steve Thomas: Or transport.

Hon COLIN de GRUSSA: Absolutely. Regional areas require additional transport, as Hon Dr Steve Thomas said, to make sure that the food, clothing or whatever it might be can be transported as cheaply as possible to the people who need it. We can all do something to help them out in that space. I know that my colleague Hon Donna Faragher would like to reply so I will leave my remarks there.

HON DONNA FARAGHER (East Metropolitan) [11.35 am] — in reply: I want to thank all members for their contributions to the debate today. It is not perhaps the usual Thursday morning motion. It is perhaps a different flavour but it is nonetheless an important one for this house to consider. I put forward this motion, I think, in a considered manner. As I indicated at the beginning of my contribution, I did so because I wanted to achieve two things. First, for this house to recognise and acknowledge the invaluable role played by the community sector each and every day. From the comments that have been made, I think that that is certainly acknowledged by all members of this house. Second, I moved the motion to recognise that the sector is facing unprecedented demand and pressure to continue to provide the services it provides to Western Australians across a range of fronts. This is perhaps where the government and I differ when it comes to matters surrounding that. Sadly, I have to say that the sector will disagree with the Leader of the House as well. In an opinion piece with the director of Community Employers back in April, he also said that charities are being asked to do more with less. He said —

Underfunded, out-of-date contracts, combined with an inadequate indexation policy has pushed many community services into unsustainability.

That is what I said today, and it is being said by not only me, but also the sector itself. The fact is that the demand is unprecedented. Yes, the funding has increased. I said that in my first contribution, and I accept that. However, the simple fact is that there is unprecedented demand for essential services, crisis assistance, financial support and emergency relief, and there is a gap. Whether or not the government wants to accept it, there is a gap. I remind the house again that 3 469 calls were made to the Emergency Relief and Food Access Service dashboard in March 2023. That was a 52 per cent increase in just one month. The demand for Foodbank of Western Australia's services increased by 47 per in May this year compared with May last year. Last year, 1 040 households went to the Foodbank WA network in one day. That is a record for this state. I mentioned the number of calls to the St Vincent de Paul Society's emergency relief hotline. In one month alone, the number of people who contacted Vinnies WA for the very first time had increased by almost 50 per cent. That is unprecedented.

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As I indicated, the government has the ability through its own policies to deal with and consider extraordinary situations. If this is not an extraordinary situation, I do not know what is. Yes, the government has increased funding, but it has not increased it enough to deal with the extraordinary situation that these organisations are in. All of us have just said how much the people in our community who need a helping hand rely on those organisations. Everyone has agreed with me that if those organisations and service providers were to walk away tomorrow or the next day, the government would collapse. That is the reality. The government would collapse because it would not be able to manage all the support and care that those service providers give to the community each and every day. Yes, the government has increased funding. I indicated that in my first contribution. However, that is simply not enough funding, and it is not just me saying it; the sector is saying it. The government has the ability and the opportunity—the new Premier has the opportunity—with its massive surplus to do something, and do it now. I again ask the house to support the motion, which has been moved in good faith, to recognise that the community service sector is doing it tough.

Motion lapsed, pursuant to standing orders.