YWCA CANBERRA

Inquiry into the Secure Local Jobs Code

YWCA Canberra

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Acknowledgement of Country

YWCA Canberra proudly recognises the rights of Aboriginal and Torres Strait Islander peoples to own and control their cultures and pays our respect to these rights. YWCA Canberra acknowledges the need to respect and encourage the diversity of Indigenous cultures and to respect Indigenous worldviews, lifestyles and customary laws. We extend our respect to the Aboriginal and Torres Strait Islander women who for thousands of years have preserved the culture and practices of their communities on country. This land was never surrendered, and we acknowledge that it always was and will continue to always be Aboriginal land.

About YWCA Canberra

YWCA Canberra is a feminist not-for-profit organisation that has provided community services and represented women's issues in Canberra since 1929. Our mission is 'We strengthen communities by supporting girls and women through our services and advocacy' and our vision is 'Girls and women thriving'.

We provide essential, quality services for women, girls and families in the ACT and surrounding regions. We work in the areas of children's services, community development, homelessness and affordable housing, youth services, personal and professional training, women's leadership and advocacy.

We are externally accredited against the Quality Improvement Council (QIC) Health and Community Service Standards (7th Edition). Accreditation against the QIC standards support us to improve client and community engagement, diversity and cultural appropriateness, management systems, governance and service delivery, while committing to a cycle of continuous quality improvement. In addition to the QIC standards, we are accredited against the following external client-related service standards for our key areas of work:

- Australian Charities and Not for Profit Commission
- National Quality Standard for Early Childhood Education and Care and School Aged Care
- National Regulatory System for Community Housing
- Registered Training Organisations Standards

Through our national Affiliate Association with YWCA Australia, we are part of the World YWCA network, which connects 120 countries across the globe.

Introduction

YWCA Canberra welcomes the opportunity to contribute to the Assembly inquiry into the Secure Local Jobs Code. As one of Canberra's largest non-government employers, delivering services on behalf of government across the ACT, YWCA Canberra has held a Secure Local Jobs Code certificate since the Code became applicable to the community sector. We welcomed the Code as a means of mitigating undercutting in government procurement and prioritising local employers with strong labour practices, permanent workforces and enterprise bargaining. As a charity, YWCA Canberra is already independently audited and regulated through the Australian Charities and Not-for-profits Commission. We are also compliant with WGEA reporting obligations, and our Enterprise Agreement is fully bargained between staff representatives, unions and the organisation. While the Secure Local Jobs Code is intended to ensure that government contracts are awarded to businesses with high standards of compliance and labour relations, its application does not adequately account for existing regulatory settings or the distinct realities of different industries competing for government contracts.

We support ACTCOSS's position that the Code has not lived up to the expectations placed on it. If the Code continues beyond the inquiry, we also support exempting the community services sector from its application.

Overarching concerns: the Code is not achieving its objectives

Under the Secure Local Jobs Code, subcontractors on ACT projects must meet the highest standards for pay, conditions, safety, tax compliance and subcontracting disclosure. We do not believe the Code has achieved its core objective of promoting model operators in government tendering. In community services commissioning and procurement, a genuine race to the bottom remains. Despite public commitments to quality and sustainability, government procurement processes can still favour bids that meet the bottom line over bids that reflect the true cost of service delivery. This issue was recently recognised in the Assembly Inquiry into *Auditor-General Reports 10/2024: Safer Families Levy*, where recommendation seven called for the ACT Government to include indirect costs, such as supervision, training and infrastructure, in funding models to reflect the true cost of service delivery.

Strong advocacy within the community welfare sector plays an important role in holding government to account, but it can also appear to influence contract outcomes. As a community service provider with a self-funded advocacy profile, we understand the importance of using our voice to represent the experiences of our clients and communities.

However, we also see how fear of adverse contract outcomes can discourage broader sector participation in public advocacy. Government defensiveness about proportionate but robust advocacy can therefore have consequences well beyond an employer's Secure Local Jobs Code credentials.

The Code has not made a tangible contribution to supporting local jobs in the social welfare sector. Instead, we are seeing an emerging service profile that favours interstate and national-scale operators over locally established providers. Within the social welfare sector, the greatest threat to job security is not fly-in-fly-out labour undercutting local contractors, as may occur in industries such as construction, transport or other project-based sectors, but the short-term nature of government contracting. While some steps have been taken to address short-term funding envelopes, many portfolio areas remain uncertain as contract terms approach expiry. This leaves program staff without ongoing job certainty and creates employer obligations, such as filling short-term vacancies, meeting entitlements or managing extensions, that are not adequately addressed through procurement. These conditions undermine workforce continuity and local service capability.

Local community service providers bring established relationships, trust and practical knowledge of the ACT service system that larger interstate or national operators cannot easily replicate. These networks help vulnerable Canberrans connect with complementary supports across housing, health, education, family support, legal assistance and other community services. Procurement settings should recognise that community services are most effective when delivered by organisations embedded in the communities they serve, with the relationships and local knowledge needed to respond quickly and appropriately to complex needs.

Most significantly, the **Code has not prevented operators with poor labour relations from successfully bidding for ACT Government contracts.** This exposes a gap between the Code's stated intent and its practical operation, because certification has not consistently functioned as an effective safeguard against contractors with serious labour compliance concerns. This was evidenced when a subcontracting outfit, recently banned from NSW government projects due to wage theft and compliance issues, was successful in tendering for a major ACT Government building contract despite being subject to regulatory investigations. Employment in the community sector is not comparable to the building sector: jobs are typically filled locally, and the greatest threat to job security is short-term contracting rather than fly-in-fly-out workforces undercutting existing conditions.

The ACT Integrity Commission's Operation Kingfisher report further demonstrates that integrity in ACT Government procurement cannot be assured through compliance

frameworks alone. Kingfisher's findings on the Campbell Primary School refurbishment contract identified serious corrupt conduct, breaches of procurement integrity and procedural fairness, and decision-making that prioritised external interests over merit, value for money and community benefit. While these findings do not directly concern the Secure Local Jobs Code, they reinforce the need for stronger transparency, accountability and safeguards to ensure ACT Government contracts are awarded in the public interest.

Administrative, compliance and cost burden on not-for-profits

For not-for-profit community service providers, the Secure Local Jobs Code creates an additional layer of administration, compliance and cost that is not proportionate to the risks or outcomes it seeks to manage. Organisations such as YWCA Canberra already operate within extensive regulatory and accreditation frameworks, including the Australian Charities and Not-for-profits Commission, workplace relations obligations, financial audit requirements, service-specific accreditation and contract reporting to government. These frameworks already require robust governance, financial accountability, lawful employment practices, risk management and service quality.

The additional compliance requirements associated with the Code divert limited not-for-profit resources away from frontline service delivery and into duplicative administrative processes. This burden is particularly acute in a sector already managing short-term contracts, underfunded indirect costs, workforce shortages, rising operating expenses and increasing community demand. Compliance obligations that duplicate existing regulatory scrutiny do not improve outcomes for workers or service users; rather, they increase the cost of doing business with government and reduce the capacity of providers to invest in staff, quality improvement and responsive services.

In our view, existing regulatory frameworks are sufficient to assess the governance, compliance and integrity of not-for-profit community service providers. For charities, the ACNC already provides a national regulatory framework for financial reporting, governance standards and accountability to the public. Where providers are also subject to sector-specific regulators such as ACECQA, the National Regulatory System for Community Housing, the ACT Human Services Registrar or other accreditation bodies, these obligations provide further assurance that organisations are appropriately governed and meeting the standards relevant to their service delivery. The ACT Government should recognise these existing regulatory settings and avoid imposing additional compliance requirements through the Code where equivalent or stronger oversight already exists.

Role, composition and operation of the Secure Local Jobs Advisory Council

The role, composition and operation of the Secure Local Jobs Advisory Council should be reviewed to ensure it is fit for purpose across all sectors to which the Code applies. While the Council has an important role in advising on the operation and effectiveness of the Code, its composition does not appear to adequately reflect the diversity of industries and service systems captured by the framework. In particular, there is no representative with demonstrated knowledge, experience or skills in the not-for-profit community sector, despite community service providers being directly affected by the Code and required to meet its administrative and compliance obligations.

This gap matters because the community sector operates in a materially different environment to sectors such as construction, cleaning, security or transport. Not-for-profit providers are mission-driven organisations delivering essential services to vulnerable Canberrans, often through complex funding arrangements, stringent accreditation requirements, short-term contracts and highly regulated service systems. Without community sector expertise, the Council is unlikely to fully understand the practical impacts of the Code on service delivery, workforce sustainability, governance obligations, indirect costs and the capacity of organisations to respond to community need.

The absence of not-for-profit community sector representation also limits the Council's ability to identify where the Code is duplicating existing regulatory oversight or creating disproportionate compliance burdens. Advice about the Code's application to community services should be informed by people who understand charity governance, public benefit obligations, service accreditation, government commissioning and the realities of delivering frontline services in the ACT. Without this expertise, there is a risk that the Council's advice does not adequately consider whether the Code is achieving its intended objectives in the community sector, or whether it is creating unintended consequences for local providers and service users.

The ACT Government should ensure the Advisory Council includes representation from the not-for-profit community sector or establish a formal mechanism for community sector input into the Council's advice and review functions. This would strengthen the Council's capacity to provide balanced, sector-informed advice and ensure the Code is assessed against its real-world impacts on local providers, frontline workers and vulnerable Canberrans.

Commissioning for human services and interaction with the Secure Local Jobs Code

Commissioning for human services is fundamentally different from transactional procurement for goods, works or discrete services. It is intended to focus on community need, service system design, outcomes for service users, collaboration, prevention and long-term public value. Effective commissioning requires government to understand the service ecosystem, engage meaningfully with providers and communities, and fund services in a way that reflects the true cost of delivering safe, high-quality and responsive supports.

The Secure Local Jobs Code does not interact effectively with this commissioning environment. Its compliance framework is designed around procurement integrity and labour standards, rather than the distinctive features of human services delivery. As a result, it does not address the central drivers of secure local jobs in the community sector, including adequate indexation, realistic contract terms, funding for indirect costs, workforce sustainability, continuity of service, and the preservation of local provider capability.

In practice, the Code operates as an additional compliance overlay rather than a mechanism that strengthens commissioning outcomes. It does not assist government to determine whether a provider is locally embedded, trusted by communities, able to deliver holistic supports, or appropriately funded to maintain a stable and skilled workforce. Nor does it prevent commissioning and procurement processes from favouring lower-cost or larger-scale providers where those providers do not bring the same local relationships, service integration or understanding of vulnerable Canberrans' needs.

If the ACT Government is committed to commissioning for outcomes in human services, the Secure Local Jobs Code should not be relied on as the primary mechanism for achieving workforce security, local provider sustainability or improved outcomes for vulnerable Canberrans. These objectives are better achieved through commissioning settings that fund the true cost of service delivery, support longer-term contracts, recognise existing regulatory oversight, value local relationships and ensure procurement decisions give appropriate weight to service quality, continuity and community impact.

Recommendations

Recommendation: Employers tendering for contracts in the community services sector should be exempt from the Secure Local Jobs Code where they can demonstrate compliance with existing regulatory frameworks relevant to the core deliverables of the tender, including the Australian Charities and Not-for-profits Commission, the National

Regulatory System for Community Housing, the Australian Children's Education and Care Quality Authority, and the ACT Human Services Registrar.

Recommendation: Contracting includes the true cost of service delivery, including indirect costs such as recruitment, onboarding, training, and administrative requirements.