

NON-GOVERNMENT ORGANISATIONS — INCREASES IN CONTRACT PAYMENTS

**997. Hon SUE ELLERY to the Minister for Finance:**

I refer to the minister's answer to question without notice 922 on 1 November 2011 in which he advised the house that the government "will monitor" the implementation of the 15 per cent increase to contract payments for the non-government sector.

- (1) What methodology is the department using to monitor how much of the increase is passed on to staff wages?
- (2) Has the monitoring commenced; and, if not, what is the time line to conduct the monitoring?

**Hon SIMON O'BRIEN replied:**

I thank the honourable member for notice of the question, which was given last Thursday. I am keen to assist the member in this matter. I have an answer before me that I am about to provide, but the question is probably more properly addressed to the Treasurer in terms of portfolio responsibility. However, I respond in this way myself.

- (1)–(2) A key objective of the Liberal–National government's reforms with the not-for-profit sector is to ensure that not-for-profit organisations receive a fair and appropriate price for the services they deliver on behalf of government. This is to ensure the sustainability of services delivered by not-for-profit organisations, including by attracting and retaining quality staff.

The Partnership Forum will track the extent and timeliness of the rollout of additional funding from government agencies to not-for-profit organisations. In addition, the Partnership Forum will monitor trends over time in not-for-profit sector salaries to ensure that the additional funding is reflected in overall salary levels. Although it is expected that most of the additional funding provided will be used to pay higher salaries and to meet the outcomes of the expected Fair Work Australia decision, it is not appropriate to comment on, or directly monitor, the salary levels paid by not-for-profit sector organisations as the government is not a party to such employment arrangements.