

PARTNERSHIP FORUM

FACT SHEET

SUSTAINABLE FUNDING AND CONTRACTING WITH THE NOT-FOR-PROFIT SECTOR

COMPONENT I

- As part of the sustainable funding and contracting with the not-for-profit sector initiative, funding was allocated for a 15% upfront across-the-board price adjustment for eligible not-for-profit community service contracts. This price increase is termed 'Component I'.
- The uniform price adjustment was effective from 1 July 2011 and has been applied to all eligible service agreements through a contract variation process which involved an exchange of letters between the not-for-profit organisation and the contracting Government agency.
- As part of the Component I process, all eligible contracts have been amended to reflect the *Non Government Human Services Sector Indexation Policy*. As a result, prices on eligible contracts increased by an additional 4% in 2011-12.
- A list of contracts eligible for Component I was tabled in Parliament by the Premier on 19 October 2011, which included 982 eligible contracts across 494 not-for-profit sector organisations.
- Payment of Component I funding to not-for-profit organisations is being made in accordance with payment schedules within each eligible contract, meaning additional payments will continue to flow over the course of the 2012-13 financial year.
- The Partnership Forum is overseeing the implementation of Component I and receives quarterly updates from the Department of Treasury on the status of roll-out in each government agency. The updates also inform the Forum of any related issues that Government agencies and not-for-profit organisations may be experiencing, and actions being taken to address concerns raised.
- In recognition of the important contribution made by homelessness services in WA the Government allocated an additional \$8.3 million in the 2012-13 Budget to provide a 15 per cent price adjustment to the State component of joint Commonwealth and State Homelessness contracts. This additional spending is commensurate with the price adjustment provided to eligible contracts under the Component 1 – Sustainable Funding and Contracting with the Not-for-Profit Sector initiative.