



Equal Remuneration Order and Indexation

Member Briefing

Equal Remuneration Order

The Federal Budget 2020-21 announced a solution to address projected funding shortfalls from 1 July 2021 associated with the Equal Remuneration Order (ERO) for select services funded through the Department of Social Services. This announcement did not include alcohol and other drug services receiving funding from the Department of Health for ERO.

Since then, AADC has consistently and repeatedly raised this issue with the Department of Health and the Office of the Minister for Health, stressing its importance and calling for an early resolution in the interests of sector certainty. We have been advised throughout that this is an issue which is under active consideration; as at 2 March 2021 it remains outstanding.

Over the coming months AADC will continue its work to highlight the importance of this issue to the Department and the Minister for Health, and to push for an announcement prior to the May budget. This work will include collaboration with national and sector partners who share our deep concern that this issue remains unresolved.

In the event a similar solution to the one announced in the Federal Budget 2020-21 is announced for the alcohol and other drugs sector, which we stress is still not assured, AADC is advised this would only apply to contracts which are currently in place and set to expire after 30 June 2021.

Reinstitution of Funding Indexation for Department of Health AOD Funding

AADC has sought clarification of information provided during 26 October 2020 Senate Estimates hearings for the *Community Affairs Legislation Committee*, regarding the future of indexation for Department of Health funding to alcohol and other drug services.

The advice of the Department of Health is that the indexation pause placed on Department of Health funded alcohol and other drug services in 2014 is set to expire automatically from 1 July 2021. Indexation will be applied automatically to all Department of Health funding to alcohol and other drug services, against the Department of Health's own formula.

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