



care DIGNITY
respect
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**Anglicare Australia
Pre-Budget Submission
2022-23**

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www.anglicare.asn.au

About Anglicare Australia

Anglicare Australia is a network of independent local, state, national and international organisations that are linked to the Anglican Church and are joined by values of service, innovation, leadership and the Christian faith that every individual has intrinsic value. With a combined expenditure of \$1.82 billion, and a workforce of 20,500 staff and 9,000 volunteers, the Anglicare Australia Network contributes to more than 50 service areas in the Australian community. Our services are delivered to 450,000 people each year, reaching over 1.33 million Australians in total.

As part of its mission, Anglicare Australia “partners with people, families and communities to build resilience, inclusion and justice.” Our first strategic goal charges us with reaching this by influencing “social and economic policy across Australia with a strong prophetic voice; informed by research and the practical experience of the Network.”

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Introduction

Anglicare Australia is pleased to make this submission ahead of the 2022-23 Federal Budget. We believe that a fair society is one where nobody lives in poverty. Our members work directly with people who experience poverty or who struggle to access the services they need to live a dignified life.

Alongside its many challenges, the last two years have demonstrated what we can achieve with considered public policy. During the first wave of COVID in 2020, rough sleepers in our largest cities were housed, the majority of income support payments were raised above the poverty line, and COVID-related health services — testing and vaccination, as well as in home and hospital care — were delivered without gap payments to people in need, whether in residential care homes, multi-unit social housing complexes, remote communities, or to people experiencing homelessness.

Since these support measures have fallen away, many people have been plunged back into poverty while others can't access essential services. Our public policy and spending priorities are failing to adequately reduce poverty and inequality. Housing across Australia's private rental markets remains chronically unaffordable, and our stocks of social housing are dwindling. Our income support payments are again set at a rate that force recipients to survive in poverty. These problems, and others, are not inevitable. They are a result of choices made by governments.

Far from showing the need for governments to get out of people's lives, this period has served as a cogent reminder of what governments can do, and the important role they can play in improving people's lives and building resilient, vibrant communities. Governments have a responsibility and are called on to help ensure everyone has access to essential services and supports when they need them, and the way that public revenue is redistributed is crucial in achieving this.

Australia's experience in the pandemic has shown that we can respond to some of the biggest challenges we face, for the benefit of all of us. The priorities and set out in this pre-Budget submission are all achievable. In a country as wealthy as Australia we can and must do better to improve the lives of everyone within our community.

Urgent leadership in the fight against COVID-19

Providing free rapid tests to everyone who needs one

The multiple impacts of the pandemic crisis are again hitting people on low incomes, people from diverse backgrounds and people with vulnerabilities much harder than people with greater resources. The health inequities are already chronic and severe. Last year, people on low incomes were dying of COVID-19 at four times the rate of other groups.ⁱ As we enter yet another pandemic wave, with unprecedented pressure on services and the health system, these inequalities will worsen without action.

It is clear that the COVID-19 pandemic is far from over, and Australia needs to be better prepared for the ongoing impacts it is already causing in 2022. In a matter of weeks, Australia has gone from having one of the lowest daily infection rates in the developed world to one of the highest. We are already seeing the effects this is having on people's ability to access tests, vaccinations, medical supplies and essential goods and services. There will undoubtedly be an additional, significant and sustained impact to our economy, and on people's lives.

As the Omicron strain of COVID-19 sweeps across Australia and State and Territory governments move away from requiring lab testing to confirm positive cases, rapid at-home tests have become essential. In a country that guarantees healthcare to its citizens regardless of income or background, it is the Federal Government's responsibility to ensure these tests are accessible, available and affordable to everyone. It cannot rely on the private market to manage testing during a pandemic.

Providing free rapid tests will reduce transmission, by supporting people to isolate early if they are COVID positive and preventing them from infecting more people. There are high costs to the community's health, and to the economy, if people do not isolate early.ⁱⁱ With costs of tests skyrocketing and the supply non-existent, the Government abdicating its responsibility to provide healthcare will cost everyone more in the long run.

The provision of ten free rapid tests to concession card holders is a good start, but will exclude millions of Australians in need. There are known gaps in the concession card system. People who receive support from Centrelink generally have a concession card, but people who work but don't earn enough to raise them above the poverty line often do not. Asylum seekers and international students are usually not eligible. Young people, or women experiencing family violence may not have a concession card as their family income is too high, but they may have limited access to finances controlled by partners or parents. Anglicare Australia also notes that many of our emergency relief clients, accessing support for bills and food, are low-paid workers who do not hold concession cards.

Ten tests will also not stretch far for large families or people who need to test regularly to protect vulnerable family members. Even for those who can get a test for free, the low supply will make it extremely difficult for people to find one. Free rapid tests should be available to everyone, and distributed to community services to provide to anyone who needs them.

The Government's approach is an outlier among developed nations. The United Kingdom, the United States, Canada, and major European and Asian countries have schemes to distribute free or heavily subsidised tests to their citizens. Anglicare Australia joins every other peak health body and leading health experts in calling on the Government to provide universal, reliable and free access to tests. It must also act to ensure ongoing supply to pharmacies, medical centres, other relevant retailers and community service organisations.

Recommendation

Anglicare Australia recommends that Rapid Antigen Tests be made free and universally available to all Australians. The Government must also ensure supply at retailers, healthcare settings, and service organisations.

Delivering a COVID support package for the community sector

Every day throughout the two years of the pandemic, community service organisations have shown up for their clients and communities. They have provided essential services and helped keep families safe under incredibly difficult conditions.

These staff and services are now being pushed to the limit by the rapidly worsening situation with the rampant spread of COVID-19 infections caused by both the Omicron and Delta variants. With case numbers rising quickly, and more staff isolating, sick or experiencing anxiety and burnout, it's harder than ever for community services to fill rosters. The costs of backfill, cleaning and rapid testing are putting organisational sustainability at severe risk. Some Anglicare Australia Network members report spending tens of thousands of dollars on tests for frontline workers to keep services open, and staff and clients protected. Others have been forced to close their doors temporarily as they do not have enough staff to operate safely.

When community services cease to operate, it leaves people at deadly risk; for example, without food, unable to escape an unsafe home environment, or without home care to help with health and personal tasks.

Community services are in desperate need of additional support and funding to stay afloat. Recent indexation rates have not even covered the rising real cost of delivering services, let alone the increased costs associated with COVID-19. Anglicare Australia calls for a COVID-19 support package for community services to cover these increased costs and ensure that services can remain safely open for those who rely on them. This package would ensure continuity of service delivery, frontline staffing support, and prevent further loss of jobs or income. This support is essential for community organisations who are seeing increases in demand that is not met by new or existing funding.

Anglicare Australia also notes that the sector has been warning of these issues for months. We urge the Government to create a Civil Society Crisis Group to advise on these issues as Australia moves into the next phase of the pandemic. We do not support re-establishing the previous COVID Commission which excluded civil society peak bodies and public health experts. It should instead be a

collaborative process with community sector representatives, unions, peak health bodies, and business groups. The existence of such a group would have enabled warning of and preparation for the current situation.

Recommendation

Anglicare Australia recommends:

- Funding a COVID-19 support package for funded community services, that covers the increased costs of service delivery in a pandemic, including rapid testing for staff, clients and visitors.
- Creating a Civil Society Crisis Group to provide open advice and draw on the strengths and expertise of our networks to manage, and where possible, avert further crises.

Keeping emergency relief and frontline services open

It is critical that frontline and essential services can stay open for people who need them. The Omicron outbreak has highlighted the need for a nationally consistent approach for essential workers in frontline services. Frontline workers in sectors such as early childhood education and care, family violence, community healthcare, and many more require consistent guidance on testing requirements, PPE requirements, and definitions of ‘essential worker’ covering both paid staff and volunteers.

Anglicare Australia is particularly concerned about pressures on the emergency relief and food relief sector. Tens of thousands of people rely on these services in times of crisis. Although the emergency relief and food relief network is funded and managed by the Federal Government, it has not been provided with any federal government support for testing. Instead, services have simply been asked to advise their Government Area Coordinators of any closures. Without funding and supply for the testing of frontline staff, the Government's current approach will result in closures that could last for days and weeks at a time, leaving Australians stranded in times of need.

Tests are crucial to managing the spread of the virus among frontline staff, preventing them from having to close. Providing tests to these services is critical to slowing the spread among staff and clients, allowing them to continue serving the people who need them.

Recommendation

Anglicare Australia recommends:

- Dedicated funding and support to provide tests to the emergency relief and food relief sectors, and all other Commonwealth-funded frontline and essential workers.
- Working with State and Territory Governments to develop a national approach to ensuring essential workers in frontline service sectors can continue to work safely.

Acting urgently to keep older Australians safe

The current COVID-19 wave, coming on top of two years of relentless pressure from the pandemic, has knocked out a significant section of the aged care workforce. Many older Australians are dealing with anxiety and isolation, as more residential homes go into lockdown. Others will be put at risk by

staff shortages. Aged care providers across the country are reporting that as many as one in four shifts in aged care are going unfilled.ⁱⁱⁱ

This is an emergency. Two years of pandemic hardship had already put the aged care workforce on the brink, and older people at risk. The explosion in Omicron cases has left homes in lockdown and caused serious staff shortages.

Aged care providers cannot resolve this alone. The Federal Government and National Cabinet must step in to guarantee quality care for older Australians. Key among this is an urgent investment in the surge workforce, which is currently failing to meet demand. Logistical and supply problems in relation to tests and PPE must also be resolved as quickly as possible, along with consistent national rules on the use of PPE for close contacts.

Without urgent action, there will continue to be serious consequences for the care of older people. The kind of tragedy that can eventuate from large numbers of workers being stood down during the pandemic cannot be repeated.

Recommendation

Anglicare Australia recommends:

- An urgent review and investment in the surge workforce, which cannot meet current demand.
- Extending the supply of Rapid Antigen Testing kits to home care staff, and the families of aged care staff, to slow down and prevent outbreaks in the sector.
- Consistent national rules to provide essential staff that are close contacts with PPE.

A fair income support system

Delivering a permanent basic income over the poverty line

Anglicare Australia believes that a fair society is one where everyone can live a dignified life and nobody lives in poverty. Providing a liveable income above the poverty line would help countless people and communities, lifting people out of hardship. It is past time that our welfare system was reformed to provide it. Anglicare Australia advocates for a permanent basic income, that is universal, adequate and unconditional.

A permanent basic income offers an opportunity to rethink our systems and formally recognise the myriad forms of participation and contribution that people make to their communities. There is no need for this recognition to be conditional. People contribute to the making of communities and the resilience of our society in many ways. Recognising their contributions means ensuring that they have a decent income, instead of forcing them to live in poverty and search for jobs that, in many cases, simply aren't there.

For a short time, Australia's social security system was overhauled. JobSeeker was doubled in response to the COVID-19 pandemic. Obligations for those getting the payment were lifted. The JobKeeper wage subsidy was brought in to help workers, especially casuals, stay afloat if work dried up. In changing much of the employment support and social security system, the Government openly acknowledged that existing policies were not fit-for-purpose.

This support package gave many Australians access to a form of basic income. Almost immediately, hundreds of thousands of people were lifted out of poverty – many for the first time. Research, including by Anglicare Australia, has documented the profound impact this had on poverty levels and on people's lives. People were able to afford fresh food, fill their prescriptions and pay their bills on time. The changes were only temporary. Yet they confirmed what many have always known – poverty is not inevitable. It is a policy choice.

There is increasing interest and support for a basic income in Australia. Detailed analysis has been carried out on possible models for its introduction, including examining the socio-economic benefits for particular cohorts such as mothers.^{iv} Another Australian example is an income-tested model that includes a \$300 per week universal income floor with payment reduced for higher income earners, at an estimated cost of \$100 billion a year.^v Various forms of basic income are being or have been trialled in countries as diverse as Finland, Namibia, the Netherlands, India, Scotland, Kenya, Canada, and the United States. In Australia, there has been a small-scale trial of a guaranteed basic income by the Brotherhood of St Laurence, from 1972-75 as part of the Family Action Centre project.^{vi}

Whether it is achieved through a universal payment or a guaranteed adequate income over the poverty line for every Australian, it is clear that such a scheme would tackle poverty and income insecurity across Australia. With public support and early research into possible models, it appears that policy makers are lagging behind civil society and public opinion by dismissing its potential.

Recommendation

Anglicare Australia recommends investing in a permanent basic income that is set at a rate above the poverty line.

Abandoning mutual obligation requirements

Activity requirements for people out of work in Australia are among the strictest and most punitive in the world. These ‘mutual’ obligations include searching for up to 20 jobs a month, participation in courses or programs, and for some people, Work for the Dole. If these obligations are judged not to be met, people’s payments can be suspended, leaving them without income.

Anglicare Australia’s recent research project, *Asking Those Who Know*, examined people’s experience of living on income support payments, and the extreme level of difficulty many people have when dealing with Centrelink.^{vii} Instead of supporting those who it is supposed to help, it is subjecting them to pointless tasks that do not help them find work. In many cases, the system makes it harder for people to look for work, and in others, it gets in the way of other activities that they find meaningful. At its worst, it adversely affects people’s mental health and punishes people for minor errors – or for no reason at all.

It is also costly, with little benefit. Employment service providers are paid enormous sums to breach and issue ‘demerit points’ to their clients, with no observable change to their job search outcomes. And there is no evidence this approach helps people achieve their potential or goals. Indeed, research published this year found that people forced into mutual obligation programs were *less* likely to gain employment than those who aren’t.^{viii}

The regime of punishment and compliance that has grown up around the current Jobactive system should be replaced with a system that is tailored and person-centred. It should look more like the system that people want, with less busywork and more genuine support, including support to turn jobs into lasting opportunities.

Recommendation

Anglicare Australia recommends abolishing the mutual obligation requirements currently imposed on income support payment recipients. The savings should be reinvested in supporting people to set their own goals and select their own activities as part of a voluntary regime.

Making ParentsNext voluntary

Parents want to be able to provide the best they can for their children. Most would welcome genuine, useful, personalised support and assistance to help them identify education and employment goals, improve work readiness, and facilitate engagement in activities and services in the local community. Unfortunately, this isn’t what ParentsNext delivers. Instead, it forces people just trying to keep their families afloat on the Parenting Payment on to the Targeted Compliance Framework, which allows for their payments to be suspended if they fail to participate in certain activities, such as a TAFE course or an activity with their child.

The ParentsNext program has two central flaws – its compulsory nature, and the possibility of participants having their payments suspended if they breach the program’s compliance framework. Providers report that the emphasis on compliance prevents parents from fully benefiting from the program. Through our Network, we have heard about ParentsNext participants who have been breached because they are juggling parenting responsibilities on top of surviving on such low payments. Many have turned to Anglicare Australia’s member agencies for support like rent to help avert homelessness or food to feed their children.

A different and more beneficial response would be to value and celebrate the care that recipients of Parenting Payment are able to provide to their children by offering unconditional and person-centred help for parents to re-enter the workforce when it suits the needs of their family.

Recommendation

Anglicare Australia recommends:

- An end to the compulsory nature of ParentsNext. Participation in ParentsNext should not be a condition for maintaining social security income.
- Abolishing the program’s compliance framework, which is needlessly punishing parents and harming their children.

Action on housing and homelessness

Ending the social and affordable housing shortfall

The housing market is not meeting the needs of people on low and moderate incomes. Anglicare Australia's annual Rental Affordability Snapshot, conducted in May 2021, again highlighted the chronic lack of rental accommodation in the private market that is affordable to people living on income support payments and the minimum wage.^{ix}

Over a million lower income households are paying housing costs which exceed the affordability benchmark of 30 percent of household income.^x The shortfall of social housing is rapidly growing, and the construction rate of non-private homes is the lowest it's ever been since the availability of data in 1955.^{xixii} Governments are contributing less than they ever have before to building housing for low-income earners, many of whom have been shown during the pandemic to be essential workers.

Building social and affordable housing costs money, but it's a smart investment. Investment in social and affordable housing reduces government spending in other areas, including health, justice, and emergency accommodation.

The City Futures Research Centre at UNSW estimate the current national unmet need for social and affordable housing is 651,200 dwellings.^{xiii} Just to maintain the current share of social housing as a proportion of Australia's housing stock will require construction of 15,000 new social housing properties a year.^{xiv} But our current rate of new social housing construction is about 3,000 dwellings a year.^{xv} The Everybody's Home campaign, of which Anglicare Australia is a member, is calling for 500,000 additional social and affordable housing dwellings to be built.^{xvi}

State and Territory governments, notably Victoria, Queensland, and Tasmania, have announced self-funded social housing construction stimulus programs. Despite the scale of these programs, they will only temporarily halt the declining proportion of social housing in those jurisdictions.^{xvii} Reversing the chronic under-investment in social and affordable housing requires finance and leadership from the Commonwealth Government.

Recommendation

Anglicare Australia recommends:

- Investing in a long-term program to grow the supply of social and affordable housing by 25,000 dwellings each year.
- Increasing the existing level of funding in the National Housing and Homelessness Agreement.

Access to jobs and essential services

Closing the digital divide

The internet is an essential service that enables people to participate in work or school, access health services online and connect with friends and family and interact with government services. The pandemic has driven more people online for more of the time. Remote working and schooling requires a good quality internet connection and a device to access it on.

The Government is also increasingly moving service provision online. Under the New Employment Services Model that will replace Jobactive in 2022, many people will engage with Centrelink exclusively online. Without reliable internet, they will struggle to meet their obligations and find job opportunities or supports.

28 percent of Australians are “digitally excluded,” lacking either the skills, money or equipment to regularly access the internet.^{xviii} People in low-income households, older people, public housing tenants and single people are more likely to be excluded.

Affordability of internet and devices is a major barrier to internet access. A recent survey of low-income households showed that nearly 60 percent had trouble paying for their mobile data or broadband internet. Survey participants identified that discounted services, free or affordable devices and free Wi-Fi would help keep them online.^{xix}

Existing programs, many delivered through community organisations in our Network, are facing huge demand. The Government can help keep households connected by funding the delivery of equipment and devices, including for school-age children. In addition, regulatory requirements on telecommunications retailers should be reviewed, to ensure they are required to offer affordable services and appropriate hardship programs.

Recommendation

Anglicare Australia recommends providing free or low-cost digital devices and equipment for low-income households, enabling them to participate in school, work and access services.

Making sure everyone has enough to eat

Healthy food is expensive, especially in rural and regional areas. In remote Aboriginal communities, fresh food can cost twice as much as the same produce in a Sydney or Melbourne supermarket.^{xx} For many families, the proportion of weekly income needed to buy a healthy food basket is more than they can afford. Four million Australians, or 18 percent of the population, run out of food each year and are unable to afford more.^{xxi}

Nutritious, nourishing food should not be considered discretionary. Yet Australia’s food relief system relies largely on the charitable sector and donations of surplus food to food banks. Anglicare Australia Network members report increasing demand for food relief. Anglicare Sydney reports that

demand for their Food and Financial Assistance program was the highest ever in August 2021, with an influx of new people seeking support.

While food relief is an essential crisis response, it is not a long-term solution to food insecurity. Its reliance on charitable donations means it is not always able to meet the individual needs and preferences of people without enough food.

There is no cohesive federal policy platform underpinning the goal of food security in Australia. Longer-term food security strategies are needed, including programs that help people grow, purchase and prepare affordable and nutritious food close to home. For example, emerging food assistance models such as community or social supermarkets, social cafes, buying groups, and co-operatives, are uncommon in Australia, but are alternatives to the traditional model that should be further explored. They can provide people with greater choice and autonomy and reduce stigma and shame sometimes reported by food relief recipients.^{xxii}

Recommendation

Anglicare Australia recommends the development of a National Food Relief Strategy. The strategy should be developed and delivered in consultation with the emergency relief sector.

Growing the community services workforce

Anglicare Australia's Jobs Availability Snapshot, released each year, shows what the job market is like for jobseekers who don't have qualifications or experience to draw on. In every part of the country, these jobseekers outnumber entry-level vacancies by as many as eight to one. Even with a resurgence in the number of entry-level job vacancies, people with the greatest barriers to work aren't getting them.

In spite of this, some sectors are desperate for workers. The care industry is the fastest growing industry in Australia. The demand for skill Level 4 aged and disability care workers is projected to grow by nearly 25 percent over the next five years. The Royal Commission into Aged Care Quality and Safety reported an estimated need for more than 130,000 additional, full-time equivalent workers by 2050.^{xxiii} This would be a 70 percent increase on current levels.

Care industry jobs are meaningful jobs, in a growth industry, with a solid career trajectory. Investing in social care and early childhood education jobs would create twice as many jobs as the same investment in construction.^{xxiv} As a female-dominated industry, job creation in the care sector can help close the gender wage gap and improve the rates of women's economic participation.

We need to create pathways for people looking for work to be trained and skilled to fill the jobs of the future. There is a real opportunity to connect people with barriers to employment with entry-level jobs, including by providing genuine and supported work placements and encouraging completion of high-quality training to ensure people have the right skills to meet the needs of employers and service users.

Recommendation

Anglicare Australia recommends investing in work placements and on-the-job training in the community services industry.

Eliminating energy debt

For many households, long COVID-19 lockdowns meant more time at home using energy to cook, light and heat their houses. Higher energy use means higher energy bills, and potentially greater financial hardship for people already struggling to make ends meet.

In 2020, moratoriums on evictions and enhanced hardship measures protected many households from the worst bill shock. However, in spite of harsher lockdowns, many of these measures lapsed in 2021. Recent data from the national energy regulator shows that even though energy prices dropped this year, energy-related debt increased 12 percent.^{xxv} Average electricity debt for a customer entering their retailer’s hardship program grew 21 percent from \$1,304 to \$1,584.^{xxvi}

The Government can offer a helping hand to households balancing on the edge of crisis by providing emergency payments of up to \$1,000 to reduce debt and get their energy bills back under control. To prevent accrual of future debt, community energy programs provide advice about energy usage, support to negotiate appropriate rates, and information about hardship measures. For example, the Hardship Utility Grants Scheme (HUGS) Service Centre in WA provides a model for holistic, wrap around support for people experiencing energy hardship. The service seeks to build an understanding of each client’s situation, working with them to develop a budget and assess the affordability of payment plans with renegotiation where needed. Clients are provided with information and referrals to other support services to meet their identified needs and address underlying issues, including financial counselling and other support services.

Recommendations

Anglicare Australia recommends:

- Providing emergency payments of up to \$1000 for low-income households participating in hardship programs and with high energy debts
- Funding community energy programs that provide support and advice to low-income households on energy and financial hardship.

A just response to climate change

Supporting the community sector to adapt to climate change

People on low incomes and marginalised communities have the least ability to cope, adapt, move away from or recover from the impacts of climate change, including more frequent and intense extreme weather events and natural disasters.

Some struggle to afford food when prices are affected by extreme weather and disasters. Many cannot afford to stay cool or warm during extreme weather, and this can have severe health impacts. Others have lost affordable housing which has too often not been replaced by governments after disaster events. Some members of our community, such as people with a disability, and the elderly, can also be particularly vulnerable during extreme weather events as they require additional assistance to react and recover.

Climate change is impacting people's health, quality of life, livelihoods and ability to make ends meet financially.

Anglicare Australia Network members want to prevent, prepare for and adapt to climate change. Climate change is not an abstract, distant threat to the people we work with, our organisations or staff. It is a daily reality, yet they are limited by a lack of financial resources, Federal Government leadership and contractual flexibility that would allow them to engage in resilience and capacity building to prepare for coming emergencies.

A climate adaptation fund would allow organisations to apply for funding to retrofit buildings, respond to extreme weather events, and better prepare their clients for the impacts of climate change. Training, rollout of existing resilience toolkits and sector specific benchmarking would help build sector resilience.

Recommendation

Anglicare Australia recommends the establishment of a climate adaptation fund to support the community sector to adapt and respond to climate change.

Making homes healthier and more energy efficient

An increasing number of Australians are long-term renters. They deserve to have a healthy home, that is warm in winter and cool in summer and doesn't put their health at risk, and is affordable.

Upgrading a home from a 2-star to 5-star energy rating can result in a 54 percent reduction in energy use.^{xxvii} But many renters are unable to make modifications to their home that would improve energy efficiency, like insulation or window glazing. Others lack the financial means to invest in new energy efficient appliances or heaters. This means they are forced to live in buildings that are bad for their health, bad for the environment and leave them with expensive bills.

Renters are also losing out on the benefits of renewable energy. In 2018, 29 percent of owner-occupied dwellings had rooftop solar installations, compared to 4 percent of rental dwellings.^{xxviii} With renters generally responsible for paying energy and water bills themselves, there is little incentive for landlords to invest in solar panels when they won't benefit from the bill savings.

The Energy National Cabinet Reform Committee has committed to the development of energy efficiency standards for rental properties. This is smart policy. As well as improving the health of Australian renters, energy efficiency standards will create jobs and boost the economy. Analysis by Deloitte for ACOSS found that a program improving energy efficiency of low-income households could create at least 22,000 jobs and contribute nearly \$5 billion to Gross Domestic Product (GDP).^{xxix}

In the meantime, to prepare for the implementation of the standards and encourage compliance, the Government can invest in a program of energy efficiency audits and retrofits for low-income rental households.

Recommendation

Anglicare Australia recommends investing in a program to improve the energy efficiency of low-income and rental households.

Dignity in ageing

Ensuring care is available for everyone

Everyone deserves quality care as they get older. All of us should be able to get quality care, with dignity, when we need it. That's why we need an aged care system that works.

Anglicare Australia's members have embraced the move towards a person-centred approach to care and support. Many of the reforms set out by the Royal Commission promote choice and control for older Australians and encourage innovation and high-quality service provision among providers. They also aim to deliver a more competitive market. However, person-centred approaches should not be conflated with marketised delivery mechanisms, and 'thin markets' remain a challenge to marketised systems. The design and introduction of the National Disability Insurance Scheme (NDIS) has made that clear. Thin markets can occur in geographic regions of sparse population, or for communities who have additional needs or are harder to reach.

The needs of vulnerable people are unlikely to be addressed through a reliance on market forces and mechanisms alone. For providers, working in some areas, and supporting some people incurs costs that will never be commercially attractive. It may be more difficult to secure investment in less attractive, low-income areas, including rural Australia.

Government intervention is critical to ensuring equitable access. The Government's role as market steward is key to ensuring everyone has access to and choice about services. A policy framework is needed for this market stewardship, and a fund to address market gaps will be an essential element of this framework. Meanwhile, reliable access to quality care is being put at risk now by the lack of sustainable residential aged care funding. Most services are running at a loss, and some are on the verge of closing. Older people are the ones who will pay the price. The time it will take to create an independent pricing authority and a lack of transparency means that aged care providers have little idea how much money they will have to deliver care in 2022.

Recommendations

Anglicare Australia recommends:

- Clarifying the role of the Government as market steward, including a robust framework for intervention in thin markets.
- Ensuring the AN-ACC funding tool covers the true cost of service delivery, including in rural and regional areas.

Building a high quality, well-paid workforce

Older Australians, their families, and the workers who care for them deserve dignity and respect. Older people rely on aged care workers to deliver care, and a skilled, and caring workforce is vital for a sustainable aged care system. However the system is facing intense workforce shortages. More than 110,000 direct care workers will be needed within the next decade.^{xxx} At the same time, many existing staff are considering leaving due to poor pay, insecure work, or burnout.

Anglicare Australia Network members support increased pay for aged care workers, to attract new workers and retain those already working in the sector. Boosting wages would also contribute to economic recovery. Previous governments have failed to fund aged care services to a level that allows fair and competitive pay.

Despite recommendations made by the Royal Commission, the Government has so far made limited commitments to fixing the workforce challenges facing the sector. With the added pressure of COVID-19, these workforce challenges have evolved into a full-blown crisis, where people are being turned away from care because services do not have the staff to deliver it to them.

Funding levels have failed to keep pace with the real cost of care, with recent indexation not covering increases to the minimum wage. The Fair Work Commission is considering raising wages for residential aged care and homecare workers by 25 percent as part of the Work Value Case currently before it. If the outcome of the case is an increase in award wages, services will need to be funded to pay staff the wages they deserve.

Recommendations

Anglicare Australia recommends:

- Committing to fully funding the outcomes of the Work Value Case for aged care workers before the Fair Work Commission.
- Increasing indexation payments to match the minimum wage increase in 2021-22 and 2022-23.

Tackling loneliness

The COVID-19 pandemic and associated measures, including lockdowns, social distancing and restrictions on visiting people in aged and health care facilities are driving an epidemic of loneliness. Loneliness is bad for people’s health. It negatively impacts brain processes, ability to handle cognitive tasks, control of inflammation in the body, ability to regulate stress, and severity of mental health symptoms, just to name a few.

About 5 million Australians experience loneliness at any one time, with older people at particular risk. Many people are reluctant to report it, fearing judgement or embarrassment. Internationally, campaigns are having success at destigmatising loneliness and addressing misconceptions.

Tackling loneliness isn’t easy. It requires more than just connecting people with strangers. Connections must be real and meaningful, and that takes time to develop. Education for health and community service workers about positive social connections and identifying loneliness are also likely to be helpful. Australia would benefit from a comprehensive national strategy, as was recently introduced in the UK.

Recommendation

Anglicare Australia recommends the development and resourcing of a national strategy to tackle loneliness.

A better future for children

Closing the gap for First Nations children

First Nations children are being separated from their families at a devastating and growing rate. In 2019, Aboriginal and Torres Strait Islander children were 9.7 times more likely to be in OOHC compared to non-Aboriginal children, up from 9.5 times in 2018.^{xxxix} For First Nations children, being separated from family can mean the loss of their cultural connection and identity.

The gap is not closing. It is growing. If we do not fix our broken system, it is anticipated that the number of First Nations children in out-of-home care will at least triple within the next 20 years.^{xxxix} We must reverse this trend. First Nations child removal is destroying families and deepening the cycle of disadvantage for generations.^{xxxix}

Anglicare Australia is signatory to the Family Matters campaign, which aims to eliminate the over-representation of Aboriginal and Torres Strait Islander children in out-of-home care by 2040. We reiterate the campaign's calls for increased investment in early intervention programs to support families and prevent children from becoming at-risk, and for the Government to partner with First Nations communities to design and deliver programs that reflect community needs.

Recommendations

Anglicare Australia recommends:

- Increasing investment in prevention and early intervention programs that address the causes of child removal to enable children to grow up well and safely within their family.
- Working with Aboriginal communities and organisations to develop targets and strategies to eliminate the over-representation of Aboriginal and Torres Strait Islander children in OOHC.

Intervening early for children at risk

Children do best in safe and nurturing environments with supportive families to care for them. Most parents want this for their children, but some will need support to provide it. Family violence, substance use, extreme poverty or other risk factors put children at risk of harm or neglect.

Early intervention programs work. For example, Anglicare Victoria's Parentzone program gives carers and parents a chance to develop and strengthen their parenting skills and create positive change in their family. It includes parenting groups, workshops, resources, and training for parents and the professionals who work with them.

Yet most funding is directed to the 'pointy end' of the system. Almost 60 percent of State, Territory and Federal Government expenditure on the child and family welfare system is spent on out-of-home care.^{xxxix} If left unchecked, more than 27,000 children will be removed from their families between now and 2026. They will be placed on a path that is more likely to lead them to poor health and wellbeing, social isolation and poverty.

We need to flip the system to focus on intervening early, to build strong, resilient families and address risk factors. This also delivers considerable savings, as early intervention is much less costly than tertiary intervention.

Recommendation

Anglicare Australia recommends investing in evidence-based early intervention programs, such as Parentzone, to build family resilience.

Supporting transitions to independence

The transition from youth to adulthood is a period of significant change, instability, and self-exploration. During this time, young people learn to make independent decisions, become self-sufficient, and take ownership over their lives.

Most young people continue to get family support well after their 18th birthday, often living at home for extended periods and getting parents' help to continue study, find a home and secure a job. For children leaving the care and protection system, they can be on their own from age 18. Less than half of care leavers report they have a transition plan in place, and 77 percent of young people surveyed by CREATE foundation felt that they received insufficient support to prepare for leaving care.^{xxxv}

Care leavers are more likely to experience homelessness than other young people, less likely to finish school or be in employment, and are imprisoned at higher rates than other Australians.^{xxxvi} Continuing to provide support to young people leaving care after they turn 18 reduces the need for further government intervention.

Many State governments have now extended the leaving care age for children in the care and protection system to 21 years, though it is not universal. Extending the leaving care age to 21 across all states and territories would help make sure all children and young people are supported in their transition to adulthood.

Young people who have had contact with care and protection systems, but are not in state care at the time they reach adulthood are often excluded from transition support services, despite being vulnerable to many of the same risks as young people in statutory care. Many are dealing with histories of trauma and abuse. Extending support to this group as they transition to adulthood could reduce the need for support as they age.

Recommendations

Anglicare Australia recommends:

- Cooperation among Federal and with State and Territory governments to ensure the leaving care age is extended to 21 for all care leavers across Australia.
- Extending transition support services to vulnerable young people with past contact with the care and protection system.

Disability and mental health services

Funding and certainty for the NDIS

People with psychosocial disability have not participated in the National Disability Insurance Scheme at the rate that was originally envisaged when the scheme was set up.^{xxxvii} Anglicare Australia welcomes the recent proposed changes to the NDIS that will be more inclusive of people whose psychosocial disability is “episodic or fluctuating.” We also welcome the shift in approach to allow NDIS participants to make variations to their plan without needing to completely renew their plan.^{xxxviii}

Balanced against these welcome reforms, however, are concerns raised by the Government itself about the sustainability of the Scheme, with the term “cost blowouts” used by several Ministers. This language and signalling is unhelpful, and is undermining the Scheme. In the absence of any allegations of fraud or price gouging by NDIS participants or service providers, what the NDIS is doing is funding supports to eligible participants within its legislative framework.

Anglicare Australia is concerned that this language regarding the sustainability of the NDIS and “cost blowouts” is impacting decisions being made by Local Area Coordinators when assessing the needs of people with disability. Indeed, there have been news reports of people’s plans being “slashed” after review.^{xxxix xl} Some Supported Independent Living (SIL) providers, who manage and staff group homes for people with disability, have seen their clients’ SIL funding drop.^{xli}

A more productive response than casting shade on the ongoing financial viability of the NDIS would be to commit enough resources to fulfil the Scheme’s purpose.

Recommendation

Anglicare Australia recommends providing adequate funding to both the NDIS and its administering agency, the NDIA to fully deliver care and support for people with disability.

Reforming the Disability Employment Service

The Disability Employment Service (DES) is a program that aims to assist people with disability to access employment. It is managed by DES providers, who can be for-profit or not-for-profit organisations. People can access DES providers voluntarily, for example if they are on a Disability Support Pension and would like to and are able to work, or are referred by Centrelink following a Jobs Capacity Assessment.

The DES program is currently undergoing a review. This could result in major changes for the program, and the New Employment Services Model, set to be rolled out in 2022, could also impact how people with disability access DES providers.

There are several ways that we believe the existing DES program could be improved that would benefit people with disability. The first would be to restructure the program to encourage and

facilitate longer-term engagement with clients to achieve the best job outcome for them. We have heard from DES providers that the current structure of the program encourages DES providers to assist people into a job that may not suit them best, or that they may not like. This allows them to “get clients off the books,” while still collecting the payments for getting them into work.

Another problem with the existing structure of the program is that DES providers are not able to work with people who already have a job. If a person with disability is seeking a more appropriate role, they can’t seek assistance from a DES provider to help find another one. They have to go back to the beginning of the process, which also means leaving the job they’re in. There is no incentive for employers to offer assistance with career progression, or to solve a problem before it becomes unsolvable. DES providers should be able to work with clients who are in work and their employers to assist in this regard.

Anglicare Australia has heard from DES providers that the system is “not geared to helping people really prepare for work,” but rather getting them into a job. People with disability, particularly those with psychosocial disability, may require assistance over a longer period to help get them better prepared for work. This could include, for example, helping people with their anxiety or social skills. Such assistance will reap dividends in the longer-term, both for people with disability and their future employers.

Anglicare Australia is also concerned that DES providers are forced to administer and enforce mutual obligation requirements on behalf of Centrelink. This undermines a strengths-based approach to assisting people into work, and needs to be urgently re-examined.

Recommendations:

Anglicare Australia recommends:

- Expanding DES to include people who are already in work.
- Ensuring DES providers are able to work with people over the longer-term to make sure they are job ready.
- Removing all mutual obligation requirements for DES participants.

Designing psychosocial support services

Recovery from mental illness is more than the absence of clinical symptoms. For many people with lived experience of mental illness, recovery is a journey towards living a good life, of hope, resilience and possibility, regardless of the presence of clinical symptoms. Each person’s recovery journey is unique to their strengths, preferences and values, and their idea of a good life.

Recovery rarely happens alone. As well as support from families, carers and communities, psychosocial supports services are a key facilitator of recovery. They help people build skills and relationships, assist people to meet basic needs like housing, transport or income, and can act as a coordinator or navigator for other types of support.

The Productivity Commission in its 2021 report into Mental Health found that 690,000 Australians with a mental illness would likely benefit from access to psychosocial support services.^{xliii} At the time of the report, only about 34,000 people with a psychosocial disability received psychosocial supports under the NDIS; and about 75,000 people receive psychosocial support directly from other Australian, State and Territory Government-funded programs. This is a massive gap in Australia's provision of psychosocial supports.

Anglicare Australia strongly supports the Productivity Commission's call for a "coherent system of regional funding for psychosocial supports designed in partnership with, and that work for, people with mental ill-health."

Recommendation

Anglicare Australia recommends funding psychosocial support services to address the gap in access for people with psychosocial disability.

An end to family violence

Every Australian has the right to live safely and free from harm. Yet for many women and children, home is not a safe place. One in six Australian women have been abused by their partner.^{xliii} This can leave women without a place to live, with ongoing health conditions, and living with trauma.

We need to stop violence before it begins. Doing this means investing in prevention and addressing the gender inequities and attitudes that drive family violence. Too many people excuse family violence as a normal dynamic in a relationship. For example, one in five Australians continue to believe that family violence is a normal reaction to stress, and that a woman can sometimes make a man so angry he hits her.^{xliv}

The next National Plan to End Violence Against Women and Children is currently in development, but does not yet have funding attached. It must be well resourced, informed by the voices of survivors, and include a focus on prevention. The short consultation time, in contravention of the Department's own guidelines, is not helpful.

Family violence is not part of Aboriginal culture, but the legacies of dispossession and colonisation, and the ongoing disadvantages experienced by First Nations people and communities have resulted in First Nations women and children being at high risk of violence and abuse.

At the recent Women's Safety Summit, First Nations delegates were emphatic that if governments are serious about ending violence against First Nations women and children, they must resource and support a stand-alone national action plan, written for and by First Peoples.

Recommendation

Anglicare Australia recommends:

- Funding the next National Plan to End Violence Against Women and Children.
- Committing to self-determination, by resourcing and supporting a stand-alone plan to end violence against First Nations women and children.

Conclusion

Anglicare Australia appreciates the opportunity to contribute to the 2022-23 Federal Budget, which will play a critical role as we enter the next phase of the COVID-19 pandemic and learn to live with the virus. The Government will be required to play a much greater role than it has anticipated. It is clear the pandemic is far from over and leadership is essential as we enter the next phase.

The only way to successfully navigate this situation is with planning, leadership, and cooperation across all levels of government. In preparing the next Federal Budget, it is vital that the Government learns the lessons from the first two years of managing the pandemic, heeds the advice and warnings of community sector and health experts, and better plans to manage the health risks, economic chaos, and social disruption that accompanies the virus.

Although the spectre of the pandemic continues to dominate Australian life, it is important to remember that this Federal Budget will be critical to our future in the longer-term. We must plan for, and coordinate, a recovery that includes everybody. Amid a backdrop of growing inequality, and with the cost of living rising faster than most wages or income support payments, we must reimagine an economy that's likely to be very different to business-as-usual.

Our goals must be front and centre as we begin to live with COVID-19 in the community and plan for the future – to make our workforce more resilient and more secure; to ensure every Australian has a roof over their head; to tackle poverty and inequality, and to ease the anxiety and financial stress that too many people have suffered in recent years.

The next Federal Budget will be a historic opportunity to help people, communities, and businesses to move forward together, and plan for the future we want to see.

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