

Catholic Social Services Australia
Pre-Budget Submission
2026-2027

FOR THE COMMON GOOD
January 2026

ABOUT CSSA

Catholic Social Services Australia (CSSA) advocates for the Church's social service ministry and is the peak body for Catholic social service providers. We envision a fairer, more inclusive Australian society that reflects and supports the dignity, equality, and participation of all people.

With an annual revenue of over \$1.4 billion, our 41 member agencies provide a diverse range of services to approximately half a million people across Australia including: emergency relief and financial counselling, housing and homelessness services, children's and family services, early childhood education and care, foster and out-of-home care, youth work, family and relationship support, specialist domestic and family violence services, aged care, NDIS and other disability services, support for survivors of modern slavery and refugee assistance.

Our network operates across more than 900 sites in Australia, employing over 10,000 staff, strengthened by the contribution of over 3,000 volunteers.

For over 70 years, CSSA has been at the forefront of advocating for those experiencing disadvantage. Our network of member agencies ranks among the largest and longest-established social services providers in the nation, with a presence in every state and territory in Australia.

Acknowledgment

CSSA acknowledges the Traditional Custodians of the many lands and waters on which we live, work, and serve. We pay our deep respects to Elders past and present, and we recognise the continuing connection of Aboriginal and Torres Strait Islander peoples to Country, culture, and community. We honour their enduring spiritual relationship with the Creator which is woven through their stories of our sacred land, and tells of a relationship that has nurtured wisdom, belonging, and care for creation since time immemorial.

We commit ourselves to walk together in truth and justice - listening, learning, and standing in solidarity with First Nations peoples as we seek reconciliation and healing.

Contact Us

Dr Jerry Nockles, Chief Executive Officer, Catholic Social Services Australia
PO Box 6067, O'Connor ACT 2602
Level 1, 3 Sargood Street, O'Connor ACT 2602
T 02 6285 1366
E: admin@cssa.org.au W: www.cssa.org.au

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OVERVIEW

CSSA's work is underpinned by the core tenets of Catholic Social Teaching (CST)¹ including the inherent human dignity and worth of each person, the common good as a foundational principle, solidarity, subsidiarity, a preferential option for the poor and vulnerable, and stewardship of creation.

Our commitment to CST principles cuts across social and economic justice domains through the '*Common Good Accord*,' a platform dedicated to integrating the principle of the common good into policy design, and across government, civil society, and the private sector.

This commitment is reflected in CSSA's pre-Budget submission. The 2026-2027 Federal Budget must be a budget for the Common Good - one that strengthens economic and social opportunity, promotes shared prosperity, and prioritises those experiencing poverty and hardship. Central to this aim is sustained investment in the essential social services which provide critical support to people most in need.

CSSA urges the Albanese Government to deliver a 2026–2027 Budget that enables achievement of a reasonable standard of living through targeted and responsible cost-of-living relief. This includes being able to afford essential goods and services, access to the dignity and security of safe, affordable housing and special measures for those low-income individuals and families who are disproportionately vulnerable to poverty.

CSSA remains committed to being a valued partner to government through ongoing dialogue and collaborative solutions that ensure no one is left behind.

Only by securing a decent standard of living for the most disadvantaged can Australia build a foundation for shared prosperity—one that promotes economic security, human dignity, and wellbeing for all.

¹ <https://cssa.org.au/resources/catholic-social-teaching/>

SUMMARY OF RECOMMENDATIONS

COST OF LIVING RELIEF

Recommendation 1

Support National Minimum Wage increases of at least 4.5 per cent in line with the Australian Catholic Council for Employment Relations (ACCER) submission to the Fair Work Commission.

Recommendation 2

Support Recommendation 1 in the Economic Inclusion Advisory Committee's (EIAC) 2025 Report to Government to adequately address inadequate income support payments by prioritising targeted increases for those most in need, particularly JobSeeker, Youth Allowance, and Parenting Payment (Single). Payments should be linked to the indexation of the Age Pension and designed to promote economic inclusion while avoiding broad-based welfare expansion.

Recommendation 3

Adopt the Tax Laws Amendment (Incentivising Food Donations to Charitable Organisations) Bill 2024 recommendation contained within the *Paying the Price: The Cost of a Crisis on Australians' Standards of Living* Senate Select Committee Report to create tax offsets for donation of surplus good to charities.

COMMITMENT TO CLOSING THE GAP FOR FAMILIES AND CHILDREN

Recommendation 4

Proposed reforms to the FaC Activity should include funding for sector capability-building and a change management process to support a smooth transition with the ACCO sector toward achievement of Closing the Gap Priority Reform 2 with attention to:

- i. Supporting longer-term grant agreements for ACCOs under the FaC Reform.
- ii. Adequate lead-in time for grant negotiation and termination notification under the new arrangements, consistent with the principles of the Not-for-profit (NFP) Sector Development Blueprint and Community Sector Grants Engagement Framework.
- iii. Contingency planning in the event of any service disruption caused by the reform process, particularly in regional, rural, and remote areas.

SAFE, ACCESSIBLE AND AFFORDABLE HOUSING FOR ALL

Recommendation 5

Increase social housing levels over the next decade in line with NHSAC national targets and invest in joint research across governments that comprehensively measures the long-term economic and social benefits of increased funding for social housing.

Recommendation 6

Fund the completion and publication of a whole-of-government review of Commonwealth-held land to determine whether parcels are surplus or underutilised and suitable for housing supply outcomes — including social and affordable housing.

Recommendation 7

Establish a Homelessness Prevention Fund which gives priority support to high-risk groups to prevent them from becoming homeless including when exiting institutions such as hospitals, mental health facilities, and correctional settings. Support the principle that no-one should be released into homelessness.

Recommendation 8

Finalise and implement the ten-year National Housing and Homelessness Plan.

IMPROVED FUNDING FOR ESSENTIAL SOCIAL SERVICES

Recommendation 9

In line with commitments to implement all initiatives under the NFP Sector Development Blueprint, and the Government's reforms to the indexation framework, the ABS should be funded to establish a timely Producer Price Index relevant to the real costs of social service delivery.

Recommendation 10

Establish a Digital Fund for NFPs to invest in and improve the sector's digital and data skillsets, cybersecurity, and use of AI, consistent with Initiative 13a of the NFP Sector Development Blueprint.

Recommendation 11

Provide funding for government collaboration and transitional supports to ensure workers and employees can transfer to the new SCHADS Award structure, ensuring that the real wages of low-paid workers should not go backwards but are adjusted in funding agreements.

FAMILY SUPPORT INCLUDING ADDRESSING FAMILY AND DOMESTIC VIOLENCE

Recommendation 12

Commit to immediate action on the priority recommendations arising from the Rapid Review of the National Plan and/or the Domestic, Family and Sexual Violence (DFSV) Commission's 2025 Yearly Report.

DISABILITY AND DIGNITY

Recommendation 13

Embed a disability-lens across all recommendations contained within this submission.

INTRODUCTION

Thank you for the opportunity to provide a 2026-2027 pre-budget submission.

Catholic Social Services Australia (CSSA) advocates for a fairer, more inclusive Australian society that reflects and supports the dignity, equality, and participation of all people. Central to our vision and work is the principle of the Common Good — a foundational ethic rooted in Catholic Social Teaching that calls for policies and practices which promote the wellbeing of all members of society, especially those who are most vulnerable. The Common Good guides our commitment to social and economic justice, fostering solidarity, inclusion, and shared responsibility across communities.

CSSA acknowledges the Albanese Government's commitment to social and economic policy measures in the 2025-2026 Budget that seek to provide much needed cost of living relief including through: tax relief, reductions in costs of PBS medicines, increasing bulk billing and urgent care clinics, subsidised early childcare, support to increase minimum and award wages, and funding for social and affordable housing.²

While the Federal Government's Mid-Year Economic and Fiscal Outlook (MYEFO) (December 2025) focuses on a more productive and resilient economy and a more sustainable budget,³ CSSA'S continues to urge the Government to treat cost-of-living relief in the 2026-2027 Budget as a national priority, including addressing housing stress for low-income households as a key driver of poverty.

Poverty causes harm – financially, physical, socially, emotionally, and intergenerationally. But preventing poverty is, in fact, more efficient than managing its consequences. In Australia today, despite cost-of-living relief measures, one in seven people, or 3.7 million Australians are estimated to be living in poverty including 757,000, (or one in six) children.⁴ Poverty in Australia results from a complex interplay of individual circumstances and broader systemic factors, including policy settings that affect income adequacy and access to support.

² Chalmers, J. (2026, January 7). *Inflation lower in November* [Media release]. Australian Government Treasury. <https://ministers.treasury.gov.au/ministers/jim-chalmers-2022/media-releases/inflation-lower-november>

³ Australian Government. (2025, December 17). *2025–26 Mid-Year Economic and Fiscal Outlook*, Australian Government Treasury. <https://www.treasury.gov.au>, page 1.

⁴ BankWest Curtin Economics Centre (BCEC) & Valuing Children Initiative, *Child Poverty in Australia 2025: the current and future impacts of rising rates of financial deprivation on child wellbeing*. BCEC. [BCEC-VCI-Child-Poverty-Report-2025-FINAL.pdf](https://www.bcec.org.au/wp-content/uploads/2025/01/BCEC-VCI-Child-Poverty-Report-2025-FINAL.pdf), page 4.

Effectively addressing poverty requires targeted policies that both alleviate structural barriers and empower individuals to improve their circumstances.

The experience of CSSA's member agencies, including those 68 per cent of members providing financial relief and support services, confirms that the cost-of-living crisis disproportionately impacts those already facing disadvantage, including single-parent families, people with disability, First Nations communities, refugees, asylum seekers, older Australians on fixed incomes, and people who are unemployed or in insecure work. Supporting these groups is the priority work, and mission, of our members and the focus of this submission.

THE COMMON GOOD: A FOUNDATION FOR POLICY

The Common Good approach is a guiding principle rooted in Catholic Social Teaching that emphasises the wellbeing of all members of society. It calls for policies and practices that uphold human dignity, foster social cohesion, and ensure that no one is left behind. This approach recognises that true prosperity is shared prosperity, where economic growth and social justice advance hand in hand.

At its core, the Common Good challenges us to move beyond narrow sectional interests and short-term gains, focusing instead on long-term outcomes that benefit the entire community. It encourages collaboration across government, civil society, and the private sector to address complex social challenges with compassion and practical wisdom.

This submission is framed by the Common Good as both an ethical foundation and a practical roadmap. By prioritising the needs of the most vulnerable and promoting inclusive policies, we can build a fairer, more resilient Australia – one where every person has the opportunity to live with dignity, security, and hope.

COST OF LIVING RELIEF

As noted in CSSA's submission to the Senate Select Committee's Inquiry on the Cost of Living⁵ (the Inquiry) (October 2024), different kinds of crises are now a recurring feature of modern life and their occurrence continues to highlight the inequality and inequity – including economic, livelihood, health, educational and social – that persists within Australian society.⁶

⁵ Catholic Social Services Australia (CSSA). (2024, October). *Senate Select Committee's Inquiry on the Cost of Living*. CSSA. https://cssa.org.au/wp-content/uploads/2024/11/10-30-24-Final-CSSA-Submission-to-Senate-Select-Cttee-Inq-on-CoL_edited-AAP.pdf.

⁶ Ibid.

The current cost-of-living crisis has been prolonged as key drivers including inflation, housing and rental affordability, rising food, energy, and petrol prices, and climate impacts persist. This crisis is felt more acutely by vulnerable people due to low-income wages and inadequate support payments for working age recipients.

An emerging feature of the current cost-of-living crisis reported by our members is new cohorts of people seeking assistance from social service agencies for the first time and only after having exhausted all their options, including those who are employed, some with multiple jobs. This highlights that income safety nets are no longer adequate or sufficient as gains in wages are being outstripped by inflation.

A 2024 survey showed that over 70 per cent of employed people and those on Government support said they felt the price of goods and services had outstripped increases in their pay.⁷ As highlighted by the Australian Catholic Bishops Conference through the Australian Catholic Council for Employment Relations (ACCER) submission to the Fair Work Commission (April 2025), many workers on low wages simply do not earn to ensure a dignified standard of living.⁸

Increasing the National Minimum Wage (NMW)

The ACCER submission proposes that an increase of 4.5 per cent in 2025 is warranted to build towards eliminating the gap between the NMW and poverty lines in Australia.

The ACCER has extrapolated that such an increase would, for example, eliminate the poverty gap for wage earners who are single parents/carers with two dependent children in 8 years, by 2033 by:⁹

- Providing an increase in the NMW of \$41.20 per week, bringing the NMW to \$957.10 per week by raising the hourly rate of the NMW from \$24.10 to \$25.20.¹⁰

⁷ Heap, L. (2024, October). *Doing It Tough: How Australians are experiencing the cost-of-living crisis*. The Centre for Future Work, The Australia Institute. <https://futurework.org.au/report/doing-it-tough/>, page 5.

⁸ Australian Catholic Council for Employment Relations (ACCER). (2025, April). *Submission to the annual wage review 2024-25 to the Fair Work Commission*. Australian Catholic Bishops Conference.

<https://mediablog.catholic.org.au/minimum-wage-rise-needed-to-keep-australians-out-of-poverty/>

⁹ Ibid, page 5.

¹⁰ Ibid, page 12.

CSSA supports the ACBC and ACCER's view that this increase is sufficiently modest from an overall macroeconomic and business climate perspective while sufficiently meaningful in terms of providing an increase for low-income workers above CPI inflation and alleviating poverty in a tangible way, especially for those most affected including single parent families, people with disabilities, First Nations communities, refugees, and older Australians on fixed incomes.

Recommendation 1

Support National Minimum Wage increases of at least 4.5 per cent in line with the Australian Catholic Council for Employment Relations (ACCER) submission to the Fair Work Commission.

Adequate Working Age Income Support Payments

Recent ANU research, *A fairer tax and welfare system* observes that those with the highest rates of after-housing poverty are persons receiving JobSeeker or Youth Allowance payments at 63.6 per cent¹¹ with other payments including the Disability Support Pension, Parenting Payments (Single) and Carer Payments following behind at a poverty rate at 42.9 per cent.¹²

While recognising modest increases in income support payments including Jobseeker and Youth Allowance in late 2025 and expansion of eligibility for Parenting Payment Single, the level of payments remains inadequate in offsetting real living costs like rent, food, energy, and healthcare, and are not sufficient to lift recipients out of hardship.

CSSA reiterates its long-held support for adequate increases for income support payments, particularly JobSeeker, Youth Allowance, and the Parenting Payment (Single) in line with basic cost of living standards. As ACOSS highlights in the Raise the Rate campaign, currently JobSeeker sits at just 42 per cent of the minimum wage.¹³

Consistent with recommendations in the Economic Inclusion Advisory Committee's (EIAC) 2025 Report to Government, improving the adequacy of JobSeeker and related payments should be the Federal Government's 'number one priority to ensure economic inclusion for all.'¹⁴

¹¹ Phillips, B. (2024). *A Fairer Tax and Welfare System for Australia* (Working Paper No. 3/2025), POLIS: The Centre for Social Policy Research, Australian National University. <https://cms.vinnies.org.au/media/50xnzjkj/a-fairertax-and-welfare-system-for-australia-final2.pdf?path=50xnzjkj%2Fa-fairertax-and-welfare-system-for-australia-final2.pdf>, page 18.

¹² Ibid, page 18.

¹³ Australian Council of Social Services (ACOSS). (2024, August). *Key Facts for Raise the Rate*. [Key-facts-for-Raise-the-Rate.pdf](#), page 1.

¹⁴ Economic Inclusion Advisory Committee (EIAC). (2025, March 11). *Economic Inclusion Advisory Committee 2025 Report to Government*. [Economic Inclusion Advisory Committee 2025 Report to Government](#), page 7.

The 2025 EIAC report stresses that both the economic and social benefits flow from improving the adequacy of the JobSeeker Payment including decreased spending on government services worth \$71.8 million, and a return to society of \$1.24 for every dollar invested.¹⁵

Therefore, ahead of the 2026-27 Budget, CSSA recommends:

Recommendation 2

Support Recommendation 1 in the Economic Inclusion Advisory Committee's (EIAC) 2025 Report to Government to adequately address inadequate income support payments to help people meet their basic needs, with priority to increasing the JobSeeker payment to 90 per cent of the Age Pension, plus supplements, and with payments linked to the indexation of the Age Pension.

Food Security

The latest Foodbank Hunger Report (November 2025) revealed that over one in three Australian households reported experiencing food insecurity, with many skipping meals or relying on emergency food relief.¹⁶ People in remote and regional communities face even greater challenges with one survey reporting that the cost of basic food items in remote communities was more than double the cost of the same items in capital cities.¹⁷

The same Report revealed that 54 per cent of Australian households are food-insecure with someone in paid work.¹⁸ This confirms the stark reality seen by CSSA's member organisations every day on the front-line of food relief services, that a having a job no longer guarantees protection from cost-of-living pressures as incomes do not keep pace with the rising cost of everyday expenses.

CSSA acknowledges the Government's boost to food relief and financial wellbeing support funding by 25 per cent in mid-2025 to help ease cost-of-living pressures, including an additional \$2 million in food and material aid relief across Australia in the lead up to the 2025 Christmas period.¹⁹

This assistance helps address bumps in the immediate demand for services in the lead-up to the high-cost Christmas period, especially for individuals who are excluded from other

¹⁵ Ibid, page 8.

¹⁶ Foodbank. *Foodbank Hunger Report 2025*. (2025, November). [Foodbank Hunger Report 2025 - Foodbank Report](#). page 5.

¹⁷ McLeod, C. (2024, October 31). *Remote Indigenous Australians paying more than double capital city prices for everyday groceries*, <https://www.theguardian.com/australia-news/2024/oct/31/remote-indigenous-australians-paying-more-than-double-capital-city-prices-for-everyday-groceries#maincontent>. The Guardian

¹⁸ Foodbank. *Foodbank Hunger Report 2025* (2025, November). [Foodbank Hunger Report 2025 - Foodbank Report](#), page 11.

¹⁹ Plibersek, T. (2025, December 25). *Christmas boost for Australians in need*. [Christmas boost for Australians in need | Department of Social Services Ministers](#). Australian Government Department of Social Services [Media release].

mainstream welfare support such as asylum-seekers. However, in the spirit of the Common Good, responding to increased need for emergency relief should not be the responsibility of the social services and NFP sector alone.

CSSA therefore encourages the Federal Government to re-engage with the recommendations arising from the Senate Select Committee's Inquiry Report on the Cost of Living (the Inquiry), *Paying the Price: The Cost of a Crisis on Australians' Standards of Living* (November 2024).

In particular, CSSA encourages the Government to give close consideration to the Inquiry's recommendation in its final report to adopt the *Tax Laws Amendment (Incentivising Food Donations to Charitable Organisations) Bill 2024* (the Bill) to create tax offsets for businesses to donate surplus good to charities.²⁰ The Bill lapsed at the end of the 47th Parliament on 21 July 2025 without becoming law.

The objective of the Bill was to encourage companies to donate surplus food (and other goods and services) to registered food charities by providing tax incentive deductions and other methods, with the broader goals of reducing food waste, supporting food relief efforts, and helping address food insecurity in Australia.

Implementing such a measure would not only provide much needed support for those seeking emergency relief but would also help to ensure that services receive steady and regular supply of donations that do not rely on one-off funding by government. Instead, the private sector would be incentivised to leverage their surplus inventory with relatively low administration costs.

Recommendation 3

Adopt the Tax Laws Amendment (*Incentivising Food Donations to Charitable Organisations*) Bill 2024 recommendation contained within the *Paying the Price: The Cost of a Crisis on Australians' Standards of Living* Senate Select Committee Report to create tax offsets for donation of surplus goods to charities.

COMMITMENT TO CLOSING THE GAP

Inspired by Catholic Social Teaching, and with approximately 65 per cent of CSSA members providing services to First Nations individuals and communities, we are committed to journeying with Aboriginal and Torres Strait Islander people and the community organisations that represent their interests and aspirations to explore culturally appropriate approaches to supporting self-determination and building

²⁰ Commonwealth of Australia, Senate Standing Committees on Economics. (2024, November). *Paying the Price: The Cost of a Crisis on Australians' Standard of Living* (Final Report). [Paying the Price: The Cost of a Crisis on Australians' Standards of Living](#), Parliament of Australia, page x.

meaningful relationships. In practical terms, this means supporting continued investment to achieve the Closing the Gap outcomes and targets.

The Closing the Gap Annual Data Compilation Report²¹ on progress toward Closing the Gap on Indigenous disadvantage (July 2025) revealed only four of the 19 targets are currently on track to be met. Target 3 – Increased participation of Aboriginal and Torres Strait Islander children in early childhood education and Target 8 – Increase employment rates for Aboriginal and Torres Strait Islander people aged 25-64, are two socio-economic exceptions to rates of progress that are otherwise worsening.

CSSA supports the advocacy of the National Aboriginal and Torres Strait Islander Catholic Council (NATSICC) urging that the Catholic Social Teaching of Subsidiarity should form a core pillar in the design and implementation of programs in partnership with - and for - Aboriginal and Torres Strait Islander people.²² Subsidiarity empowers and acknowledges the genius and dignity of the individual by recognising that those closest to the problem or issue are best placed to provide a solution and must be empowered to do so.²³

The principle of Subsidiarity is reflected in Priority Reform 2 of the National Agreement on Closing the Gap to build the Aboriginal and Torres Strait community-controlled (ACCO) sector. Strengthening of the ACCO sector is vital.

CSSA supports the achievement of Priority 2 under the Closing the Gap National Agreement in recognising that better outcomes are achieved for Aboriginal and Torres Strait Islander peoples through a strong and sustainable ACCO sector that can deliver high-quality services to meet the needs and aspirations of Aboriginal and Torres Strait Islander people.

At the same time, CSSA emphasises the importance of a collaborative and inclusive service environment where non-Indigenous providers continue to play a vital role in delivering culturally safe, high-quality services. Both ACCOs and non-Indigenous organisations bring complementary strengths and should work in partnership to ensure the best outcomes for communities.

The recent 'A new approach to programs for families and children' consultation under the Family and Children's (FaC) Activity (Department of Social Services) presents a genuine

²¹ Productivity Commission. (2025, July). *Closing the Gap Annual Data Compilation Report*. [Closing the Gap Annual Data Compilation Report July 2025 - Closing the Gap | Productivity Commission](#). Australian Government.

²² National Aboriginal and Torres Strait Islander Catholic Council (NATSICC). (n.d). [Why isn't the Gap Closing?](#) NATSICC. n.p.

²³ Ibid, n.p.

opportunity for a greater and proportionate investment in ACCOs, including through longer-term grant agreements of up to five years).²⁴

As CSSA's submission on the consultation details, we believe greater investment in ACCOs should also be underpinned by investment in a sector capability-building and change management process that supports a smooth transition with the ACCO sector, including through partnerships, and avoidance of service disruption during grant cycle negotiation processes. CSSA understands while current FaC Activity funding for in-scope programs will not decrease, no additional funding has been allocated under the FaC Activity to support the proposed reforms.²⁵

Recommendation 4

Proposed reforms to the FaC Activity should include funding for sector capability-building and a change management process to support a collaborative and inclusive service landscape that recognises the vital roles of both Aboriginal and Torres Strait Islander community-controlled organisations (ACCOs) and non-Indigenous providers toward achievement of Closing the Gap Priority Reform 2 with attention to:

- i. Supporting for longer-term grant agreements for ACCOs under the FaC Activity Reform.
- ii. Adequate lead-in time for grant negotiation and termination notification under the new arrangements, consistent with the principles of the Not-for-profit Sector Development Blueprint and Community Sector Grants Engagement Framework.
- iii. Contingency planning in the event of any service disruption caused by the reform process, particularly in regional, rural, and remote areas.

²⁴ Australian Government. (2025, November). *A new approach to programs for families and children Discussion Paper*. <https://engage.dss.gov.au/wp-content/uploads/2025/11/discussion-paper-1.pdf>, Department of Social Services. p.2.

²⁵ Plibersek. T. (2025, October 23). [Win for community organisations: new reforms to better support children and families | Department of Social Services Ministers](#), Australian Government Department of Social Services [Media release], n.p.

SAFE, ACCESSIBLE AND AFFORDABLE HOUSING FOR ALL

One of the most dramatic impacts of the cost-of-living crisis is the increasing number of Australians finding themselves struggling to meet their mortgage or rental payments or facing homelessness. The cost of buying or renting a home has risen dramatically, with more than 1.2 million low-income households spending over 30 per cent of their disposable income on housing.²⁶

Safe, accessible, and affordable housing is a basic human right. Catholic Social Teaching asserts that every person possesses inherent dignity and is worthy of respect and a right to the basic needs of life, including housing.

About 68 per cent of our 41 members provide housing services including long term rental, supported accommodation, crisis and short-term accommodation, alongside other compassionate and responsive homelessness support services for the most vulnerable and at-risk in our communities.

Social and Affordable Housing

CSSA commends the Government's commitment to addressing housing security and affordability in targets to build 55,000 social and affordable homes by 2030, including more than 21,000 new homes under Round 3 of Housing Australia Future Fund (HAFF). The Round 3 HAFF, as the largest round to date, with funding of \$3.1 billion in concessional loans for community housing providers, \$2.6 billion in additional investment, and a dedicated funding stream to improve First Nations housing outcomes, is a significant investment but unfortunately, continues to fall short of targets that will address unmet housing need.

The Australian Housing and Urban Research Institute (AHURI) found that over the next 20 years, 727,300 additional social housing dwellings will be required across Australia.²⁷ To address homelessness and housing stress immediately, it is estimated that an additional 430,000 social housing dwellings are needed.

CSSA therefore calls for greater ambition in the 2026-27 Federal Budget to meet required social housing levels and combat the long-run decline in social housing as a share of the total housing stock.

²⁶ Australian Institute of Health and Welfare. (2025, October 16). *Housing affordability, Australia's Welfare*. [Housing affordability - Australian Institute of Health and Welfare](#). Australian Government, n.p.

²⁷ Lawson, J., Denham, T., Dodson, D., Flanagan, K., Jacobs, K., Martin, C., Van den Nouwelant, R., Pawson, H. and Troy, L. (2019, June 26). *Social housing as infrastructure: rationale, prioritisation and investment pathway*, AHURI Final Report No. 315, Australian Housing and Urban Research Institute Limited <http://www.ahuri.edu.au/research/final-reports/315>.

The National Housing Supply and Affordability Council (NHSAC) seeks the proportion of social housing restored to 6 per cent of the housing stock over the medium term.²⁸ To reach this target, Australia must build more than 36,000 additional social housing dwellings every year for the next decade.²⁹

Noting that HAFF Round 3 funding will cease from 2029, a longer-term, ongoing funding commitment for social housing as part of the Government's social and affordable housing pipeline, is needed.

In the interim, a systematic plan to fully understand and measure the economic (and social) benefits of increased investment in social housing should be developed given the private housing market, including rental market is largely inaccessible for households on low incomes. Building a stronger economic and social case for increased social housing should be a joint effort between the Federal, State and Territory governments to inform social and affordable funding levels in the long-term.

Recommendation 5

Increase social housing levels over the next decade in line with NHSAC national targets and invest in joint research across governments that comprehensively measures the long-term economic and social benefits of increased funding for social housing.

Unlocking Commonwealth land

In line with previous commitments under the National Housing Accord (the Accord), CSSA urges completion of a whole-of-government process to identify surplus or underutilised Commonwealth-held land that could be used to support more social and affordable housing. Just as the Catholic Church has demonstrated through projects like *Yes, In Faith's Backyard*, that its land can be repurposed for housing, both Federal and state Governments have the opportunity to use their land assets to do the same.

Releasing land at realistic valuations rather than being retained solely as a government asset would incentivise developers and community housing providers to establish credible partnerships and bankable dwellings that Australians desperately need.

²⁸ National Housing Supply and Affordability Council. (2025, April 17). *State of the Housing System 2025*. [State of the Housing System 2025](#), Australian Government. p. 19.

²⁹ Everybody's Home. (2025, July 16). *Housing crisis reaches breaking point as rents surge over decade*. [Everybody's Home](#). Everybody's Home [Media Release]. n.p.

Such a commitment is also in line with the National Planning Reform Blueprint which encourages 'the importance of using government land efficiently to support housing' (Measure 10)³⁰ and relevant work under the 2025 MYEFO that 'commits to partnering with states and territories and industry to locate land that is vacant or under-utilised through the First Home Supply Program'.³¹

Under the Accord, the Federal Government should report on the review findings to the Council on Federal Financial Relations.

Recommendation 6

Fund the completion and publication of a whole-of-government review of Commonwealth-held land to determine whether parcels are surplus or underutilised and suitable for housing supply outcomes — including social and affordable housing.

More tailored funding for Specialist Homelessness Services

Latest figures from the Australian Institute of Health and Welfare (AIHW) (December 2025) highlight urgent government action recognising that Specialist Homelessness Services (SHS) are at breaking point. SHS provided assistance to around 289,000 people in 2024-25.³²

Those who had experienced family and domestic violence continue to be the largest cohort of SHS clients (40 per cent of all SHS clients). Three in 10 clients were aged under 18 (27 per cent of all SHS clients) and around one in 3 clients (or approximately 88,800) had a current mental health issue, with this group growing over time.³³

While evidence shows that homelessness services can avoid people becoming homeless, with research estimating that every avoided eviction saves around \$12,000,³⁴ Specialist Homelessness Services remain overwhelmed.

³⁰ Australian Government. (2024, March). *National Planning Reform Blueprint – Commonwealth Progress Report*. [National Planning Reform Blueprint – Commonwealth progress report – March 2024](#), Australian Government. page 4.

³¹ Australian Government. (2025, December 17). *2025–26 Mid-Year Economic and Fiscal Outlook*, Australian Government Treasury. <https://www.treasury.gov.au>, page 12.

³² Australian Institute of Health and Welfare (AIHW). (2025, December 4). *Specialist Homelessness Services Annual Report 2024-25*. [Specialist homelessness services annual report 2024–25, Clients, services and outcomes - Australian Institute of Health and Welfare](#). Australian Government, n.p.

³³ Ibid.

³⁴ Impact Economics and Policy. (2024, November). *Call Unanswered: Unmet demand for specialist homelessness services*. Homelessness Australia, p. 6. Using figures from AHURI (2015). *The cost effectiveness of Australian tenancy support programs for formerly homeless people*. <https://www.ahuri.edu.au/research/final-reports/252> (updated to September 2024 dollars).

Too often people are seeking help too late when they have already lost stable housing. As advocated by Homelessness Australia, a dedicated Homelessness Prevention Fund³⁵ would allow organisations to step in early with tailored financial assistance and support pathways for clients before they become homeless.

CSSA member organisations support some of the highest priority users of SHS including those with complex needs and with mental ill-health or psychosocial disability. A critical priority for CSSA is advocating to prevent people from becoming homeless when they exit institutions such as hospitals, mental health facilities, and correctional settings. Our mission is that no one should be released into homelessness.

We support the creation of a Homelessness Prevention Fund that brings together mental health supports, specialist homelessness services, and broader health care responses, with further targeted wrap-around support for women and children fleeing family violence- and for First Nations women and children who are disproportionately affected by homelessness. The Fund should also provide support for people with psychosocial disability or other complex needs who experience repeat or persistent homelessness to sustain housing and participate in their communities.

Recommendation 7

Establish a Homelessness Prevention Fund which gives priority support to high-risk groups to prevent them from becoming homeless including when exiting institutions such as hospitals, mental health facilities, and correctional settings. Support the principle that no-one should be released into homelessness.

The need for a National Housing and Homelessness Plan

CSSA respects the Government's priority attention to addressing the supply-side housing issues and addressing crisis responses to homelessness, however we see the finalisation and release of the ten-year National Housing and Homelessness Plan as 'unfinished business' in setting a clear, national 'long-term vision for the future of housing and homelessness policy in Australia'.³⁶

³⁵ Homelessness Australia. (2025, December 4). *AIHW data reveals help coming too late as more people arrive with nowhere to sleep*. [AIHW data reveals help coming too late as more people arrive with nowhere to sleep – Homelessness Australia](#) [Media Release], n.p.

³⁶ Commonwealth of Australia. *National Housing and Homelessness Plan Bill 2024 (No. 2)* (Cth) (introduced 24 Jun. 2024). Parliament of Australia, Bill no. r7207. [National Housing and Homelessness Plan Bill 2024 \(No. 2\)](#)

Despite significant efforts in consulting on the development of a National Plan, it has been well over a year since the Senate Economics Legislation Committee released its final report on the National Housing and Homelessness Plan Bill 2024 (No. 2) (November 2024).

Housing and homelessness are national, multi-dimensional issues that call for a unifying framework capable of addressing the deep and wide-ranging structural drivers of homelessness and housing affordability that other funding agreements, policies, and programs across Federal, State and Territory Governments cannot comprehensively address. The Government's various housing policy initiatives including the National Housing Accord, the HAFF and Build to Rent Housing Tax Concessions are notable, but as the complexity of the issue is further constrained by powers and responsibilities fragmented across jurisdictions, departments and levels of government, it is vital that policies and programs have a unifying mechanism to come together in an integrated and co-ordinated way. A National Plan, led and owned by the Australian Government with overarching governance and accountability mechanisms is the best approach to comprehensively addressing Australia's housing and homelessness crisis.

This is particularly important to ensure that groups particularly vulnerable to housing stress and insecurity and homelessness are prioritised. This includes low-income households, single parents, young people, single pensioners, those fleeing domestic or family violence, people with disability, and First Nations Australians, refugees and asylum-seekers, migrants, children including those interacting with state-based care, older Australians, and elderly people.³⁷

Recommendation 8

Finalise and implement the ten-year National Housing and Homelessness Plan.

IMPROVED FUNDING FOR ESSENTIAL SOCIAL SERVICES

The charitable social service sector and its providers are the largest employer outside of governments.³⁸ The sector provides significant support and services to vulnerable and disadvantaged Australians and across the cost-of-living crisis, the sector has witnessed not only increased demand for its services but also an increase in the complexity of this demand.

³⁷ Ibid.

³⁸ Catholic Social Services Australia (CSSA). (2024, December). *Annual Report 2023-24*. [CSSA Annual Report 2023-24](#). CSSA. page 15.

CSSA's submission to the Economic Reform Roundtable consultation (July 2025)³⁹ highlighted research commissioned by CSSA in the *'Real Costs, Real Impacts: A Path to Social Services Sustainability'* report (Real Costs Report) demonstrating that current government funding and indexation policies are creating significant financial sustainability risks for social service providers. Moreover, as service capacity erodes in real-terms year-on-year, it is Australia's most vulnerable that become the 'shock absorbers' of chronic structural underfunding.

The *Real Costs Report* highlights several concerning impacts of inadequate funding, including: the sector's inability to compete with wages and conditions in other industries, loss of experienced staff due to unsustainable workloads and strained support, service contraction or discontinuation in areas of critical need particularly in regional and remote areas where not-for-profits are often sole providers, flow-on negative fiscal effects for governments as prospective clients are unable to participate in economic activity and increased demand on primary healthcare and acute care budgets as vulnerable Australians seek costly crisis-orientated downstream support through the health system.

In light of the report findings, CSSA continues to advocate for sustainable government funding of essential social services including contract design, pricing (including indexation) and implementation settings that do not erode funding value or present additional administrative and regulatory burdens on the sector.

In practical ways, the next Federal Budget can consider:

Reform of Indexation Formulae under the Grants Policy Framework

CSSA notes the 2025 MYEFO commitment to provide additional funding of \$63.4 million over two years from 2026–27 to extend support for Community Sector Organisations (CSOs) and maintain funding levels for CSOs pending the effect of the Government's reforms to the indexation framework.⁴⁰ This is welcome news in line with the NFP Sector Development Blueprint's commitment to support the development of appropriate indexation calculation formulae and systems.

CSSA reiterates that the indexation reform framework should establish an Australian Bureau of Statistics (ABS)-led Producer Price Index (PPI) using established systems and formulated to align with annual indexation and actual cost increases across the sector.

³⁹ Catholic Social Services Australia (CSSA) (2025, July). *Economic Reform Roundtable consultation submission. CSSA-Submission-to-the-Economic-Reform-Rountable-2025-Final-6.pdf*

⁴⁰ Australian Government, (2025, December 17). *2025–26 Mid-Year Economic and Fiscal Outlook*, Australian Government Treasury. <https://www.treasury.gov.au>, page 217.

It is important that the indexation rate is set by an at arms-length agency (not Federal Treasury) and that the timeliness of indexation syncs with grant funding cycles. An appropriate indexation methodology would increase fiscal transparency, provide economic stability, and prevent artificial service contraction.

Recommendation 9

In line with commitments to implement all initiatives under the NFP Sector Development Blueprint, and the Government's reforms to the indexation framework, the ABS should be funded to establish a timely Producer Price Index relevant to the real costs of social service delivery.

Establish a Digital Fund under the NFP Sector Development Blueprint

CSSA supports calls led by ACOSS to improve the sector's digital capability. As the *Real Costs Report* cites, investing in digital infrastructure and sector productivity digital and data capabilities are now essential to both compliance and efficiency, yet investment remains piecemeal. A coordinated, co-funded digital infrastructure investment including shared analytics platforms, data standards, and cybersecurity support, would enhance accountability, reduce duplication, and enable providers to redirect resources toward frontline delivery.⁴¹

The *Real Costs Report* reveals that for surveyed CSSA member organisations, generally IT subscriptions are the top-most expense category with one member reporting that its IT and cybersecurity costs grew 376 per cent in one year.⁴²

The Federal government can boost its investment in the sector's digital capabilities and systems through the establishment of a Digital Fund under the NFP Sector Development Blueprint (Initiative 13a). The Fund will ensure that the sector can:

- Invest in data security and systems against cyberthreats and increase privacy protections.
- Improve safe data sharing and referrals thereby supporting more integrated, person-centred service models.
- Reduce long-term costs including administrative overheads, prevention of system failures and data loss.

⁴¹ Perks, B & Gilchrist, D. (2025). *Real Costs, Real Impacts: A Path to Social Services Sustainability – Case Studies*. Centre for Public Value UWA & UWA Public Policy Institute for Catholic Social Services Australia. [real-costs-real-impacts-case-studies.pdf](#), p. 10.

⁴² Gilchrist, D. & Perks, B. (2025). *Real Costs, Real Impacts: A Path to Social Services Sustainability*. Centre for Public Value UWA & UWA Public Policy Institute for Catholic Social Services Australia. [250315 Real Costs Real Impacts FINAL](#), p. 20.

- Keep community-based organisations viable and competitive, especially smaller organisations who do not have the resources to invest in their digital assets.

Recommendation 10

Establish a Digital Fund for NFPs to invest in and improve the sector's digital and data skillsets, cybersecurity, and use of AI, consistent with Initiative 13a of the NFP Sector Development Blueprint.

Transition to the New Social, Community, Home Care and Disability Services (SCHADS) Industry Award 2010 (SCHADS) Structure

CSSA's submission to the Fair Work Commission on changes to the SCHADS Industry Award 2010 (July 2025) emphasised the importance of a phased approach to the introduction of the revised Award including a guarantee that no affected worker's wage would decrease and support to transition to the new classification structure. The Fair Work Commission will make its final decision on the Award restructure in early February 2026.

CSSA reiterates that the sector will require ongoing transitional support and government collaboration to adapt to the new Award Structure including classifications and wage rates. Support mechanisms to assist organisations with implementation costs and challenges, such as training on the new classification structure should be fully funded.

To ensure the sustainability and resilience of the community services workforce, further investment is required to fund comprehensive training, supervision, and professional development. As agencies face increasing regulatory compliance, community engagement, and action plan development responsibilities, dedicated funding is essential to support these expanding demands without compromising service delivery.

The Federal Government should ensure that any changes to award classifications and wage rates are accompanied by corresponding adjustments to government funding arrangements.

Recommendation 11

Provide funding for government collaboration and transitional supports to ensure workers and employees can transfer to the new SCHADS Award structure, ensuring that the real wages of low-paid workers should not go backwards but are adjusted in funding agreements.

FAMILY SUPPORT INCLUDING TO ADDRESS FAMILY, DOMESTIC AND SEXUAL VIOLENCE

The elimination of domestic, family, and sexual violence (FDSV) is a national priority as reflected in the *National Plan to End Violence against Women and Children 2022–2032* (the *National Plan*) and the *Rapid Review of Prevention Approaches* of the National Plan in August 2024.

Addressing FDSV is a key strategic priority for CSSA in promoting and strengthening family wellbeing through our member services that support early intervention programs for vulnerable families, family breakdown services, and specialist family violence support services.

As the Domestic, Family and Sexual Violence (DFS) Commissioner stressed in the Commission's Yearly Report 2025 (the Report), 'The challenge is not generating solutions. It is creating the systems and accountability mechanisms to implement comprehensive and sustainable solutions in a way that enables agility in the face of complexity and emerging issues.'⁴³ This is a challenge our member organisations delivering front-line DFSV services experience every day.

Additional funding for community-based mental health and family support services is critical to reduce crisis escalations and promote early intervention. Strengthening these supports will alleviate pressure on acute services and contribute to improved family wellbeing and safety outcomes.

A major symposium held by CSSA member organisation, CatholicCare Wilcannia-Forbes in November 2025, highlighted the escalating rates of domestic and family violence in regional, rural, and remote Australia. In the organisation's service area, which covers 52 per cent of NSW, recorded domestic violence assault rates were more than three times the NSW state average in the twelve months to June 2025.

At the same time, a new report from Domestic Violence NSW found that the costs of delivering domestic and family violence services in regional, rural, and remote communities, is up to 8.94 times higher than cities.⁴⁴ but lacking supplementary payments to recognise the additional costs and demand drivers related to service delivery in these regional, rural and remote locations.

⁴³ Domestic, Family and Sexual Violence (DFS) Commission. (2025, October). *Domestic, Family and Sexual Violence Commission Yearly Report to Parliament 2025*. [Domestic, Family Sexual Violence Commission Yearly Report 2025](#), DFSV Commission. p. 5.

⁴⁴ Domestic Violence NSW. (2025, December 9). *New report reveals victim-survivors in regional, rural and remote NSW left behind by state funding*. [New report reveals victim-survivors in regional, rural and remote NSW left behind by state funding | Domestic Violence NSW](#). [Media Release], n.p.

Another CSSA member organisation, Jesuit Social Services published its *Adolescent Man Box* study (Man Box Study) in November 2025, a first of its kind study revealing the social and health related associations with restrictive masculinity amongst adolescent boys. The Man Box Study recommended a suite of measures stressing the criticality of engaging boys and men in solutions to address DFSV including increasing the scale of early intervention work with boys to prevent violence by addressing underlying needs, in partnership with communities.

Informed by the first-hand expertise and research of both CSSA members, CSSA supports several priority recommendations for immediate action as recommended in either in the Rapid Review (August 2024) and/or the Commission's Yearly Report 2025 including:

- Driving coordinated Commonwealth implementation with quarterly reporting to Cabinet reporting to ensure DFSV remains a national priority.
- Grow numbers in the specialist DFSV workforce, including the Aboriginal and Torres Strait Islander specialist workforce, and build capacity in migrant and multicultural organisations, disability, and LGBTIQ+ services.
- Increased DFSV support services in regional and rural areas, including addressing the funding gap in crisis accommodation support for victim-survivors in regional and rural areas.
- Implementing a national, coordinated approach to engaging men and boys on healthy masculinities and violence prevention including national standards for men's behaviour change programs.

Recommendation 12

Commit to immediate action on the priority recommendations arising from the Rapid Review of the National Plan and/or the Domestic, Family and Sexual Violence (DFSV) Commission's 2025 Yearly Report.

DISABILITY AND DIGNITY

People living with disability remain among the most marginalised and structurally disadvantaged groups in our society. They are disproportionately affected by poverty, social exclusion, insecure housing, family and domestic violence, and barriers to accessing essential services and supports. These challenges are often compounded for people experiencing mental ill-health or psychosocial disability, who frequently encounter stigma, fragmented service systems, and a lack of coordinated, person-centred support.

CSSA is committed to advancing the rights, inclusion, and dignity of people with disability as a cross-cutting priority across all areas of our work. This means embedding disability across all other priority policy areas including housing, income support, health, family support and

safety, and community participation. Just as disability is a cross-cutting outcome under the National Agreement on Closing the Gap, we urge the Australian Government to apply a disability lens across all its measures and initiatives.

Recognising the vital role of both paid and unpaid carers, it is imperative to strengthen their support environment through enhanced training, resources, and formal recognition. This will help sustain care provision and improve outcomes for people with disability and their families.

In practical terms, we seek targeted policy reform and investment for people living with disability within the recommendations already included in this submission including:

- Establishment of a Homelessness Prevention Fund that explicitly includes targeted supports for people with disability and those experiencing poor mental health who are at heightened risk of homelessness.
- Increased investment in specialised homelessness services for people with disability, recognising the complex and ongoing support required to sustain appropriate, safe, and accessible housing and wellbeing for this group.
- Strengthen understanding and capability across the family and domestic violence workforce in relation to disability. People with disability, particularly women and children, experience higher rates of violence and face unique barriers to disclosure, safety, and support. Building disability-informed practice within the DFSV sector is essential to ensuring services are accessible, inclusive, and able to respond effectively to the needs of people with disability.

Recommendation 13

Embed a disability-lens across all recommendations contained within this submission.

CONCLUSION

In closing, the pursuit of the Common Good remains central to the vision and recommendations presented in this submission. By embracing policies that balance economic prosperity with social responsibility, and by fostering collaboration across sectors, we can create a society that truly serves all its members.

This commitment to the Common Good is not only a moral imperative but a practical necessity for building a just, inclusive, and sustainable Australia – one where no one is left behind and everyone has the opportunity to flourish.

CSSA and its members thank the Federal Department of Treasury for the opportunity to provide a 2026-27 Pre-Budget Submission.

CSSA and its members would welcome the opportunity to discuss the content of this submission should any further information be of assistance.