



Budget Policy Division
Department of the Treasury
Langton Crescent
PARKES ACT 2600

Attention: Claudio Damiani

Dear Mr Damiani,

CSSA Submission to 2015-16 Commonwealth Pre-Budget

I am pleased to present Catholic Social Services Australia's (CSSA) recommendations for the 2015-16 Commonwealth Government Budget. CSSA urges the Government to adopt equity as its chief guiding principle, in order to ensure vulnerable families and individuals are not unfairly disadvantaged by expenditure cuts.

Catholic social teaching holds that the most important measure of a healthy society is the manner in which the community directs resources to assist those most in need. As a Catholic organisation, CSSA applies this principle in its Budget recommendations to the Government.

The Budget measures provide a significant opportunity to invest in communities, families and individuals, in order to strengthen social cohesion, participation and wellbeing, and increase economic productivity. In the area of social services, we urge the Government to focus on investment for long-term benefit rather than expenditure cuts for short-term savings.

Just as physical infrastructure, such as roads and railways, are important to the economic prosperity of the nation, CSSA joins with other leaders such as the World Bankⁱ in recognizing that investments in social infrastructure, including families and vulnerable communities, will return economic and social dividends to the whole community. Sound investment in families and children, especially through the funding of preventative measure in the lives of those at risk has demonstrated longer term economic and social benefits to the whole community.ⁱⁱ

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CSSA is the Catholic Church's peak national body for social services.

CSSA envisages a fairer, more inclusive Australian society that reflects and supports the dignity, equality and participation of all people.

For over 50 years we have assisted member agencies to promote a fairer, more inclusive society that reflects and supports the dignity, equality and participation of all people.

Our 59 member agencies employ around 12,000 people, with 4,000 voluntary contributors to this work.

The network provides community services to over one million Australians each year, with programs valued at around \$700 million.

CSSA partners with a range of government and non-government organisations to pursue our mission and contributes to social policy development based on the experience and expertise of the CSSA member network.

CSSA supports the creation of opportunities for increased economic and social participation of all Australians including access to employment, training and community participation. Cuts to the income and support services available to vulnerable Australians do not result in mutually desired increases in employment, economic and social participation.

This is borne out by findings from the recent Senate Inquiry into inequality which found that one of the main barriers to overcoming disadvantage is having a low income: *“A low income often compounds the extent of the disadvantage..... Coupled with the disadvantage of a mental health condition, a physical disability or the demands of being a single parent, a low income makes it more difficult to access decent and stable housing, quality health and education services and the skills needed to break out of poverty.”*ⁱⁱⁱ

Last year’s ‘Budget repair’ approach to reduce funding to essential services, hit those who were already vulnerable and disadvantaged, the hardest. Social Services discretionary grants were reduced by \$240 million over four years in the 2014-15 Budget and no allocations were made for indexation to ensure ongoing funding will be sufficient to meet annual rises in wages and living costs. In addition, a new social services procurement process resulted in further uncertainty about the longevity of essential services such as emergency relief, family violence and financial counselling. Final negotiation of discretionary grant contracts is still not resolved, leaving many community organisations unsure of their ongoing capacity to meet demand for immediate and longer term individual and community need.

CSSA member organisations are now seeing first-hand the negative impacts of last year’s Budget decisions on the people they serve – people whose hopes for breaking the poverty cycle, getting a job or securing affordable accommodation have suffered a serious set-back. We implore Government not to make the same decision this year, and seek assurance that any proposed changes to social services funding are considered and made in consultation with the sector and with sufficient time to respond to ensure that no Australian is at risk of further disadvantage.

CSSA is aware that the 2015-16 Commonwealth Government Budget is being prepared whilst several significant inquiries are still under consideration by Government including the major review of Welfare Reform, review of the Mental Health System, the Federal White Paper on Housing and Homelessness and Taxation Review. CSSA’s response to the Welfare Reform Review can be accessed [here](#).

Whilst recognizing that the above reviews have the potential to give rise to desired systematic reform, CSSA will remain vigilant in advocating for fair and balanced policy responses that enable equity of opportunity for all Australians, and outcomes that ensure that the most vulnerable in our community have access to their share of Australia’s common good.

Australians need assurance that during times of change, the government remains committed to supporting the most disadvantaged in our community. The Budget is a critical moment for the government to communicate its commitment to supporting the growth of the whole community.

CSSA would also like to take this opportunity to stress the importance of the Not-for-Profit sector in delivering social services across Australia. CSSA's members alone support around one million Australians every year, providing a high level of professional services valued at approximately \$700 million per annum. These services deliver clear social and economic benefit to the whole country, assisting people to participate fully in their communities, supporting transition back into the workforce, often after long periods of absence, helping families navigate critical periods in the lifecycle, and supporting people with complex physical, social and mental health needs with the day to day activities of life.

Our following recommendations focus on the Commonwealth Government program areas that could potentially have greatest impact on improving the lives of those who are most disadvantaged.

Increase investment in support for vulnerable children and families

- *CSSA supports budget initiatives that focus on early intervention and prevention. There is substantial evidence that intensive investment in family support at an early stage, before problems become entrenched, pays off.^{iv}*
- *Any new families package of support needs to prioritise funding for the most vulnerable people, and communities of most disadvantage.*
- *Projects should be supported under the National Framework for Protecting Australia's Children, which recognise the economic and social benefits of investing in stronger universal and early intervention services to assist vulnerable children and families at critical stages of their development and life.*
- *The Second Action Plan 2013-2016 developed under The National Plan to Reduce Violence against Women and their Children 2010 – 2022 should be fully funded to address the current shortfall of services for women and their children experiencing domestic violence.*

Target social services funding toward those groups and regions experiencing entrenched poverty and disadvantage

- *Funding for social services and support services (such as housing, health and education) should be targeted to those most in need including communities with long term disadvantage. A place based approach to funding based on need better targets funding to areas of most need.*

Ensure adequacy of income support

- *An independent commission should be established to develop evidence-based benchmarks of adequacy for income support payments to people of working age.*

Prioritise support for rural and remote communities

- *Commit ongoing funding to significantly strengthen social support services and community connections in rural and remote communities and address the funding shortfall currently met by NFP agencies which partner with the Commonwealth Government, to cover very high costs related to rural social services, travel and housing.*
- *Support the Centre for Excellence to undertake research and a trial in how IT technology can be better utilised to successfully supplement the delivery of face-to-face social services to rural and remote communities.*

Increase investment in social and low cost housing

Affordable housing

- *Build on the Government's previous investment in low cost housing, by supporting collaborative partnerships with non-government agencies to access and develop land in those parts of Australia where the shortfall in affordable housing is greatest.*

Homelessness

- *Extend the National Partnership Agreement on Homelessness for a further five years from 1 July 2015.*

Working with the Not-for-profit sector

- *The proposed Centre for Excellence for the NFP Sector should undertake an analysis of the cost pressures on NFP agencies delivering social services to ensure that an appropriate level of indexation is applied and hours of service delivery are considered in funding allocations. This is especially significant as the sector moves from block funding to individual client-led service models. Service providers therefore need adequate base level funding in order to provide the requisite options from which clients may choose.*

I would be pleased to elaborate further on our recommendations on the contact details provided below or alternatively you can contact the Senior Policy Officer, Liz de Chastel on telephone: 02 6285 2399.

Yours sincerely,



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Chief Executive Officer

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ⁱ <http://data.worldbank.org/topic/infrastructure>

ⁱⁱ *A New System for Better Employment and Social Outcomes* - Interim Report of the Reference Group on Welfare Reform to the Minister for Social Services P85

ⁱⁱⁱ Senate Community Affairs References Committee 2014 *Bridging our growing divide: inequality in Australia: The extent of income inequality in Australia* December Key Findings

^{iv} The evidence base underpinning family and community policy, summarised by the Australian Institute of Family Studies in <http://www.aifs.org.au/sf/pubs/bull1/bulletin1.pdf>, was used to support FAHCSIA's Stronger Families and Communities Strategy, a pre-cursor to the Family Support Program.