

Catholic Social Services Australia Federal Election Statement

2022



Catholic Social Services Australia

Catholic Social Services Australia (CSSA) is the Catholic Church's peak national social services body. We draw upon Catholic social teaching, research and the lived experience of our nationwide network of providers, to inform public opinion and encourage our federal parliament to develop just and compassionate social and economic policies that will improve the lives of the poor and vulnerable in Australia.

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

Key principles of Catholic social teaching:

- **Human Dignity** - Everyone is important.
- **Common Good** - What is best for everyone?
- **Solidarity** - We are all part of one human family.
- **Preferential option for the poor** - We prioritise the most vulnerable.
- **Subsidiarity** - All people should have a say.
- **Participation** - We all want to work and contribute.
- **Care for our common home** - Care for our environment and our community.

Introduction

The COVID-19 pandemic has affected us all – our lifestyles, occupations, and physical and mental health. Our fellow Australians have experienced a full spectrum of hardship, but the evidence suggests the vulnerable in our community have paid the highest price.

Older people and those with high-risk underlying medical conditions disproportionately bore the brunt in terms of hospitalisation and death.

Figures reported by the ABS in October 2021 revealed that 73.4 per cent of people who died from COVID-19 had pre-existing chronic conditions, and the median age for those who died from COVID-19 was 86.9 years. It is understood that these figures remain reasonably consistent.

The "**Understanding the impacts of COVID-19 on vulnerable Australians**" Report by Good Shepherd comprehensively addresses some of the other hardships experienced. The Report identifies women, recently arrived immigrants and those on low incomes as the cohorts most affected by the loss of income and increased risk to safety.

The pandemic has exacerbated economic, social and health inequality worldwide, including in Australia.

Catholic Social Services Australia calls for a range of measures to arrest and reverse the trend of a widening gap between the wealthy and poor.

A new Fairer Economy

Strong Economy, Stronger Australia

In early 2021, CSSA published a policy paper titled "**Strong Economy, Stronger Australia: Building our prosperity to serve the common good**".

The Paper argues that "as a nation, we need to examine the limitations of our current economic approach and its effects" and that following the upheaval of the pandemic, "we have an opportunity now to build back better — developing a roadmap that will ensure economic and social policies that provide the opportunity and possibility for all of us."

In the Paper, CSSA calls upon the Government to implement measures to build a fairer economy. Several of the recommendations are contemporaneous with its publication and as such, reference government assistance that is no longer available. Regardless, the general principle of providing appropriate support for those seeking employment remains true.

The recommendations include:

- A bipartisan commitment to create a "**Full Employment**" economy.
- Introduce measures to **assist older workers** who are underemployed or unemployed.
- Deliver jobs through the **care sector**.
- Reform Australia's **national job programs**.
- Reform Australia's **welfare system**.
- Increase the **Jobseeker** payment to at least meet the poverty line.
- Review Australia's **Industrial Relations** framework to de-incentivise insecure employment.
- Reform Australia's **taxation system** to create a fair and sustainable system.

The full paper, which can be found on the CSSA website [cssa.org.au] under "Resources", provides further context and reasoning.

There is no question the pandemic has created significant challenges, but "Stronger Economy, Stronger Australia" argues that opportunities have also arisen to reset our economy for the common good.

A Minimum Basic Income

The Australian Catholic Council for Employment Relations (ACCER) researches, develops and presents the Australian Catholic Bishops Conference's annual submission to the Annual Wage Review, with particular consideration to the needs of families and the low paid. ACCER and its predecessor have been making submissions for over ten years.

In their 2021 submission, ACCER wrote (para 135):

The example provided by the JobSeeker and JobKeeper payments, where an amount of \$1,500 was paid, irrespective of the hours worked or not worked, is that such an amount is sufficient to lift workers out of poverty. It is a lesson that should not be quickly forgotten and could provide real guidance as to how the National Minimum Wage (NMW) review might address its mandate.

Again in 2022, ACCER will present their submission to the Review, including new research conducted by the Australian Catholic University (ACU). The ACU considered what would be an adequate increase in the NMW to narrow the gap between the NMW and the Poverty Line for sole parents with two dependant children in the context of Australia's post-pandemic economic recovery. CSSA firmly endorses the work of ACCER and looks forward to reviewing its 2022 submission.

CSSA calls upon an incoming Government to commit to a **genuine investigation** of a **minimum basic income** for all Australians.

When the coronavirus supplement was available, it was demonstrated that when those experiencing poverty are given adequate financial support, they spend it on essentials and paying down debt. The additional support also made it easier for people to engage back into the labour market.

Perhaps most significantly, it was an investment in the lives of the over 750,000 Australian children suffering the terrible impact of poverty. Investing in our children will see the costs to the community in areas including healthcare, homelessness and unemployment massively reduced in future years.

The Social Services Sector

National Disability Insurance Scheme (NDIS)

The National Disability Insurance Scheme (NDIS) has been the subject of numerous reviews, most recently the Tune Review, which made 29 Recommendations to the Government in December 2019. CSSA fully endorses the recommendations to improve the participant experience and is pleased to note some progress has been made.

With regard to the experience of service providers, CSSA offers the following comment:

Insecure funding and casualisation

Disability service providers operate in an insecure funding environment that constrains workforce planning and training. The sector has been forced into the increased use of casual employees to match workforce availability with participant needs.

A casualised workforce is problematic for the following reasons:

- The sector needs to offer good quality employment opportunities, not precarious employment if it is to attract a stable workforce to support the NDIS.
- Disability workers are forced to leave the sector to gain economic security. Casual workers face barriers in obtaining finance, including mortgages, and planning for their future.
- Quality is put at risk, particularly where service providers prioritise their scarce resources into training permanent employees over potentially more transient casual employees.

Registered and unregistered providers

Not all NDIS providers are required to register with the NDIS Commission. As a result, two distinct employer marketplaces have emerged – one for registered providers operating in a compliance-driven environment (including CSSA Members) and another for unregistered providers who provide services with no price constraints and lower compliance obligations.

Unregistered providers are required to comply with the NDIS Code of Conduct. However, they operate with limited oversight from the NDIS Quality and Safeguarding Commission (the Commission). This arrangement is problematic for participants as there are limited avenues to complain should they receive inadequate service from an unregistered provider.

Furthermore, unregistered providers are advantaged in the market because they:

- do not need to pay to implement quality systems or for external audits;
- are not constrained by the NDIS Pricing Arrangements and Limits; and
- are not obliged to use a portal that is flawed in design, problematic to use, and has no flexibility to accommodate claims affected by NDIA or participant-driven changes.

CSSA calls upon an incoming Government to **require all providers to be registered** so that participants can have disputes dealt with properly.

Unsustainable administrative costs

CSSA Members have reported many unfunded administrative requirements related to the scheme, resulting in agencies operating at a loss. The following is a non-exhaustive set of examples.

Not everyone with an NDIS plan gets funded for Support Coordination. The primary purpose of Support Coordination is to build the capacity of the participant to manage their own plan, not to assist with ongoing management. Ongoing Support Coordination funding is reserved for those with particularly complex needs. In reality, many participants require some ongoing assistance managing their support, and agencies perform this service in an unfunded capacity.

Another issue arises when clients engage and receive support but do not have enough funding in their plan to pay. Agencies now have to pursue debts from clients who have overspent. The Government does not intervene as the onus is on the participant to manage their own plan, and agencies are expected to bear the financial risk.

Disability support workers must assist with a range of services, some of which may be considered clinical and beyond their training. Agencies have reported hiring nursing staff at a higher level of pay to supervise the delivery of those more clinical services. Agencies are also required to have staff constantly "on-call" to compile incident reports if a reportable incident occurs during service delivery. Service providers are subject to rigorous turnaround times (the first report is due within 24 hours), including weekends. Having staff on-call, or working to produce a report, are unfunded expenses.

It is unreasonable and unsustainable for the Government to expect non-government organisations to undertake these necessary but unfunded tasks. Some of our members are reluctantly considering withdrawing from the scheme due to significant operating losses.

Our Ask:

The **NDIS system is not working** the way it should for participants or service providers. From the perspective of suppliers, CSSA calls upon an incoming Government to ensure:

- Disability support staff **receive the respect they deserve** by the NDIS system, enabling providers to employ staff **permanently rather than casually**. The system virtually requires service providers to employ staff as casuals to avoid making a loss; this outcome is unacceptable and undervalues the work that care workers do.
- **Costs associated with compliance** with the NDIA and NDIS Commission must be **recognised** in funding arrangements.
- **A level playing field** is created between registered and unregistered providers, and there are proper avenues for complaint resolution when unregistered providers fail to provide an appropriate standard of care.

Aged Care Funding

There is significant concern among CSSA Members who provide community-based aged care that changes to the way contracted services are paid will result in greater financial instability and greater risk for their operations.

Under a contractual arrangement between the recipient of a My Aged Care package (the consumer) and a service provider, the service provider is paid a monthly fee by the Government. Should the consumer not use their full entitlement for the month, the service provider can hold that funding in case the consumer requires more intensive services later in the contract year. If there has been an underspend at the end of the year, that surplus is returned to the Government.

For example: Mr Smith has been assessed as requiring a package worth \$36,000 per annum. Each month, his service provider receives \$3,000. Should Mr Smith only need \$2,500 worth of services that month, the remaining \$500 is held for him to use in a later month.

Under the changes being introduced, a service provider will no longer receive a monthly instalment, but rather they will need to invoice for services at the end of each month and wait to be paid. This means that they will be paying wages and other expenses as they are due, but will need to be in arrears in terms of when they receive payments.

Another consequence of these changes is that there will no longer be the flexibility to "bank" funding to accommodate a greater need in a later month.

For example: If Mr Smith regularly underspends by an average of \$250 per month for the first six months of the year, but is then injured and he requires more intensive services, he is not entitled to use that \$1,500 in underspend to pay for additional care. His package per month remains \$3,000 and he will need to re-apply to request additional support.

The Government has started to implement the changes in stages, and they expect to complete the rollout by July 2023.

These changes will place greater operational risk on the service providers and create greater financial instability for casual aged care staff if a service provider does not have enough reserves to maintain regular payments.

Our Ask:

CSSA calls upon an incoming Government to **abandon and reverse** its implementation of the **changes to aged care funding**.

Place-based service delivery

A long-term trend in the Government's funding of community services is to fund service providers with a large geographic footprint rather than smaller place-based services. The rationale for this trend is efficiency – it is simpler and cheaper for Government to deal with one larger entity than ten smaller agencies.

Additional barriers for smaller agencies include not being competitive with larger organisations on costs and finding it challenging to engage in complex contractual and reporting environments. In many cases, the Government's approach achieves satisfactory outcomes for clients. However, in other circumstances, particularly in rural and regional locations or when working with culturally diverse groups of people, those larger agencies need to enlist a local subcontractor to deliver the service.

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Targeted Programs

Occasionally, smaller programs make significant improvements in the lives they touch. CSSA has reviewed initiatives run in other jurisdictions and by other organisations, and calls upon the Government to trial or rollout these measures across the nation.

CSSA surveyed members, and these were the programs that received the most support:

Tutoring Scheme

In 2021, the NSW and Victorian state governments ran initiatives designed to support children whose learning had been disrupted by Covid-19. Under the programs, schools were provided funding to engage tutors to provide targeted teaching to students identified as needing support. Both NSW and Victoria funded their Free Tutoring program to the end of 2021, and the Victorian Government has committed a further \$230 million in funding in 2022.

Our Ask:

CSSA calls upon an incoming Government to provide a coordinated nationwide funding package providing free tutoring to **support vulnerable students** across the country.

Digital Access Hubs

Given all levels of government are now encouraging or requiring people to use online portals to access support or entitlements, CSSA believes that there is a role for the Federal Government in providing ongoing support to people with low digital literacy in the form of Digital Access Hubs. Cohorts who face significant barriers complying with the online requirements for seeking government support, include:

- Older people who have not had exposure to technology;
- People who have not worked in office-based employment;
- People with some forms of disability;
- People who are not able to afford devices or internet services; and
- Those for who English is a second language or who have difficulty with literacy.

For these people, navigating government portals, filling out e-forms and attaching supporting evidence are insurmountable obstacles for which they require assistance. Whilst many can reach out to family and friends, others seek support from ill-equipped community organisations and others go without support.

Existing programs such as the Federal Government's "Be Connected Program" or Telstra's "Tech Savvy Seniors" program are incredibly useful for some, but the online components of all these programs make the assumption the users already have internet access, or at least someone to help them with their initial set-up.

The proposed Hubs would not simply offer training but in-person and ongoing support for personal administrative tasks. Hubs might support people in navigating websites (such as MyGov, My Aged Care or online banking portals) and providing assistance with filling out forms, printing information, or scanning/attaching documents.

Our Ask:

CSSA calls upon an incoming Government to fund **Digital Access Hubs**, where people can go for one-on-one assistance to access and navigate their personal administration online. The hubs may be co-located with Libraries or community facilities, or in "mobile centres" (buses) in rural and remote locations.



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