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

UnitingCare Australia – 2019-20 Pre-Budget Submission

UnitingCare Australia is pleased to provide this submission to inform development of the 2019-20 Federal Budget.

Australia has experienced 27 years of continuous economic growth. However, the benefits of growth have flowed disproportionately to higher income earners and to the wealthy. Wages below the median have stagnated. Underemployment and insecure, low quality jobs are on the increase. Unacceptable rates of poverty and child social exclusion persist. Housing affordability is at an all-time low and home ownership, the jewel in the crown of Australia's social policy egalitarian accomplishments, is falling.

Ambitious social reforms have been under resourced: Closing the Gap targets have not been achieved, and a mechanism to provide badly needed Indigenous advice to Parliament has been summarily dismissed. The National Disability Insurance Scheme (NDIS), which gave so much hope for people living with a disability, has assisted many but disappointed others. Subsidies for early childhood care, education and aged care have attracted a growing number of for-profit providers, but marketisation has failed to improve the supply of accessible, high quality services for the most disadvantaged. Inequality and the inequities in health and education outcomes that arise from it has increased, as a result of policies that reduce tax and transfer progressivity and therefore government revenue.

Australia became a signatory to the UN Sustainable Development Goals (SDGs) in 2015 but has yet to express this commitment in a whole of government approach to inclusive, sustainable growth. UnitingCare Australia urges the Government to adopt a policy framework and Budget initiatives that would promote inclusive, sustainable growth and enable Australia to achieve its SDG targets by 2030.

1. Healthy ageing

UnitingCare Australia notes that a healthy-ageing policy needs to begin at conception – see Recommendation 9 below.

Australia should have a world leading aged care system that ensures all older people have access to the services they need to optimise their health, well-being and social connections. We believe that the aged care system must be an integrated part of the health care system, and support the government's increased focus in both systems on preventive public health measures, early intervention and reablement when possible. Services that extend independent living and support people's preference to remain in the community as long as possible reduce costly and preventable admissions to acute care and residential aged care.

UnitingCare Australia recommends that the Government commits to:

- adequate resourcing under the Aged Care Act to meet the current and projected future need for age care services, including by increasing the funding for Level 3 and 4 Home Care Packages to the level necessary to reduce waiting times to a maximum of 3 months.
- developing a sustainable funding model to ensure the viability of high-quality services that meet the needs and preferences of an ageing population regardless of locality;
- provide adequate funding to ensure the success of the streamlined assessment model currently being designed—its efficiency and effectiveness will depend on a high quality, multidisciplinary workforce and allowance for regular reviews of individuals' levels of need;
- accelerates implementation of responses to the ALRC Report Elder Abuse—A National Legal Response; and
- resourcing implementation of “A Matter of Care – Australia’s Aged Care Workforce Strategy”, particularly to pilot programs that address the training needs in remote and very remote regions.

2. NDIS and Disability

UnitingCare believes that Australians deserve a world leading Disability services sector that strengthens the capacity of disabled Australians to contribute to their community and society. The 2019-20 Budget provides the Commonwealth with the opportunity to make a significant contribution towards achieving this.

We recommend that the Government:

- assure the long-term viability of the NDIS through a funding mechanism similar to the Medicare levy.
- ensure that the NDIS Price Guide reflects the actual cost of providing all necessary services to an appropriately high quality;
- expand the scope of the Jobs and Market Fund to ensure its adequacy, continuity and fitness for purpose;
- develop an NDIS Innovation Fund targeting providers that specialise in meeting the needs of the cohort with complex needs;
- provide additional support for vocational and tertiary educators to provide training to NDIS support staff at all levels;
- investigate the costs of developing or contracting a provider of last resort option in thin markets in regional or remote areas under the Market Enablement Framework;
- increase funding for Specialist Disability Accommodation; and
- undertake a comprehensive review of the Local Area Coordination function within the NDIS to ensure it is suitably resourced and effective.

3. Housing and Homelessness

Access to affordable adequate housing is essential to the health and well-being of all Australians. UnitingCare Australia notes with concern the decrease in housing affordability, the increasing incidence of homelessness across Australia and the urgent need for investment to increase public housing stock that hasn't kept pace with population growth since 1995

UnitingCare Australia recommends that the Government:

- work with state and territory housing authorities to develop and deliver a national plan to fund and address homelessness and increase access to affordable housing for low income families, particularly to victims of domestic violence. This work should consolidate state and territory planning already undertaken and utilise a rigorous approach toward measuring demand and supply of housing and homelessness services; and
- reform negative gearing to:
 - phase out concessions for existing housing over the forward estimates period except for stock being used for the National Rental Affordability Scheme or similar;
 - introduce a cap on the number of properties for which a single individual may access the concession; and
 - limit new concessions to new builds that create additional housing supply.

4. The Future of Work

UnitingCare Australia endorses continued investment by Government in policies, programs and strategies which take into account the changing nature of work and the appropriateness of current industrial awards to ensure that people have pathways into sustained employment.

UnitingCare Australia recommends that the Government:

- implements Universal Basic Income and Job Guarantee trials to ascertain the relative costs and benefits of each in the future of work; and
- develops and implements a comprehensive outcomes measurement framework for employment programs and services commissioned by relevant Government agencies such as the Department of Jobs and Small Business and Department of Social Services to evaluate the success of current strategies.

5. Social Security

UnitingCare Australia endorses the development of an independent Social Security Commission to determine appropriate payment levels and obligations for individuals and families receiving employment, education and family benefits. The right to an acceptable standard of living for Australia's most vulnerable must be protected by an independent Commission who can develop evidence based standards based on the best evidence.

UnitingCare Australia recommends that the Government:

- establishes an independent and suitably resourced Social Security Commission as proposed in the *Social Security Commission Bill 2018*; and
- eliminates all welfare conditionality, including the Cashless debit card, which research has revealed as counter-productive, in favour of voluntary support and training programs.

6. Mental Health

UnitingCare Australia believes that the Commonwealth Government can do more to mitigate the prevalence and economic and social costs of mental health issues in Australia. Mental health issues have the potential to impact any member of society, but it is often the most vulnerable who are least able to seek effective assistance to improve their lives. The recent announcement of an additional \$1.75b for mental health services provided by the

Commonwealth to Primary Health Networks (PHNs)¹ is a positive development, but more must be done to provide certainty to mental health industry practitioners and the people they support.

UnitingCare Australia recommends that the Government:

- re-establish block grant funding for Mental Health Services as per Recommendation 7 of the *Senate Committee Inquiry on Accessibility and Quality of Mental Health Services in Rural and Remote Australia*;
- develop and implement a comprehensive strategies to:
 - increase the numbers of mental health practitioners operating in regional and remote areas;
 - increase the numbers of Indigenous mental health practitioners operating nationally, but particularly in regional and remote communities;
 - increase the uptake of Aboriginal Mental Health First Aid among relevant professional cohorts in regional and remote areas; and
 - ensure appropriate financial, personal and professional supports for mental health practitioners operating in regional and remote areas; and.
- redesign funding arrangements for mental health care providers operating in regional and remote areas to provide greater certainty of funding and minimise the risks of – and associated with staff churn.

7. Investing in Early Childhood

UnitingCare Australia advocates strong investment in prevention services and supports to ensure that children can grow and thrive in safe and supportive families and communities. This includes providing supports for children (such as high quality early childhood education and care services), as well as for their parents, families and carers (such as positive parenting, family skills programs and, where necessary, trauma informed care). Appropriate investment provides the most effective means to break cycles of poverty and address the complexity of issues that lead to children being removed from their families and placed into out-of-home care. Given the extremely high and rising rates of Aboriginal and Torres Strait Islander child removal, priority should be given to providing support to Aboriginal and Torres Strait Islander families that will ensure the healthy development of their children from conception onwards.

UnitingCare Australia recommends that the Government:

- invest in an intensive early-years development program, to support the healthy development of Aboriginal and Torres Strait Islander. Such a program should start from conception onwards, and promote learning, social and emotional development. The program should include provision of pre-pregnancy health, nutrition and family planning services, and include access to early childhood education and care that focuses on social or language development, addresses trauma, provides intensive supported playgroups, and programs for parents and children such as home visits that engage families in familiar environments;
- complement the above approach through piloting of a jobs guarantee scheme to quantify the benefits of protecting parents and their children from exposure to the toxic stress experienced by jobless families;

¹ <https://www.smh.com.au/national/1-75-billion-for-mental-health-removes-uncertainty-for-local-services-20190115-p50rhs.html>

- facilitate universal access to quality and affordable early childhood education and care for all Australian children, but particularly for Aboriginal and Torres Strait Islander children as amongst the most disadvantaged; and
- resource establishment of a National Commissioner for Aboriginal and Torres Strait Islander Children, with oversight to monitor and advocate on national, state and territory laws, policies and programs that affect Aboriginal and Torres Strait Islander children.

8. Sustainable Development

UnitingCare Australia supports the Commonwealth Government's commitment to the United Nations Sustainable Development Goals (SDGs) and their implementation. Economic development should be just, fair and sustainable and the Commonwealth needs to align social and economic policy with the requirements of inclusive and sustainable growth.

UnitingCare Australia recommends that the Government incorporate the SDGs in Commonwealth law and policy.

9. Funding and Taxation

UnitingCare Australia supports a tax and transfer system that contributes to greater equity and supports a public sector capable of developing and delivering high quality policy advice, administration and services for the health, education, and well-being of all Australians.

UnitingCare Australia recommends that the Government:

- prioritises the provision of support and services to those who have benefited least from the long period of growth over delivering tax cuts and other subsidies to those who have benefited most;
- expand the No Interest Loan Scheme and formal linkages to short term credit providers to benefit individuals in financial stress who might otherwise seek assistance from unscrupulous lenders;
- ensures that all contractual arrangements impacted by the Equal Remuneration Order are reviewed to ensure that funded services can be provided sustainably for the full length of the contractual arrangement; and
- refrains from the imposition of an arbitrary cap on spending or taxation that would impair its ability to make productive investment in human capital or productive infrastructure.

Conclusion

The 2019-20 Budget provides an opportunity to rebalance the economy, prioritising the strengthening of our social infrastructure and investment in people as the means to deliver the greatest return on investment of Government resources.

We would be pleased to provide further commentary on the recommendations made in this submission.

Yours faithfully



Claerwen Little
National Director

UnitingCare Australia

UnitingCare Australia is the national body for the UnitingCare Network, one of the largest providers of community services in Australia. With over 1,600 sites, the network employs 50,000 staff and is supported by the work of over 30,000 volunteers. We provide services to children, young people and families, Indigenous Australians, people with disabilities, the poor and disadvantaged, people from culturally diverse backgrounds and older Australians in urban, rural and remote communities.

UnitingCare Australia works with and on behalf of the UnitingCare Network to advocate for policies and programs that will improve people's quality of life. UnitingCare Australia is committed to speaking with and on behalf of those who are the most vulnerable and disadvantaged.