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**Anglicare Australia  
Pre-Budget Submission  
2021-22**

**December 2020**

*[www.anglicare.asn.au](http://www.anglicare.asn.au)*

## About Anglicare Australia

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

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

## Contact

Kasy Chambers  
Executive Director

Anglicare Australia  
PO Box 4093  
Ainslie ACT 2602  
T: 02 6230 1775  
[anglicare@anglicare.asn.au](mailto:anglicare@anglicare.asn.au)

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## Introduction

Anglicare Australia is pleased to make this submission ahead of the 2021-22 Federal Budget. The next Federal Budget will be a critical opportunity to support Australia's recovery, and build back better, in the wake of an unprecedented year. This submission explores what's needed, and what's possible, based on the insights and expertise of our member organisations.

As a locally-based network with national reach, Anglicare Australia has been supporting people in need as our economy recovers. We are also well-placed to see how recovery efforts are working on the ground. Anglicare Australia's members provide vital emergency relief, housing, financial counselling, mental health, and other social services, such as aged and disability care. We are embedded in communities across Australia. While many commentators have described 2020 as a year of strange, unexpected disasters which have wreaked havoc on communities, our local presence has given a different perspective. We believe the past year has been one of predictable crises, exposing and worsening the failures in our safety net. The Covid-19 pandemic and the climate-fuelled fire season have shaped this year, showing how our systems have been designed to look after the most advantaged best. Under extreme pressure, they have failed the people who need them the most.

As frontline services, we have been closely watching the impact of these crises. The focus of the most recent Budget and the initial stimulus was rightly on the immediate impacts on individuals and communities. However we know from our past experiences that we must prepare for the longer-term social and economic impacts. Our submission offers insights on how the next Federal Budget can help people cope with the reverberations, explores the impact of current government measures, and makes recommendations on how to prepare for longer-term impacts.

The Covid-19 pandemic has already proven to be a generation-defining event that will affect people and communities for years to come. We hope to work with the Government on the recovery, and to use the next Federal Budget to build a more resilient and prosperous Australia.

## A safety net that's up to the challenge

Before the Covid-19 pandemic, one in eight Australians lived in poverty. Worse still, one in six children lived in poverty.<sup>i</sup> The biggest risk factor for living in poverty was living on income support.<sup>ii</sup> Even with top-ups and supplements, pre-recession rates of income support were trapping people in hardship.

A recent survey of 2,000 Anglicare Australia clients found that two out of three people (58 percent) who came to us for emergency help were out of work; one in two (46 percent) needed help to get basic essentials such as food or medicine; and one in three (33 percent) needed help to manage a low income.<sup>iii</sup> Another recent survey conducted by Anglicare Australia showed that three quarters of people out of work (72 percent) were skipping meals, and one in ten (9 percent) were couch-surfing or in insecure accommodation.<sup>iv</sup>

This reinforces what the evidence has been telling us for years – that before the Covid-19 pandemic, payments for people who are out of work were so low that people were turning to agencies like ours just to get by. Data from the Anglicare Australia Network shows that emergency relief isn't a long-term answer to poverty. Almost one in two (44 percent) of our emergency relief clients were coming to us for over a year.<sup>v</sup> What these people really needed was a decent income to match the basic cost of living.

For these reasons, Anglicare Australia has long called for JobSeeker payments to be raised for good. In March, we supported the Government's move to raise the rate of JobSeeker above the poverty line, finally ending its 26-year freeze on support for people out of work. This lifted hundreds of thousands of Australians out of poverty and shielded the newly unemployed from destitution.

Yet much of that work much of that work has since been undone, with rates set to be slashed in 2021 on top of cuts already made in September. These cuts will reverse the gains that Australia has made in tackling poverty, and plunge record numbers of people into hardship and deprivation as they recover from this historic downturn. With many more people now reliant on the JobSeeker payment, record numbers of Australians will be pushed into poverty and housing stress.

### **The JobSeeker payment, Age Pension, and Disability Support Pension**

Much was made of the doubling of the JobSeeker rate in March. However, Anglicare Australia believes that the rate had simply caught up with living costs after a 26-year freeze. The long stagnation of payments made the increase look large, but in truth, Australia's unemployment payments have been so low for so long that the debate over rates lost all sense of proportion. This helps explain why doubling the rate still left people barely above poverty line.

In the decades since the rate was frozen, rents in capital cities have more than doubled and government payments have failed to keep up. For example, a median rent in Sydney is \$500 per week. The next round of cuts could force a person on JobSeeker to spend all of their income on rent, even with the help of Commonwealth Rent Assistance. Anglicare Australia's Rental Affordability

Update, released in the wake of the Covid-19 downturn, found that almost 99 percent of rental listings and sharehouses were not affordable for someone on Jobseeker, even with payments doubled. Under the old rate of Newstart, 0 percent would have been affordable.<sup>vi</sup> Other essential living costs like food, education, health, transport, petrol, and electricity have also been rising since the early nineties.<sup>vii</sup> When compared to living costs, it's clear that payments are due for a big, permanent boost.

Anglicare Australia notes that children were the biggest beneficiaries of the JobSeeker increase. Around one million children now have a parent who relies on JobSeeker.<sup>viii</sup> They will bear the brunt of any cuts.

Anglicare Australia also notes that some households were left out of extra support altogether. People on the age and disability pensions were excluded from payment increases, left instead with small one-off payments in spite of facing much higher costs. For example, Anglicare Australia's recent Rental Affordability Update found that people on the age and disability pensions were at the very bottom of the rental market. With no change to their payments, a person on the Age Pension can afford just one percent of rentals, while a person on the Disability Support Pension can afford 0 percent.<sup>ix</sup> Along with those on carer payments, these are the groups most vulnerable to the virus. Older Australians and people with disabilities also have much higher medical, power and transport costs. Equity demands that extra support be extended to these groups for as long as the pandemic is with us.

**Recommendation: A permanent increase to income support payments**

Anglicare Australia calls on the Government to permanently raise the rate of JobSeeker payments above the poverty line. Support must also be extended to groups who are absorbing higher costs as a result of the pandemic (for example, people on the Age Pension, Disability Support Pension, and carer payments). This will mean raising the rate of JobSeeker and related payments to meet the Henderson poverty line. The Henderson poverty line accounts for different costs to different groups, and this will mean paying supplements to some people depending on their situation. It will also involve taking account of Australia's high housing costs (the Henderson poverty line assumes that 30 percent of a person's income is spent on housing).

**Migrants and asylum seekers**

In considering the response to the pandemic, it's important to remember that asylum seekers, international students and temporary migrants do not have any access to income support including JobSeeker, JobKeeper, or Medicare. This is a huge concern and one we urge the Government to take seriously.

Governments have provided emergency and food relief but this does not match the level of need, nor is it an effective way to provide income security. While some people on temporary visas are approaching our members for help, many are unaware of the existence of services such as Emergency Relief. Anglicare Australia Network agencies across the country are working to reach out to these

populations to help them access crisis help. However, emergency relief still will not prevent people from losing their homes or being unable cover the cost of essentials. There is also a major concern about lack of access to healthcare for people not currently eligible for Medicare. In the context of this downturn, everyone should be able to access free health screening, testing and treatment for the virus regardless of their Medicare or visa status.

Anglicare Australia notes that some States and Territories have put in place provisions for people who otherwise do not have Medicare access to receive free or subsidised healthcare. While this is welcome, the Commonwealth has a responsibility to ensure people have access to treatment during this pandemic in the interests of public health.

**Recommendation: Migrants and asylum seekers**

Anglicare Australia recommends that JobSeeker and JobKeeper payments be urgently extended to over one million migrants who currently miss out. This remains one of the most serious flaws in the Covid-19 response and one that must be remedied quickly.

**Helping vulnerable communities adapt to climate change**

Anglicare Australia Network members are daily helping people with the reality of our overheating world. Our emergency relief services help people with the everyday stress of high power bills. These costs are worsened by poor housing that is expensive to heat and cool. Some parts of the Anglicare Australia Network help to provide affordable, energy efficient housing for people on low income. Others are policy and research experts on energy poverty and fair responses to climate change. Many of our members are partners in state and territory emergency action plans, or respond by helping people rebuild their lives after extreme weather and natural disasters.

Demand for emergency relief has grown in fire affected areas, after bushfires engulfed much of Eastern Australia last summer and left some communities devastated. Many remain in chaos. The ensuing Covid-19 pandemic left little room for reflection on policies affecting climate change mitigation, adaptation and emergency responses. Yet it is critical that these reflections occur, and that community services are included.

Our work with people on low incomes has shown that they have the least ability to cope, move away from, or recover from extreme weather events and natural disasters being exacerbated by climate change. Some struggle to afford food when prices are affected by extreme weather and disasters. Many cannot afford to stay cool or warm during extreme weather, and this can have severe health impacts. Others have lost affordable housing which has too often not been replaced by governments after disaster events. Some members of our community, such as people with a disability, and the elderly, can also be particularly vulnerable during extreme weather events as they require additional assistance to react and recover.

Geography also plays a part in deciding who is most vulnerable. For example, rural Australians need special attention in order to cope with and adapt to prolonged droughts and more frequent flooding.

With the impacts of climate change now upon us, it is critical that we resource our communities and help them adapt. The community sector is often overlooked in climate policy. Yet as services on the frontline, we help those facing extreme events and provide vital support for the most vulnerable. Our sector must be resourced to support communities through these extreme weather events as they increase in number, length and intensity.

**Recommendations: Responding and adapting to climate change**

Anglicare Australia recommends:

- restoring and increasing funding for the National Climate Change Adaptation Research Facility as a key resource to help communities identify risks and opportunities and adapt to existing climate change.
- providing dedicated support for the community sector to adapt and respond to climate change impacts, and to support the community with adaptation and response. A climate adaptation fund would allow organisations to apply for funding to retrofit buildings, respond to extreme weather events, and better prepare their clients for the impacts of climate change.



## Action on housing and homelessness

The Covid-19 pandemic and recession have exposed the scale of homelessness and rough sleeping in Australia, both as a social problem and as a health risk to the whole community. In the last census, the Australian Bureau of Statistics estimated that at least 116,000 people were homeless.<sup>x</sup> This includes those who are in overcrowded or insecure accommodation, and those sleeping rough. Of particular concern are the 'hidden homeless', such as those who live in cars, or who have been reliant on couch surfing. Tenants in private rental properties must also be able to maintain their tenancies despite loss of employment and income.

At the height of the pandemic, crisis and other residential accommodation providers were called upon to reduce occupancy to allow for social distancing, health and hygiene. At the same time, they were under pressure to provide access to alternative accommodation for some residents. These challenges emerged in the context of a long-term housing crisis, including high levels of rental stress among low and middle-income households, severe shortages of social and affordable housing, and growing rates of homelessness. Our latest Rental Affordability Snapshot reinforces this.

To date, the Commonwealth Government has provided limited increased funding for emergency relief and family support services. Some State and Territory governments have delivered packages of assistance to their homelessness and crisis accommodation sectors, although several have not. Anglicare Australia notes recent Australian Institute of Health and Welfare data showing that the recession has worsened the homelessness crisis. In the first three months of the Covid-19 crisis, 6,000 people a month were forced to seek help from homelessness services due to the pandemic.<sup>xi</sup> These rates have since remained high. Separate monthly data compiled from the Australian Institute of Health and Welfare in September showed that over 6,000 homelessness clients cited Covid-19 as their main reason for seeking help.<sup>xii</sup>

This highlights the need for a real boost to homelessness funding, and tangible relief for renters. Governments must take urgent action to prevent homelessness and promote individual and public health.

### **Recommendation: Action on homelessness and rental stress**

Anglicare Australia recommends:

- a further boost to funding for crisis accommodation services and community housing providers to procure additional safe, self-contained accommodation for residents to protect individual, staff and public health;
- a deferral of the expiry of homes under the National Rental Affordability Scheme, due to lapse in the next financial year.

### **Stimulus through social housing**

Over the last year, almost 300,000 people sought help from homelessness agencies. Of those, around 260 were turned away each day.<sup>xiii</sup> These shortages were exacerbated by the pandemic, which saw homeless services struggle to find accommodation for people where they could keep a reasonable

distance from others and avoid catching the virus. Even after the pandemic subsides, the recession is expected to worsen the homelessness crisis in the coming years. Compared to pre-pandemic levels, the long tail of high unemployment is projected to lead to a 24 percent increase in the number of Australian families under housing stress. It will also create to a 9 percent increase in the number of Australians experiencing homelessness.<sup>xiv</sup>

Social and affordable housing is the most cost-effective solution to chronic homelessness. The affordable rents, security of tenure, and other supports available to financially vulnerable people in social housing reduces their risk of homelessness by more than half. The research also shows there is a national shortage of 500,000 social and affordable rental homes for people who are homeless or living on the lowest incomes.<sup>xv</sup> No State or Territory government is proposing an investment large enough to close their shortfall.

Ending our affordable housing shortfall would be the most powerful way to tackle the homelessness crisis and boost the economic recovery. Research has found that a \$7.2 billion investment in social housing by governments across Australia could leverage \$9 billion in direct investment and deliver over 30,000 homes. It would also create over 18,000 full-time jobs each year over a four year period, and generate up to \$18.2 billion in economic activity.<sup>xvi</sup> The investment would make inroads into the shortage of social housing and support the economic recovery. Every year, Equity Economics estimates that an additional 30,000 social housing units would reduce the number of Australians experiencing homelessness by around 4,500, saving an estimated \$135 million in additional service costs.<sup>xvii</sup>

With the economy reeling and people struggling to pay rent, we need to invest in projects that are shovel-ready. There is no time to waste. Social housing projects can get off the ground much more quickly than road or rail infrastructure. It also brings greater long-term benefits. For every dollar invested, social housing is estimated to provide an economic return of \$1.30.<sup>xviii</sup>

Responding to landlords in financial distress could offer another approach to boosting social housing. A government buy-back scheme for landlords who need to sell their properties would allow governments to replenish their housing stock, while offering landlords a fair price in the midst of a downturn. The location and scale of social housing can be guided by expert advice from key research bodies such as the Australian Housing and Urban Research Institute, and by community co-design. This issue is explored in greater detail in Anglicare Australia's 2020 Rental Affordability Snapshot.

**Recommendation: Stimulus through social housing**

Anglicare Australia recommends:

- a \$7.2 billion investment in building more social housing in areas of need across Australia; and
- a buy-back scheme for private landlords wishing to sell their investment properties, facilitated and led by the Federal Government.

## Caring for older Australians

At the time of writing, nearly 75 percent of Australia's virus deaths have been in aged care.<sup>xix</sup> The second wave of the pandemic in Victoria showed that outbreaks in aged care facilities can have potentially devastating consequences. Responses to the Royal Commission into Aged Care Quality and Safety also show that the community expects the Government to play a vital role in working with the sector to protect older people.

Along with other peak aged care groups, Anglicare Australia has endorsed all of the Counsel Assisting's recommendations to the Royal Commission into Aged Care Quality and Safety. The Commissioners will deliver their final report in February 2021. It is our expectation that the Government will release the report immediately, allowing all stakeholders and community members to work together on transforming the aged care system. We expect the foundation for that transformation to be laid, and funded, in the next Federal Budget.

It is critical that the next Budget breaks the toxic cycle of incremental measures that tinker with current settings in an attempt to avoid structural transformation. Continuing this approach would only increase the exhaustion and frustration of those in the system, particularly after the trauma of the pandemic.

Instead it should focus on implementing the core recommendations from the Counsel Assisting, which have attracted universal consensus. These include introducing a new Aged Care Act centred on the rights older people, and developing the workforce in line with the Aged Care Workforce Strategy. The Strategy will need to be funded to grow, upskill, and train the workforce – and prepare the sector for a broader transformation of the system. The Government will also need to work with unions and the aged care sector to bring forward a Fair Work Commission wage claim, which raise wages for aged care workers across the board.

Finally, the Government will need to commit the necessary funds to clear the home care waiting list. Anglicare Australia notes that the number of people choosing home care has increased by 84 percent over the past decade. The Royal Commission uncovered the fact that 16,000 people died waiting for home care packages in the year before the Commissioners began their work, while another 14,000 people had gone into an aged care home prematurely because they couldn't get the care they needed at home.<sup>xx</sup> Since the national wait list was introduced in February 2017, the wait list figures have consistently trended upward and the Government's injections have failed to keep up.

Each of these reforms must begin without delay to address current system failings – and lay the foundation for the future.

**Recommendation: Investing in reform**

Anglicare Australia recommends:

- the introduction of a new Aged Care Act centred on the rights of older people;
- funding to build, train, and upskilling as part of the Aged Care Workforce Strategy;
- the development of a Fair Work Commission wage claim to raise wages across the sector; and
- funding to clear the home care waiting list.

## Disability and mental health support

For years, Anglicare Australia has warned that the National Disability Insurance Scheme (NDIS) is facing critical challenges, and is in need of urgent attention. In the wake of the pandemic, the October Budget delivered a top-up to the Scheme along with an increase in funding to the body that regulates organisations providing support to participants. However, these efforts came off the back of chronic underspending on the NDIS, which had been used to boost the Budget bottom line for several years.

Fundamental questions relating to the provision of disability services remain unresolved. At such a critical stage in the implementation of the NDIS, this is deeply concerning. It has never been more urgent to address failures in the pricing model and take action on areas of unmet need in the Scheme, particularly mental health. The next Federal Budget must face these issues.

### A pricing model that works

There is a growing recognition across the sector that the NDIS pricing model has not been working for either individual or group support. Experience from the Anglicare Australia Network also shows that the prescriptiveness of plans around staffing qualification levels are becoming an obstacle. These issues, as well as the unaffordability of travel, are particularly affecting rural and remote areas. It is unclear as yet whether recent changes have made an impact.

Despite the scale of our services and experience in other competitive markets, parts of the Anglicare Australia Network have been unable to deliver quality NDIS services viably. Some have made the difficult decision to withdraw from providing services under the Scheme. Other service providers have found themselves in a similar position.

The next Federal Budget must continue efforts to resolve these issues. It is critical that the Government commits to working with the sector to address these problems. This could include looking to alternate funding models, such as block-funding, to address thin markets and ensure culturally appropriate services. Anglicare Australia notes that the Productivity Commission's 2017 Inquiry into Reforms to Human Services<sup>xxi</sup> and 2020 Inquiry into Mental Health<sup>xxii</sup> called for greater consideration of block-funding, and encouraged the Government to investigate this with the sector.

#### **Recommendation: Improving the NDIS pricing model**

Anglicare Australia recommends that the Government establish a process to address issues with the NDIS pricing model. This process must include representatives from the mental health, disability and social service sectors, and involve investigating recommendations from key reviews; as well as monitoring the impact of recent changes. This should include taking account of the Productivity Commission's Inquiry into Reforms to Human Services and the Joint Standing Committee on the NDIS' inquiry into the Market Readiness for Provision of Services Under the NDIS.

## The NDIS and mental health

As the Productivity Commission's Inquiry into Mental Health implores, "it is important that the Australian mental health system reaches a stage where regardless of their NDIS status, people are able to access the supports they need." Our surprise is that this does not appear to have been the goal of the National Disability Insurance Agency (NDIA), health systems, or governments until now. In some cases, the very structure of the NDIS works against community inclusion.

Anglicare Australia strongly supports the Inquiry's recommendation for all levels of government to extend the funding cycle length for psychosocial supports from a one-year term to a minimum of five years. Our experience is that people find their own way of connecting to psychosocial supports, and their own way of drawing on them. They are relational, and they take time. This is illustrated in the Commission's discussion of several broader psychosocial support programs, such as Partners in Recovery, Parents, Helpers and Mentors, and the Day to Day Living Program. Each of these programs plays a valuable role in funding the kind of support and inclusion that enables people to reach their potential in life. It beggars belief that the NDIS has evolved to put these programs and the people who use them at risk.

The provision of services such as these to people with psychosocial disabilities requires urgent attention. By far the biggest issue is that of unmet need. It is expected that 90 percent of people with psychosocial disabilities and many thousands of carers will not be covered under the NDIS.<sup>xxiii</sup> While it is essential that the eligibility criteria for the NDIS are urgently clarified, doing so will not change the lack of funding for the level of services required to support Australians with psychosocial illness and disabilities and their families and carers, regardless of where that service is located (within the NDIS, in the community, or through clinical care pathways).

The eligibility criteria for the NDIS are not clearly defined for psychosocial disability, and this is resulting in inconsistent inclusion and exclusion of prospective participants. Given how restrictively the NDIS criteria are defined with regard to mental health, it is also clear that the level of unmet need will have implications for funding between the Commonwealth and state and territory governments. There is still an overall lack of clarity and unfunded gaps in community-based mental health services for the vast majority of people who have mental illness that is not covered by the NDIS.<sup>xxiv</sup> This has left an urgent need for community-based mental health service gaps to be properly mapped and funded.

One notable example is the Younger Onset Dementia Key Worker program. This program was not explored by the Commission, but has been highlighted to us by Anglicare Australia Network members. Previously, the program was designed to provide short-term case management for families to understand dementia, provide advocacy to engage services, assist with NDIS applications, and run information sessions. The funding for this service has now been withdrawn and replaced with an NDIS case management program for clients after they secure an NDIS package.

This has left a gap for people with younger onset dementia before and after diagnosis, especially when it comes to support to access services and education. In some areas, there are pilot programs designed to help people manage their diagnosis and live well. However these programs are patchy, and their futures are not certain. There is a need for a recurrently funded, national program that provides a single point of contact to help people of all ages plan their support services and networks.

This program is one example, but it is typical of the issues that facing the mental health sector in the wake of the NDIS. There are countless other examples. We urge the Government to respond to these issues in the upcoming Federal Budget, and ensure that the NDIS doesn't ultimately fail people with psychosocial disabilities.

**Recommendation: Addressing areas of unmet need in the NDIS**

Anglicare Australia calls on the Government to extend the funding cycle length for psychosocial supports from a one-year term to a minimum of five years. Anglicare Australia also recommends that funding guarantees be provided to all community-based mental health services, including increases, to meet unmet need.

**Funding for implementation of the Royal Commission**

People with disabilities and their families need to know the facility they have chosen will provide safe, high quality, person-centred care that is grounded in respect, comfort and dignity. For years, Anglicare Australia called for a Royal Commission into these issues and we strongly supported the Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability when it was announced.

Previous reviews into the issues surrounding disability have offered valuable insights. But this Royal Commission has a much deeper remit, exploring the treatment of people with disabilities across society as a whole. Its hearings to date have engaged the public in an in-depth examination of the elements underpinning dignity, respect, and quality care. As it goes on, it will also need to have the scope to make recommendations that go beyond changes to the disability sector itself.

It is also important that its recommendations are acted upon fully. Given the scope of the Royal Commission's work, Anglicare Australia recommends that some funding be set aside in the next Federal Budget in anticipation of this expense.

**Recommendation: Anticipating costs from the Royal Commission**

Anglicare Australia recommends funding be set aside in the next Federal Budget in anticipation of implementing recommendations stemming from the Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability.

## Supporting jobs and reshaping the workforce

Unemployment, and underemployment, have been persistent issues for years. Now, record-high rates are likely to persist as Australians recover from this historic downturn. While some businesses are re-opening, chronic unemployment could undermine the recovery. People without paid work, those at risk of losing their jobs, people facing high debt burdens, and those on lower incomes will be reluctant to spend.<sup>xxv</sup> Businesses in debt and with fewer customers will be reluctant to invest.<sup>xxvi</sup>

The second wave of the pandemic in Victoria, exacerbated by community transmission in workplaces, exposed a major weakness in Australia's labour force: The growing number of people who in insecure work who cannot afford absences. At the time of Anglicare Australia's 2019 Jobs Availability Snapshot, 1.16 million Australians were underemployed.<sup>xxvii</sup> In the 2020 Snapshot, that number ballooned to 1.63 million.<sup>xxviii</sup> Many more people are thought to be in precarious work arrangements. This cohort has been overlooked for years, and now, they are particularly vulnerable.

Urgent action is required to ensure that casual workers and those in precarious arrangements are not left out of the Government response to the pandemic. At the same time, longer-term consideration must be given to ensure work in Australia becomes more secure. This is critical to building resilience in the face of future downturns and crises.

## Overhauling employment services

The Employment Services Expert Panel recently undertook a major review of Department of Employment programs, after collecting substantial evidence from service providers and users, peak bodies and labour market experts. Its report recommends major changes to Jobactive and other services when the current finding round ends in 2020. The bushfires, followed by the Covid-19 pandemic and higher rates of unemployment, have disrupted these plans. However, they have also underscored the need for major reform of employment services along the lines proposed.

In consultation with service providers and users, peak bodies and experts, Anglicare Australia calls for elements of the New Employment Services model proposed by the Expert Panel to be brought forward in response to the major restructure of employment and higher employment we now face. These changes include:

- ending excessive compliance and penalties, both for people who are unemployed and providers;
- two streams of service, a digital service and an enhanced face-to-face service;
- purchasing arrangements that provide more funding in advance (as distinct from outcome payments), facilitate specialist and locally-based providers, and reduce caseloads; and
- an enhanced Employment Fund to assist with investments to overcome barriers to employment.

With unemployment and underemployment likely to persist in the coming years, these changes will be crucial to supporting people as they seek to re-enter the workforce.



**Recommendation: New Employment Services model**

In response to current disruptions to employment and higher education, Anglicare Australia recommends that key elements of the New Employment Services model be brought forward.

**Shaping the future workforce**

With so many Australians unemployed or underemployed, and rapid shifts in the structure of work (for example, due to partial recovery), the jobs available after the pandemic will be different to those prior to the lockdowns. As well as generating more jobs through economic stimulus measures, the Government and its partners must carefully manage this adjustment in the labour market to smooth the necessary adjustments to jobs and skills.

Even before the pandemic struck, Anglicare Australia's research showed that the job market was not delivering for those facing the greatest barriers to work. These include people who may not have qualifications or experience to draw on, those trying to re-enter the workforce after a long break, or those living in regional or remote areas. Without action, this situation is likely to deteriorate further after the pandemic.

Our most recent Jobs Availability Snapshot, released in October, shows a grave situation for people facing these barriers to work. In our sample month, eight of these jobseekers are competing for each entry-level job.<sup>xxix</sup> In some parts of the country that number is as high as 20 – and this assumes those jobseekers are competing only with each other. If all jobseekers are included, there are a staggering 106 jobseekers for each entry-level job.<sup>xxx</sup> Many of the jobseekers we look at in our Snapshot are older people, who have been left out of the JobMaker scheme announced as part of the most recent Budget. On top of that, 1.63 million people are now underemployed. They could also be competing for these jobs.

The Snapshot also shows that government intervention must move away from failed policies that force people onto an endless hamster wheel of job searching and obligations unlinked to real job prospects. Indeed, a recent Anglicare Australia survey showed that the overwhelming majority of jobseekers found that their obligations and activities were pointless and failing to lead them to work.<sup>xxxi</sup> Instead, we need to drastically overhaul employment services and create activities that actually lead to work. The same survey showed that three quarters of jobseekers want to participate in activities that actually lead to work.<sup>xxxii</sup>

We must also ensure that people already working regular hours in long-term positions are given the benefits of permanent employment, instead of being stuck in casual arrangements. Anglicare Australia notes that this principle was recently recognised by the Federal Court of Australia in its landmark ruling on casual entitlements. Reducing the number of people in insecure and precarious work will mean that Australians are better equipped to weather future downturns – and that more Australians will have a decent standard of living.

**Recommendations: Shaping the future workforce**

Anglicare Australia recommends:

- an investment in supported work placements, especially those that include tangible training opportunities;
- a response to the recent Federal Court decision which explores pathways to permanent employment for casual workers in long-term positions with regular hours.
- a plan for job creation beyond the pandemic. Anglicare Australia's annual Jobs Availability Snapshot has had a particular focus on job creation, and includes several examples of successful programs.

## A better future for Aboriginal and Torres Strait Islander children

It has been over twenty years since the release of *Bringing Them Home*, the landmark report into the Stolen Generations. At that time, many Australians were shocked to learn that Aboriginal and Torres Strait Islander children represented 20 percent of children in OOHC. Today, Aboriginal and Torres Strait Islander children make up over one third of all children living in out-of-home care (OOHC),<sup>xxxiii</sup> and disproportionate representation continues to grow.

The consequences of child removal are profound. Removals devastate families, deepen intergenerational trauma, and can trigger poor life outcomes. In spite of the principles of prevention and early intervention enshrined in federal and state policy frameworks, over 80 percent of funding goes into the out-of-home care system instead of prevention.

If we continue to do what we are currently doing in child protection, the numbers of Aboriginal and Torres Strait Islander children in OOHC will at least treble in the next 20 years, according to the most recent Family Matters report.<sup>xxxiv</sup> The rates of over-representation of Aboriginal and Torres Strait Islander children continue to increase across jurisdictions. Not only are we failing to close the gap, we are actively widening the gap.

Anglicare Australia is signatory to the Family Matters campaign, which aims to eliminate the over-representation of Aboriginal and Torres Strait Islander children in out-of-home care by 2040. We echo the campaign's calls to strengthen and support families to reverse the trend of removals, and to work with Aboriginal and Torres Strait Islander communities to ensure children and young people grow up safe and cared for in family, community and culture.

### **Recommendations: Reversing the trend of Aboriginal and Torres Strait Islander child removals**

Anglicare Australia recommends the Government adopt the major actions identified by the Family Matters coalition. This would involve a commitment to:

- develop a national Aboriginal and Torres Strait Islander Children's Strategy which includes generational targets to eliminate over-representation and address the causes of child removal to improve safety and wellbeing.
- increase efforts to connect Aboriginal and Torres Strait Islander children in OOHC to family and culture, through cultural support planning, family finding, return to country, and kinship care support programs.
- prioritise investment in service delivery by community-controlled organisations in line with self-determination, including through investment targets aligned to need and adopting co-design principles with Aboriginal and Torres Strait Islander communities.

## **A National Commissioner for Aboriginal and Torres Strait Islander children and young people**

The Family Matters Report 2020 has highlighted the urgent need to establish a dedicated National Commissioner for Aboriginal and Torres Strait Islander children and young people. This was further supported by the United Nations Committee on the Rights of the Child, who this year reviewed Australia's progress to respect, protect and fulfil children's rights.<sup>xxxv</sup> A Commissioner would provide improved oversight and accountability for systems and services to improve the protection of the rights of Aboriginal and Torres Strait Islander children and young people.

As Family Matters signatories affirmed in a recent position paper,<sup>xxxvi</sup> there are at least three key reasons why there is an urgent need and imperative to establish a National Commissioner dedicated to Aboriginal and Torres Strait Islander children and young people.

Firstly, Aboriginal and Torres Strait Islander children and young people experience disproportionately high levels of disadvantage and discrimination. Secondly, Aboriginal and Torres Strait Islander children and young people often fall through the cracks of our federal system. And thirdly, there is growing recognition by State and Territory governments of the importance and value of a Commissioner dedicated to Aboriginal and Torres Strait Islander children and young people. Several have made it clear that they would value national leadership.

A dedicated National Commissioner should form part of the Australian Human Rights Commission on equal footing with the existing commissioner roles. The Commissioner should be established in conformity with the United Nations benchmark guidelines for national human rights institutions, known as the 'Paris Principles.' To achieve this, the role of the National Commissioner must:

- be established by legislation to ensure its independence and autonomy from government
- be filled by an identified Aboriginal and Torres Strait Islander person with appropriate qualifications, knowledge and experience, appointed through a transparent process
- be mandated with a clear scope and purpose for the role
- be granted appropriate functions and powers to promote systemic change and accountability, this includes powers to conduct inquiries
- be adequately resourced to perform its role effectively.

### **Recommendation: Appointing a National Commissioner for Aboriginal and Torres Strait Islander children and young people**

Anglicare Australia calls for the appointment of a dedicated National Commissioner for Aboriginal and Torres Strait Islander children and young people. The Commissioner should be established in conformity with the United Nations benchmark guidelines for national human rights institutions, and form part of the Australian Human Rights Commission on equal footing with the existing commissioner roles.

## Conclusion

Anglicare Australia appreciates the opportunity to contribute to the 2021-22 Federal Budget, which will play a critical role as we enter the next phase of the recovery. The Government will be required to play a much greater role than it has in the recent past. As well as stimulating recovery, it will also be called upon to help the community navigate our way to recovery.

In the past year, Australians have lived through back-to-back emergencies that have devastated livelihoods, health, communities and our environment. The unprecedented drought, bushfires, and the Covid-19 pandemic, have both exposed weaknesses in our support systems. Now a fourth crisis, mass unemployment and a historic downturn, is unfolding. In changing much of the employment support and social security system, the Government has openly acknowledged that existing policies were no longer fit-for-purpose. Perversely, we are now forced to fight to extend and expand these measures in the next Federal Budget.

Governments, business, unions, and the community sector are coming to realise that we can only overcome emergencies and downturns by working together in partnership. These partnerships will be just as critical in recovery. We must plan for, and coordinate, a recovery that includes everybody. As the economy and labour market undergo another major restructure, we must reimagine an economy that's likely to be very different to business-as-usual.

Other goals must be front and centre as we plan the recovery – to make our workforce more resilient and more secure; to ensure every Australian has a roof over their head; to reduce poverty and inequality, and to ease the anxiety and financial stress that too many people have suffered during 2020.

The 2021-22 Federal Budget will be a historic opportunity to help people, communities and business to recover, and to build back better.

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