

# 2018-19 **Pre-budget** submission

15 December 2017

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## Introduction

Baptist Care Australia is the national representative body for Baptist community service organisations. We work to bring social justice to Australian communities, advocating nationally on issues important to our members.

Baptist Care Australia members serve people in aged care, affected by family violence, experiencing homelessness, on low incomes, experiencing relationship breakdown, living with a disability, and affected by multigenerational disadvantage. Services include crisis accommodation, social housing, out of home care for children, counselling, no and low interest low schemes, and other programs that help people rebuild their lives or live independently with the right support.

With a combined annual turnover of \$700 million, Baptist Care Australia members employ over 9,000 staff and engage with more than 2,500 volunteers annually.

The Federal Budget is the primary platform for the Government to commit to social justice and to supporting all members of our community. This submission identifies a number of ways for the upcoming Federal Budget to improve the lives and wellbeing of some of the most vulnerable Australians.

Baptist Care Australia recognises the Federal Government's desire to return the Budget to surplus as soon as possible. While fiscal responsibility is certainly important, we argue that this should not be prioritised at the cost of essential services designed to support our most vulnerable citizens.

## Aged care

Baptist Care Australia supports an aged care system that is fair, sustainable and supports the needs of all older Australians regardless of their background, culture, location or entry point. Collectively, Baptist Care Australia members are the fourth largest not-for profit aged care provider in Australia.<sup>1</sup>

Australia's population is ageing. Both the number of older Australians and the proportion of Australia's population aged 65 and over are growing. ABS projections suggest that by 2057 the number of people aged 65 and over will be more than 8.8 million, making up 22% of the total population.<sup>2</sup> In 2017, there are around half a million people aged 85 and over, making up 2% of the population, this is projected to increase to 4.4% by 2057. To ensure that the aged care system and sector are ready to manage this dramatic increase in demand, existing issues around funding sustainability and certainty must be addressed.

Older Australians are entitled to live active, contributory and fulfilling lives, and have access to quality, flexible, and appropriate care in the place or environment they chose to age in. It is concerning that there is still a 101,508 people on the wait list to access home care packages,<sup>3</sup> and the Government should continue to make it a priority to ensure that these people receive the care they need as soon as possible.

Our aged care system is in transition after the major home care reforms of 2015, 2016 and 2017. We need to ensure that the system remains viable and sustainable moving into the future. It is essential for the future development and growth of the sector that the Government has a clear and

comprehensive plan for the future reform of the aged care system. It is imperative that any future reform is co-designed with the sector and consumers, with set timeframes.

Baptist Care Australia encourages the Government to consider the implications of any recurrent revisions to aged care expenditure in the short to medium term as it greatly affects service providers' ability to provide quality care, make business decisions and operate sustainably. The impact of continued funding reductions for residential aged care combined with the uncertainty of reform in this space means that many residential service providers are reluctant to make the necessary capital investments that will cater for the future growth of the sector.

Baptist Care Australia has some concerns about the equality of access to aged care, particularly for people on low incomes and those living in rural and remote areas. As the system continues to transition to a market-based model, it is essential that no-one is left behind. Not-for-profit providers are currently able to cross-subsidise the provision of services in some of these markets, however their ability to do so in the future will depend greatly on the adequacy, availability and flexibility of funding.

It is the responsibility of Government to ensure that everyone has equal access to aged care.

### Recommendations:

- The Government must provide a clear signal on their plans for the future reform of the aged care system, which includes the development of an aged care funding system that provides certainty and adequacy of funding for the future growth required. Planning must commence for the next stages of aged care reform based on the Aged Care Sector Committee's Aged Care Roadmap. This needs both adequate time and sufficient funding to ensure minimum confusion and disruption to both consumers and service providers.
- There is a severe shortage of respite care available to consumers and their carers. The important role of informal carers must be recognized and should be seen as consumers in their own right, with the ability to access appropriate respite services, without impacting on the home care package of the care recipient. Additional block funding should also be made available to residential aged care providers to support their provision of respite residential care.
- Different models and resourcing of appropriate end of life care for consumers of both home and residential care services is critical. As our population continues to age, there will be a limited number of hospital beds available for palliative aged care patients. It is imperative that both residential facilities and home care providers increase their capacity so that older Australians are not forced into the acute care setting, placing a far greater strain on public health expenditure.
- Industry assistance funding is required to help aged care providers to deliver new aged care models, particularly to help remote and regional providers develop innovative approaches to service delivery.

- The Commonwealth should review the indexation formula used for funding the aged care sector. The review should determine the formula's adequacy in relation to costs faced by the sector and identify modifications to help providers offset increased costs that have eroded available funding since the effective freezing of CAP and COPO.
- The Commonwealth should move towards discontinuing the Aged Care Approvals Round for residential care places, instead assigning places directly to consumers and uncapping supply. This reform must be accompanied by appropriate provisions to ensure continuing residential care services in areas with limited choice and competition.
- An independent retirement incomes review is needed that includes the age pension, superannuation, taxation, housing, and paying for health and aged care. It should aim to achieve broad political support for a retirement incomes policy that will be fair, sustainable and will bring long term stability to retirement planning.

## Housing and homelessness

Australia has a housing affordability problem. The challenges are complex, diverse and interact differently in different parts of Australia. Housing is a matter of national importance, and must be taken seriously by all levels of government.

Access to secure and suitable housing is a basic human right. However, providing long-term, affordable housing is proving to be one of the most difficult policy challenges in recent times. Without housing that is safe, secure and suitable, people often find themselves unable to participate in employment, education, have reduced health outcomes, experience exclusion from their communities and are put at a greater risk of homelessness.

There is a growing shortfall of accessible and affordable housing options for low income earners in Australia across the entire housing continuum.<sup>4</sup> This includes social housing, affordable private rental housing, disability housing, Aboriginal housing and housing for older people.

Homelessness can be prevented by tackling the structural drivers of homelessness such as entrenched disadvantage, the shortage of affordable housing, and unemployment. Groups at a particular risk of homelessness include women and children escaping violence, single older women, older people in housing stress, people with substance misuse and those experiencing mental illness, youth experiencing family breakdown, Indigenous Australians and those leaving state care. It is far more cost effective to manage these challenges before a person experiences chronic homelessness and some of the issues become entrenched.

Baptist Care Australia supports a fair and equitable housing system where all Australians have access to secure, suitable and affordable housing that is integrated with transport, education, employment and services. This is particularly true when it comes to a housing system that is safe, secure and affordable for low and middle income earners in the rental market, and those with specific needs.

Baptist Care Australia recognises the current complexity of the housing market, and appreciates that negotiations with State and Territory governments regarding housing and homelessness can be difficult. We do however believe that the Federal Government has a responsibility to take a

leadership role. This can be achieved by the development of a National Plan that directly addresses current gaps and shortfalls in the housing and homelessness systems.

Baptist Care Australia welcomes the establishment of the National Housing Finance and Investment Corporation as announced in the previous year's Budget, and congratulates the Government on the decision to guarantee the bonds issued by the corporation.

It is however important to remember that the scale of the housing problem in Australia is colossal. To rectify the growing housing affordability crisis for low and middle income earners, as well as the increasing numbers of people experiencing homelessness, there must be structural change to the housing market.

### Recommendations:

- The Commonwealth Government should develop, commit to and fund a 10 year National Housing and Homelessness Strategy which sets out clear targets for overall housing supply, affordable home purchase, affordable rental housing and social housing, and the prevention of homelessness. This plan should be led by a National Minister for Housing at Cabinet Level together with State Ministers.
- The Government should lead the reform of housing-related taxes and duties to reduce speculative investment and improve existing incentives to lift the supply of affordable rental housing.
- The Government must commit to no cuts to homelessness funding as part of the National Housing and Homelessness Agreement, and emphasise the importance of prevention when allocating homelessness funding. Supported housing models that look to rapidly rehouse people experiencing homelessness should be given funding priority.
- As an interim measure, until the structural issues around housing affordability in the private rental market are addressed, the maximum rate of the Commonwealth Rent Assistance (CRA) should be increased by at least 30% and indexed by movements in national rents (as opposed to movements in the Consumer Price Index).
- The Commonwealth Government should provide adequate and targeted funding that specifically addresses the needs of Aboriginal and Torres Strait Islander people. Overcrowding and the lack of appropriate well maintained accommodation is a serious concern, and the Federal Government should be playing a leadership role in providing adequate housing. To achieve this, housing should be included in the Prime Minister's *Closing the Gap* Report. Access to affordable and appropriate housing must be regarded in the same context as Indigenous education, health and employment.
- The Commonwealth Government should negotiate with State and Territory governments to establish a single national regulator for all social and affordable housing providers to replace existing state-based regulation of community housing.

## Family and domestic violence

Domestic and family violence affects families and individuals across Australia, in all communities. Leaving a violent relationship is an incredibly difficult process which can involve significant risk to those affected. It is totally unacceptable that in 2018, almost 210,000 women living in Australia will experience violence at the hands of an intimate partner.<sup>5</sup>

Violence against women is preventable, and eliminating violence against women and their children should be a priority of all levels of government. Baptist Care Australia believes that it is the role of the Federal Government to act as a leader in this space, and congratulates the Government on its activities and achievements on this issue to date. Several State Governments around the country have also made significant financial contributions to reduce and prevent domestic violence. However, the problem is not solved yet, and ongoing and additional work is needed.

Baptist Care Australia's primary concern in relation to the Budget is the under-funding of services responding to and preventing violence against women and children. We acknowledge that funding has been announced as part of *the Third Action Plan of the National Plan to Reduce Violence against Women and their Children*, in the form of \$100 million allocated over three years, as well as some additional funding provided as part of the National Housing and Homelessness Agreement and we congratulate the Government for recognising the urgent need.

Baptist Care Australia commends the Australian Government for its commitment to reducing domestic and family violence through the implementation and ongoing support of the *National Plan to Reduce Violence against Women and their Children 2010 – 2022*, particularly the recent implementation of the National Domestic Violence Order Scheme. We are also encouraged that the Government has committed to the review of the family law system to ensure that the system meets the contemporary needs of families and addresses family violence and child abuse.

However there are still significant funding gaps for front line services that continue to struggle with rising demand – particularly crisis and transitional accommodation. Family and domestic violence is the leading cause of homelessness, and research suggests that some women are choosing to stay in abusive relationships to avoid having to move their children out of secure accommodation.<sup>6</sup> Service providers need long term security and a funding system that recognises the critical importance that they play in supporting women and children escaping domestic violence.

Baptist Care Australia believes that governments need to adequately fund programs across a range of settings so that the work of preventing violence against women and children is integrated into all levels of society. This includes ensuring the funding of family violence services, sexual assault services, health services, legal aid and men's behaviour change programs.

### Recommendations:

- As part of a National Housing and Homelessness Strategy, increase the supply of safe housing and accommodation for women and their children Family and Domestic Violence. This includes rapid re-housing for victims and long-term housing.
- The Federal Government must allow no further cuts to the funding for Community Legal Centres. Community Legal Centres are severely underfunded as they are and provide

women escaping family violence with essential support in enabling them to navigate the often complex family law system.

- Funding to fill the existing gaps in front line services to be addressed – particularly as many of the major domestic violence services are funded through homelessness programs. Domestic violence is not just a housing issue, and a range of support programs must be available.
- Long-term, securely-funded, targeted programs that work with communities to reduce violence against Aboriginal and Torres Strait Islander women and children should be a Federal Budget priority. It is totally unacceptable that Aboriginal and Torres Strait Islander women are 34 times more likely to be hospitalized and 10 times more likely to be killed by an intimate partner or relative.<sup>7</sup>

## Conclusion

As a national peak body, Baptist Care Australia has seen the detrimental effect that the lack of consistency and certainty in Government regulation and funding has had on our members' ability to provide services to those in need. It is essential moving forward that the Government provide this consistency and certainty so that service providers (of both aged care and community services) can make longer term business decisions and develop innovative services to support our most vulnerable populations.

There is a significant opportunity for the Government to address many of the structural challenges that are causing a growth in inequity and inequality in Australia. Together we need to build the kind of society we all want: one that promotes fairness, respect for human rights and equality. Our hope is that the 2018-19 Budget works to strengthen and unite our country, not punish the disadvantaged. Ultimately, the only way a truly just society will exist in Australia is if, as a nation, we make sufficient provision for those who are forced to carry the burden of inequality.

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<sup>1</sup> Australian Institute of Health and Welfare, Aged Care Data 2017

<sup>2</sup> Australian Bureau of Statistics, Disability, Ageing and Carers, Australia: Summary of Findings, 2015

<sup>3</sup> As at 31 September 2017, Department of Health, Home Care Packages Program Data Report

<sup>4</sup> AHURI, Modelling Australia's housing needs to 2025, 2017

<sup>5</sup> Australian Bureau of Statistics, Personal Safety Survey 2017

<sup>6</sup> Flinders University, Women, Domestic and Family Violence and Homelessness, 2008

<sup>7</sup> ANROWS, Indigenous family violence 2016