



Australian Council of Social Service:

Submission to the Senate Select Committee Inquiry into the Abbott Government's
Commission of Audit – 27 February 2014

Further submission responding to questions on notice from hearing, 18 February 2014

1. Concerns about cuts to funding of vital community services

In our oral submissions we noted that we had undertaken a snapshot survey of our members about the impact of current funding decisions and funding uncertainty and the Committee asked for the relevant data.

Of the organisations surveyed, 64% stated that they were expected to deliver continued activities under a contract or funding agreement that had not yet been finalized. 46% of these particular organisations stated that they expected to be funded, but that the process was currently on hold; while 33% had not yet begun funding negotiations. At least 68% of respondents identified up to 10 staff positions being affected by funding uncertainty, while 7% identified over 100 staff positions as being affected. The majority of respondents (59%) were in a rental or tenancy agreement, or other business contract, which would extend beyond the life of their funding agreement.

Of particular concern in the context of the Commission of Audit are funding decisions that are on hold, or for which there is currently no process identified to address or negotiate funding from 1 July 2014. This is the case across major national partnership agreements, for specific programs tackling disadvantage, and for funding to individual organisations. The implications of this uncertainty are serious for the effectiveness of services for clients, and for the viability of organisations employing staff, as the following examples demonstrate.

a) National Partnership Agreement on Homelessness (NPAH).

The National Partnership Agreement on Homelessness has provided funding for a range of homelessness and family violence programs since it commenced in January 2009. The NPAH was extended one year beyond its first four-year term and is now due to expire in June 2013. It was introduced by the then Australian Government to work with state and territory governments to implement the strategic agenda outlined in the Government's [White Paper on Homelessness: *The Road Home*](#).

On 16 November 2012, at a Council of Australian Government (COAG) meeting, the Australian and state and territory governments agreed, subject to Cabinet processes, to enter into negotiations for a new NPAH.



The NPAH has been in operation for four years and is due to expire on 30 June 2013. At present, there is neither any agreement about continuing funding, nor any process by which organisations can identify needs and work with government funders about how best to meet those needs.

At the COAG meeting it was also agreed, subject to Cabinet processes, to work on a one-year transitional partnership agreement for the 2013-14 financial year while the new long-term agreement is negotiated.

The National Partnership Agreement on Homelessness aims to help: “people who are homeless or at risk of homelessness achieve sustainable housing and social inclusion.”

The agreement focuses on three key strategies to reduce homelessness:

- prevention and early intervention to stop people becoming homeless;
- breaking the cycle of homelessness; and
- improving and expanding the service response to homelessness.

Nationally in 2011-12, the number of clients with unmet need for accommodation accounted for 19.4% of the total demand for accommodation – meaning one in five people seeking assistance was turned away.¹ With high levels of unmet need persisting despite increased investment in homelessness funding in recent years, now is not the time to retreat from a national commitment to reduce homelessness. Maintaining the current level of funding, including that provided under the NPAH, is therefore vital. Mission Australia has calculated that the continuing uncertainty over the future of the NPAH is affecting 180 services, 80,000 clients and over 3,000 staff across Australia. These figures were calculated by Mission Australia using a combination of publicly available data and their own data collection. Service numbers have been quoted based on figures used by former Ministers. Staff and client numbers for National Partnership Agreement on Homelessness services were calculated using a combination of State and Commonwealth budget figures, Australian Institute of Health and Welfare data collection on Specialists Homeless Services (which include both programs funded under the National Affordable Housing Agreement and those funded under the NPAH), research on the staff composition of the community services sector and Mission Australia’s own data collection as a provider of more than 50 SHS and NPAH funded programs. Additional sources included Productivity Commission Reports on Government Services and COAG Reform Council monitoring reports on homelessness.

¹ Steering Committee for the Review of Government Services, *Report on Government Services 2013*, Volume 2, at 17.13.



Information obtained by ACOSS from Family violence services currently received funding under the NPAH shows that the impacts of any withdrawal of funding under the NPAH could include:

- Loss of support for women and children to stay living in their homes safely including providing funds for changing the locks, installing security doors and sensor lights to increase security as well as providing safe transport, mobile phones and credit;
- Loss of material aid such as groceries and clothing for women and children forced to leave their homes due to family violence;
- The closure of residential units;
- Reduced out-of-hours support, affecting current referral pathways from police. Domestic violence services report that these referrals have been increasing exponentially.;
- The cessation of court support programs;
- Closure of programs directed to assisting Aboriginal and Torres Strait Islander women and children, including Aboriginal and Torres Strait Islander liaison workers; and
- Loss of exit options for women from crisis centres, forcing them to remain in crisis accommodation with their children for extended periods, with the attendant disruption this can involve.

Should funding for these vital services through the NPAH not be maintained, the impacts on women and children, and the services they depend upon, will be severe. As one Victorian family violence service told ACOSS:

“Currently demand for [our] services overall is greater than our funded capacity. We strive to do our best to meet as many requests for service we can possibly manage. Nonetheless there are times now when we cannot meet all these requests. Reducing our services capacity further in the face of increasing demand will be crushing, negatively impact on the capacity and morale of staff, the quality of our services and result in more women and children not being unable to access much needed support and assistance when they need it the most.”

b) Youth Connections

Youth Connections helps 30,000 young people aged 15-19 each year to maintain or renew their engagement in work, education and training. It is targeted to young people who have not completed, or are at risk of not completing Year 12 or equivalent qualifications and have barriers that make it difficult to participate in education, training



or employment. Youth Connections provides career counselling and case management in relation to barriers to employment and training. It assists young people to stay in school as well as those who have already left without achieving year 12 qualifications who would otherwise fall through the cracks of our employment and social support systems. This case management is particularly important for those young people on Youth Allowance who are required to participate in further education and training.

The program is currently funded under a \$288 million four year funding agreement, which is due to expire in December 2014. An evaluation found that it only reaches one quarter of the target group of at-risk early school leavers. Analysis conducted by Mission Australia has found that if the 30,000 young people supported by Youth Connections each year ended up on income support instead, the potential costs to Government would be more than \$390 million a year.² A Youth Connections National Network survey found that 94.2% of participants were in education or employed six months after completing Youth Connections. Given current high rates of youth unemployment – 12% or double the general unemployment rate - programs which have a proven track record in supporting youth participation in employment, education and training should be a priority.

c) Legal services

Community service activities that have already been cut raise deep concern about the implications of National Commission of Audit findings for other vital social supports. For example, the Attorney-General's Department has confirmed that \$13.4 million will be cut from legal assistance programs across Aboriginal Legal Services, Community Legal Centre, Family Violence and Prevention services, and Legal Aid. These have been described as cuts to the capacity to engage in policy reform, not to services, however the Secretary of the Attorney-General's Department confirmed before Senate Estimates that it was impossible to target these cuts to ensure they did not affect services. ACOSS members whose funding has been affected by these cuts inform us that the cuts will reduce their capacity to provide community legal education, support in civil and family law matters and to work with courts in supporting their clients.

² Mission Australia, Media Release – 'Australia on the brink of a jobless generation' at <https://www.missionaustralia.com.au/newsroom-page/media-releases/item/477-australia-on-the-brink-of-a-jobless-generation>.



d) *Funding for Aboriginal and Torres Strait Islander representative bodies*

The Government has recently announced its intention to discontinue funding for the National Congress of Australia's First Peoples beyond June 2014.

The National Congress is the national representative body for Aboriginal and Torres Strait Islander peoples and has a critical role to play in public policy leadership and development. The withdrawal of funding will severely undermine the organisation's capacity to inform the development of national policy affecting Aboriginal and Torres Strait Islander peoples. It will leave a vacuum in representation at the national level.

e) *Funding for financial counselling services*

Current service contracts for financial counselling services are due to expire in June 2014. Financial counsellors provide free, independent and confidential advice to people in financial difficulty, particularly in relation to credit, debt, money management and gambling issues. Currently 950 financial counsellors provide face-to-face and telephone services to between 80,000 and 100,000 people across Australia each year, 66% of whom earn annual incomes of \$40,000 or under.³ In 2013-14, financial counselling services received approximately \$20 million in Commonwealth Government funding. In comparison, between 2005-06 and 2013-14, the implementation of Income Management has cost the Federal Government approximately \$1 billion.⁴ Given that the two programs have similar aims in terms of improving financial literacy and money management skills and that there is limited evidence that compulsory Income Management is achieving its aims, financial counselling services represent a cost effective, non-discriminatory and community-based alternative to supporting people experiencing financial difficulties in Australia.

³ Financial Counselling Australia (no date) *Financial Counselling in a Nutshell*. Available: <http://www.financialcounsellingaustralia.org.au/getattachment/Corporate/Publications/financial-counselling-infographic.pdf>.

⁴ Buckmaster L, Ey C & Klapdor, M (2012) *Income Management: An Overview, Background Note*. Parliament of Australia, Department of Parliamentary Services: Canberra.



2. Co-payments in the health system

We place on record our opposition to the proposal to create a new co-payment in general practice fees. As we set out in our submission to the National Commission of Audit, access to health care is a basic service that ought to be provided by government universally.

We are concerned that the debate about the copayments proposal is overlooking a key role that bulk billing plays in containing price inflation in general practice fees. This is a significant protective factor for the affordability of basic health care, particularly for low income households. We have strong concerns that this effective control on prices would be placed at risk if a co-payment was introduced, especially if insurers could offer cover for the resulting gap payments. The consequent inflation in GP fees would raise both social problems in restricting timely access to basic health care; and would likely raise costs to the health system in the development of acute conditions and hospitalisations that could otherwise have been prevented through effective general practice.

In our oral submissions to the Inquiry we noted the lack of an adequate policy framework encompassing the evolution of co-payments for health care; and the evidence that co-payments are producing inequitable outcomes in terms of access to and outcomes in health. We refer the Committee to a sample of evidence collected both from peer review sources and from the ACOSS membership, on which we base those assertions:

- Searles et al (2013) [The affordability of prescription medicines in Australia: are copayments and safety net thresholds too high?](#), Australian Health Review, 2013, 37, 32–40
- Menadue, D (2011) [Forced to the Margins: Australian HIV population and the burden of poverty](#), ACOSS National Conference, 29 March
- Doggett, J (2009) [Out of pocket: rethinking health copayments](#), Occasional Paper, Centre for Policy Development.



3. Correction to Hansard

Replace 'single-payment parents' with 'single parent payment' as stated by Dr Goldie at following:

... We urge this committee to make a clear recommendation that we must not make the same mistake there was made during the changes to the **single-payment parents**, when overnight in a budget decision we were told that over 80,000 single parents would have their payments cut by up to \$150 per week. We have seen the savage social and economic implications of that, because there was no process for us to be able to engage properly with the government over getting good policy to support single parents into paid work.



APPENDIX

Overview of family violence programs currently funded under the NPAH

Family Violence Programs Funded through the NPAH

Safe at Home

'Safe at Home' programs typically involve brokerage funding to enable lock changes and other physical safety infrastructure upgrades, as well as ongoing risk assessment and safety planning, case management and critically - collaboration with local Police.

Safe at Home programs are an essential feature of the family violence service provision environment and hold significant potential to keep women and children safe in their own homes and circumvent some of the impacts that fleeing violence commonly incurs such as homelessness, job loss, children leaving school and welfare dependence.

A Place to Call Home

A Place to Call Home provides funding for:

- the cost of building new accommodation, making spot purchases and/or the renovation of suitable public housing properties to provide long term, affordable housing for people experiencing homelessness
- the provision of support services to help people break the cycle of homelessness.

Chronic shortages and long waiting lists for public and community housing, coupled with unaffordable rent in the private market mean that there is a bottlenecking of the service system, where women and their children are unable to move on from supported accommodation, and others in turn are unable to access assistance. This program is designed to address this bottleneck.

Support for Indigenous Women and Children

This program provides a holistic approach for Indigenous women and children experiencing family violence.

Extended Afters Hours telephone support

After hours support provides extended family violence responses through a number of Family Violence outreach agencies operating services after hours, and taking referrals



on weekends. Case management is provided to women to understand their options following an incident of family violence.

Strengthening Risk Management Projects

This has funded 'demonstration' projects which support cooperation between police, family violence services, child protection, Corrections Officers and a range of others working together to do monitor men's behaviour and manage risk to women and children assessed at high risk of significant harm or death.

Intensive Case Management for women and children

This program provides case management for women and their children experiencing multiple issues (e.g. drug and alcohol dependence, mental health issues, chronic health issues etc.)

Case management for men who use violence

The Men's Case Management Support program engages with men who are removed from the family home by providing timely case management to assist men to take responsibility for their use of violence and mitigate the risks of re-offending.