

Eight priorities for the October Federal Budget

2022

1. Adopt a wellbeing framework with core focus on reducing poverty

ACOSS is strongly supportive of the development of a new approach to budgeting which centralises wellbeing as a core objective.

Priorities

The Wellbeing Budget should provide a framework for:

- A poverty reduction target, which reflects our Sustainable Development Goal commitment to halve poverty by 2030, and is underpinned by a national definition of poverty.
- Strategies and investment to lift the incomes of people currently below the poverty line.

2. Commit to reach and sustain Full Employment

Full Employment is within reach: a labour market in which people can secure the jobs and regular and secure paid working hours they need, long-term unemployment is reduced and growth in real wages and income support payments is achieved.

Budget and interest rate policies must keep unemployment low and avoid recessions, including containing consumer and asset prices and growing real wages.

To give people who are unemployed long-term opportunities for employment, employment services should offer substantial help to overcome barriers to employment and encourage and support employers to consider people they have overlooked in the past.

Priorities

- Replace mandatory Work for the Dole and Employability Skills Training with a flexible Jobs and Training Offer for people unemployed long-term.
- Make the ParentsNext program for parents of preschool-age children voluntary and consult with single mothers to develop a program that offers parents career

guidance and access to resources that will help them secure employment when they are ready.

- Replace the Community Development Program with employment programs designed by First Nations communities including an employment fund to generate paid employment and help drive economic growth in remote communities.

3. Lift income supports so everyone can cover the basics

Acute cost of living pressures are driving people on the lowest incomes further into deprivation. JobSeeker is just \$48 a day. Rent assistance falling further behind average rents. The best way to provide targeted cost of living relief to people who need it most is to lift income supports.

Priorities

- Commit to lift income support payments to at least \$73 a day, including JobSeeker, Youth Allowance and Parenting Payment and deliver an increase in the October budget to address the severe crisis facing people on these income support payments.
- Index all income support payments to wages as well as the Consumer Price Index twice per year, to ensure payments maintain pace with community living standards over the long term.
- Increase Commonwealth Rent Assistance by 50 per cent.
- Establish a Disability and Illness Supplement of at least \$50 per week, and a Single Parent Supplement that recognises the additional costs of single parenthood.

4. Invest in quality community services for people in need

People on low incomes have been badly affected by catastrophic natural disasters, the pandemic, and now soaring living costs.

Australia must invest more in community services, and its underpaid and undervalued workforce, so that people can get the help they need, when they need it, to rebuild their lives after crises, and to better assist people experiencing poverty, disadvantage, and hardship.

Priorities

Invest in the care economy to meet community needs and raise the pay, status, and conditions of employment in work undertaken by mostly-women.

- Apply proper and transparent indexation to all grants and contracts for community sector organisations, including an immediate rate of 5.5% for the next twelve months, to prevent material depreciation of government grants.
- Create a Community Sector Enabling Fund, to build back sectoral capability after years of disruption and disaster.
- Commission an analysis on the need for social services in the community, as a first step towards securing needs-based funding for care and community services.

5. Housing that's secure and affordable for all

People on the lowest incomes are worst affected by rising rents, which have increased by over 10% over the past year. At the same time, affordable housing stock is contracting with nearly 30,000 affordable homes to be withdrawn from the market over the next 4 years as subsidies under the National Rental Affordability Scheme end. As more and more people are being forced into homelessness and financial hardship the government must deliver urgent investment in social housing at scale and provide an immediate boost to Rent Assistance.

Priorities

- Invest in construction of 25,000 new social and affordable housing dwellings per annum.
- Increase maximum rates of Commonwealth Rent Assistance (CRA) for private tenants with low incomes by 50%.

6. Fair, fast and inclusive climate action

To address the energy affordability and climate change crisis, the government needs to provide immediate relief to people on low-incomes, address the ongoing drivers of energy debt and put people with the least at the centre of the transition to zero-emissions energy system.

People on low-incomes are more likely to live in inefficient homes, have inefficient appliances and lack access to rooftop solar. They pay 4 times more for their energy bills. With skyrocketing energy prices, people are rationing energy by forgoing showers and heating and/or going without other essentials, like food and medicines. In the first half of 2022 more than 270,000 people were in energy debt with a quarter of people holding debt of more than \$2,500.

Priorities

- Provide up to \$2,000 per household in emergency energy debt relief to people in energy hardship.
- Invest in energy efficiency and solar retrofits for low-income homes, including public housing, community housing, Aboriginal and Torres Strait Islander housing, private renters and low-income homeowners.

- Establish a dedicated Agency to coordinate reforms to reduce energy hardship, improve energy affordability and ensure people experiencing social and financial disadvantage benefit from the energy transition.

7. Build thriving, climate-resilient communities

The unprecedented 2019/20 bushfires and 2021/2022 floods in Australia have had significant economic, health and social impacts on millions of people. Recovery will take years for most and some people may never fully recover. Funding and greater support is urgently needed to support people and communities to better respond, recover and build resilience to disasters.

Priorities

- Create and fund local Community Resilience Hubs that are community-led, engage in building community resilience and assist the community in planning, response and recovery. Budget impact: -\$573 million per annum
- Increase the Australian Government Disaster Recovery Payment from \$1,000 to \$3,000, and from \$400 per child to \$1,000 per child and the amount and duration of Disaster Recovery Allowance to at least \$73 a day, indexed to wages
- Create an ongoing Disaster Management Grants Scheme for Community Sector Organisations to support participation in disaster response, recover and resilience processes, to ensure continuity of care for people who face vulnerabilities, and to adapt to the effects of extreme weather events. Budget impact: -\$220 million

8. Raise the revenue to deliver what's needed

From persistent poverty, gaps in essential care services, a rapidly heating world, extreme weather events, and surging housing costs – Australia faces big challenges.

But, as one of the wealthiest nations in the world, the government can and should raise the revenue needed to meet these challenges, and to properly fund essential services and income supports.

Priorities

- As an immediate step, commit to reversing the stage three tax cuts costing at least \$18 billion a year, which go mainly to men with incomes of \$150,000 or more.
- [Major tax reforms are required](#) to raise the public revenue we need to fund essential services and safety nets.