

# ACOSS

# Policy Priorities

## Federal Election 2025



# Executive Summary

We like to believe that we're the nation of the "fair go" - that people who work hard can live a secure, stable, and happy life. But the country where everyone can buy a home, have a decent job, and retire at a reasonable age, is becoming further from reality.

Most people have experienced a historic fall in their living standards, and they're afraid. They're scared they won't be able to pay their next round of bills, they're anxious about their financial future, and they're crying out for action.

Australia can and must do better. The next government must use the resources at our disposal to address the hardship people are facing and build a fairer and more sustainable future.

## Major recommendations

### First Nations justice and self-determination

- Deliver the funding and resourcing needed to implement reform priorities and targets under the National Agreement on Closing the Gap, including through shared decision-making models.
- Establish a process of truth-telling and treaties with First Nations peoples, as essential steps towards justice and self-determination.
- Increase the designated funding to First Nations-controlled organisations to design and deliver policy solutions and services to meet needs of First Nations communities, including to strengthen First Nations workforces.

### Build a social security system that meets need

- Increase all income support payments to at least the Pension rate of \$82 a day so everyone can afford the basics.
- Immediately increase the Remote Area Allowance in line with CPI since its inception and develop an index based on the actual costs in remote communities to provide a means for accurate ongoing indexation.
- Establish a national definition and measures of poverty so we can track the effectiveness of policies to reduce poverty.

### Make housing affordable for people with low incomes

- Substantially invest in social housing to meet need with a clear pathway towards social housing comprising 10% of all housing stock.
- Introduce reforms to halve the Capital Gains Tax discount for investment properties phased in over 5 years and limit negative gearing deductions to income from the same asset class for all new investment properties.
- Work with First Nations communities and organisations to develop and resource a First Nations led national Housing and Homelessness Plan to address the inequities in access to housing.
- Invest an additional \$450m per year for homelessness services to ensure they can meet demand, and a further \$500m for homelessness prevention and early intervention to protect those worst affected by the housing crisis.

## Employment opportunities for all, with no one left behind

- › Invest in labour market programs which truly make a difference for people like wage subsidies, VET places, and employer led schemes by \$1 billion per annum for people who have been out of work long-term.
- › Immediately end the Targeted Compliance Framework and automated payment suspensions in Workforce Australia and a commitment to root and branch reform of the Employment Services system, including an end to the present competitive model.
- › Set ambitious targets for reducing unemployment and underemployment and lifting the number of job vacancies per person unemployed by the end of the next term.

## Investing in quality community services to help people in need

- › End the chronic under-funding of community service organisations by developing a better funding and grants management model to ensure their long-term viability and ability to meet need, in line with Initiatives in the National Not-forProfit Blueprint.
- › Boost funding to essential crisis-response services such as family and domestic violence, community legal services, financial counselling, food and emergency relief, and homelessness services, so they aren't forced to turn away anyone in distress.
- › Ensure proper funding of peak bodies and advocacy organisations, as outlined in the National NFP Blueprint.

## Fair, Fast and Inclusive action on climate change

- › Provide substantial funding to accelerate home energy upgrades for all lowincome and First Nations housing (public, community, private renters and homeowners).
- › Amend the Climate Change Act to ensure people and communities experiencing disadvantage benefit from the transition to a clean economy.
- › Aim for an emissions reduction target of 75% by 2030 and net zero by 2035.

## A fairer tax system that supports services, safety nets and economic development

- › Institute measures to curb the use of tax shelters to avoid the Medicare levy by broadening the income definition for the Medicare Levy from 'taxable income' to 'Medicare Levy Surcharge income'.
- › Remove the fuel tax credit for non-agricultural uses (including mining) to reduce fossil fuel emissions and generate the revenue needed to invest in the energy transition and fund essential services.
- › Extend the existing 15% tax on the investment income of superannuation funds that applies before members retire to the retirement phase, with the revenue earmarked to guarantee quality, affordable aged care services.




# First Nations justice and self determination

## Closing the Gap

Every community thrives when it is empowered to make decisions and act the way it needs to meet the challenges it faces, including First Nations communities.

First Nations people's self-determination is essential for their communities to succeed. Yet First Nations peoples have not been given the power and resources they need to set their own course, allowing the harmful impacts of colonisation and racism to continue.


When First Nations-controlled organisations are resourced and empowered to design and deliver solutions and services to meet the needs of First Nations communities, people thrive and the whole country benefits.



**ACOSS is backing the calls** of First Nations-led organisations to deliver the funding and resourcing needed to implement reform priorities and targets under the National Agreement on Closing the Gap, including through shared decision-making models.

## Truth-telling and treaties


Aboriginal and Torres Strait Islander peoples are subject to ongoing injustices and have been since European colonisation in the late 1700s. These injustices include the dispossession of land, forcible child removal, denial of culture, over-criminalisation, and structural and interpersonal racism. The government has a responsibility to listen to First Nations communities, tell the truth about the ongoing injustices of colonisation, and address these injustices by entering a process of treaty-making with First Nations peoples.



**ACOSS is calling for** a process of truth-telling and treaties with First Nations peoples, as essential steps towards justice and self-determination.

## Funding First Nations community controlled organisations

Aboriginal and Torres Strait Islander community-controlled organisations are best placed develop policy solutions and deliver services for their communities.



**ACOSS is calling for** an increase in designated funding to First Nations-controlled organisations to design and deliver policy solutions and services to meet needs of First Nations communities, including to strengthen First Nations workforces

# Build a social security system that meets need

## Raise the Rate

Income support should be there to support people through the tough times, not keep them in a struggle for survival. Right now, Australia has one of the one of the lowest unemployment payments amongst wealthy nations, forcing more than one million people into poverty.

Every day, members of our community receiving JobSeeker, Youth Allowance, Parenting Payment and related payments are forced to make heartbreaking decisions between paying their rent or buying enough food and medicine. We can and must do better.

Lifting JobSeeker, Youth Allowance, Parenting Payment and related payments to the same level as the pension, would ensure members of our community going through tough times can live with dignity.

**ACOSS is calling for** all income support payments to be raised to at least the Pension rate (\$82 a day) so everyone can afford the basics.



## Remote area allowance

It's estimated that the costs in remote communities are 40% higher than in urban areas. The remote area allowance is designed to support people living in these areas receiving income support to cover the inflated costs, but this payment has not increased since 2000 and is now only an additional 2.5% of the Jobseeker payment. Increasing remote area allowance would also importantly help deliver equity for First Nations communities, who comprise a significant share of those who receive it.

### ACOSS is calling for:

- 1 An immediate increase to the Remote Area Allowance in line with CPI since its inception
- 2 The development of an index based on the actual costs in remote communities to provide a means for accurate ongoing indexation.



## National measures and definition of poverty

Australia is one of few wealthy countries to not have a national measure of poverty. This is despite Australia committing to halve poverty by 2030 in line with the Sustainable Development Goals.

**ACOSS is calling for** the development of a national definition and measures of poverty so we can track the effectiveness of policies to reduce poverty.



# Make housing affordable for people on low incomes

## Affordable housing for people on low incomes

Everyone deserves a secure and affordable home. But around the country housing prices and rents are skyrocketing, pushing more people into housing stress while rewarding property investors.

And the shrinking proportion of social housing means people on low incomes who are unable to afford a private rental are increasingly being forced into homelessness.

We need to make housing more affordable by reducing the tax breaks for housing investors that drive up house prices and rents and increasing the supply of social housing.

### ACOSS is calling for:

- 1 A substantial investment in social housing to meet need with a clear pathway towards social housing comprising 10% of all housing stock
- 2 Reforms to halve the Capital Gains Tax discount for investment properties phased in over 5 years and limit negative gearing deductions to income from the same asset class for all new investment properties.

## First Nations Housing and Homelessness Plan

First Nations people are disproportionately affected by the housing crisis. They are six times more likely to live in social housing and nine times more likely to experience homelessness than other members of the community. We know that First Nations people benefit most from housing support when it is designed and delivered by First Nations communities and community-controlled organisations that are given the power to decide how and where to allocate funding and resources.

**ACOSS is calling on** the government to work with First Nations communities and organisations to develop and resource a First Nations led national Housing and Homelessness Plan to address the inequities in access to housing.

## Homelessness services

Australia has one of the highest rates of homelessness in the OECD, driven by low levels of social housing, rent and cost of living increases, and domestic and family violence. Underfunded homelessness services are being overwhelmed by demand, being forced to turn away nearly 300 people per day, and engage in less preventative work to help people most in crisis. We need to ensure that members of our community at risk of homelessness aren't marginalised and forgotten.

**ACOSS is calling for** an investment of an additional \$450m per year for homelessness services to ensure they can meet demand, and a further \$500m for homelessness prevention and early intervention to protect those worst affected by the housing crisis.

# Employment opportunities for all, with no one left behind

## Fix employment services system

For those struggling to get by on income support, a decent job is a life-changing pathway out of poverty.

Right now, there are over 900,000 people struggling to get by on Jobseeker and Youth Allowance. Half a million of them, including older workers, people with disabilities, and parents with children, are trapped on income support long-term due to the lack of appropriate entry level jobs and training pathways.

To make matters worse, instead of supporting people to find paid work we are causing many of them immense harm through the Targeted Compliance Framework (TCF) including putting almost 250,000 people's incomes at risk through automated suspension of the payments upon which they rely.

If we are going to ensure that everyone who needs a job can find one, we need to fix our employment services system so that it supports people to build their skills and connects them with the right job.

### ACOSS is calling for:

- 1 Investment in labour market programs which truly make a difference for people like wage subsidies, VET places, and employer led schemes by \$1 billion per annum for people who have been out of work long-term
- 2 The immediate end to the Targeted Compliance Framework and automated payment suspensions in Workforce Australia and a commitment to root and branch reform of the Employment Services system, including an end to the present competitive model.



## Unemployment and underemployment targets

The number of people without paid work has grown by 85,000 since mid-2022 following the fastest increase in interest rates in 30 years. If we are going to ensure that everyone who needs a job can find one, we need to re-commit to the objective of full employment.

**ACOSS is calling for** ambitious targets to be set for reducing unemployment and underemployment and lifting the number of job vacancies per person unemployed by the end of the next term.




# Investing in quality community services to help people in need

## Better funding and grants management model

Government relies on community services daily to deliver essential support for people experiencing distress and hardship. During times of crisis and disaster, these services are even more critical. Community services provide shelter to people facing homelessness, legal support to women fleeing abusers, food relief for families doing it tough and counselling to help people surviving trauma.

But right now, these essential services are forced to turn people away because they do not have the funding and resources to support everyone looking for help.


If we are going to ensure that people in our community are not marginalised and forgotten, we need to overhaul the approach to funding community services.



**ACOSS is calling on** the government to end the chronic under-funding of community service organisations by developing a better funding and grants management model to ensure their long-term viability and ability to meet need, in line with Initiatives in the National Not-for-Profit Blueprint.

## Crisis response services


The increased levels of financial stress in our communities has led to a rapid increase in the number of people turning to local services for urgent assistance. We must ensure that these organisations have the resources required to support those in need of help.



**ACOSS is calling for** an immediate funding boost to essential crisis-response services such as family and domestic violence, community legal services, financial counselling, food and emergency relief, and homelessness services, so they are not forced to turn away anyone in distress.

## Funding peak bodies

Community peak bodies are essential government partners in developing policy and designing services. Frontline service providers are under unprecedented pressure and rely on peak bodies to use their expertise, acumen and skills to engage with government on their behalf. Peak bodies provide government with critical insights and ensure that the voices of those experiencing poverty and disadvantage are heard at the highest level of power. Right now, the government is not investing adequately in such groups or supporting their work. By investing in these organisations, government can enhance its capacity to design responsive, evidence-based policies and services that deliver better outcomes for the whole community.



**ACOSS is calling for** proper funding of peak bodies and advocacy organisations, as outlined in the National NFP Blueprint.



# Fair, Fast and Inclusive action on climate change

## Accelerate home energy upgrades

A home should be somewhere you are safe, happy, and healthy. But many people receiving lower incomes are forced to live in homes that are too hot in the summer and too cold in the winter.

Most homes are not built to withstand the intense Australian weather conditions. And people who are already struggling to pay their energy bills cannot afford to heat or cool their home, making them sick.

We need to build on the Federal Government's \$800 million investment in social housing home energy upgrades and provide further substantial government investment in home energy upgrades for all low-income housing to ensure homes are more affordable to heat and cool, making them cheaper to run, healthier to live in, and better for the environment.

**ACOSS is calling for** the Federal Government to provide substantial funding to accelerate home energy upgrades for all low-income and First Nations housing (public, community, private renters and homeowners).



## Climate Change Act

People experiencing disadvantage are worst impacted by climate change because they have access to fewer resources or options to cope, adapt and recover. To limit the impacts and avoid worsening inequality, we need to reduce our carbon emissions fast. We also need to make sure that our transition to a clean economy is fair, equitable and inclusive, so people with the least can benefit and are not made worse off. While Australia has a Climate Change Act, it does not explicitly guide and manage the impact of climate change or the transition, fairly, equitably and inclusively.

**ACOSS is calling for** the Climate Change Act to be amended to ensure people and communities experiencing disadvantage benefit from the transition to a clean economy.



## Emissions reduction targets

Rapidly worsening climate change is hurting our communities. We have seen firsthand the increasing devastation of climate change on people and communities experiencing disadvantage; it negatively affects their mental and physical health, homes, jobs, general quality of life and sadly, has led to loss of life. Without fast, fair and inclusive action on climate change, these threats will continue to worsen. To keep global warming at 1.5 degrees and do our fair share, the science says Australia should aim to reduce emissions to net zero by 2035.

**ACOSS is calling on** the Federal Government to aim for an emissions reduction target of 75% by 2030 and net zero by 2035.



# A fair tax system that supports services, safety nets and economic development

## Tax reforms for a fairer future

We are facing big challenges as a country - persistent inequality and poverty, gaps in essential services, worsening climate change and extreme weather events, and a housing crisis.

We need a government that will show leadership and raise the resources to meet these challenges.

If we invest what's needed to fund essential services and income supports, transition to a net zero economy, and increase the supply of social and affordable housing, we can create a more equitable society.

**ACOSS is calling for** the adoption of tax reforms to raise the public revenue that is needed to navigate our way to a fairer future.

## Medicare Levy

The Medicare levy helps fund the healthcare services that keep our community safe. But right now, many high-income taxpayers avoid paying it by taking advantage of negative gearing arrangements, salary sacrificing, or the use of private trusts.

**ACOSS is calling for** measures to curb the use of tax shelters to avoid the Medicare levy by broadening the income definition for the Medicare Levy from 'taxable income' to 'Medicare Levy Surcharge income'.

## Fuel Tax Credits

If we are going to reduce the impacts of climate change on our communities, we need to rapidly transition to a net zero economy. The fuel tax credits scheme incentivises climate polluting industries and costs our country billions of dollars in revenue.

**ACOSS is calling for** the immediate removal of the fuel tax credit for non-agricultural uses (including mining) to reduce fossil fuel emissions and generate the revenue needed to invest in the energy transition and fund essential services.

## Gaps in the taxation of superannuation

Superannuation is supposed to help people fund a decent retirement, but it is increasingly used by people with high incomes to accumulate wealth to be passed on tax free to their adult children.

Under current tax rules, once a super fund member retires and the fund pays them a pension (the 'retirement phase'), its investment income (including interest, dividends and capital gains) is no longer taxed. Wealthy individuals transfer their investments to super to take advantage of this loophole in the tax system, above and beyond what they need for retirement. This deprives governments of the revenue they need to properly fund health and aged care for an ageing population.

**ACOSS is calling for** the existing 15% tax on the investment income of superannuation funds that applies before members retire to be extended to the retirement phase, with the revenue earmarked to guarantee quality, affordable aged care services.





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