

# *An Economy for All*

**2024-25 Pre-Budget Submission**

## **CONTACT**

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# *About UnitingCare Australia*

UnitingCare Australia is the national body for the Uniting Church's community services network and an agency of the Assembly of the Uniting Church in Australia.

We give voice to the Uniting Church's commitment to social justice through advocacy and by strengthening community service provision.

The UnitingCare Network is the largest network of social service providers in Australia, with 50,000 staff and 30,000 volunteers. Over 80 per cent of the Network's workforce and 60 per cent of service recipients are women.

We support 1.4 million people every year across urban, rural, and remote communities.

The UnitingCare Aged Care Network is the largest not-for-profit aged care provider nationally. It supports approximately 97,000 older people, comprising 8.5 per cent of total residential beds and 10 per cent of Home Care Packages nationally.

UnitingCare Australia's policy priorities include economic equality and inclusion, justice for First Peoples and ageing to our full potential.

***UnitingCare Australia's 2024-25  
Federal Budget submission puts  
forward three high-impact proposals to  
deliver immediate relief and long-term  
wellbeing improvements for Australians:***

1. Delivering equitable and sustainable aged care for older Australians.
2. Enabling more Australians to find safety through the Escaping Violence Payment Program.
3. Sustainably meeting Australians' care and support needs.

# THE BACKSTORY

## Creating a better tomorrow starts today.

Boosting the health and prosperity of people, rather than simply the economy, has been increasingly acknowledged as a more valuable way to achieve national progress. Indeed, this is the central premise of the Australian Government’s *Measuring What Matters National Wellbeing Framework*<sup>1</sup>.

And rightfully so—prioritising wellbeing creates a more resilient, productive and inclusive society, benefiting everyone in the long run.

## But creating a better, fairer future that prioritises wellbeing starts with making people-focused policy decisions today. And there are some significant challenges to navigate.

Australia’s ageing population means that continued pressure will be placed on the services and supports needed by Australians as they

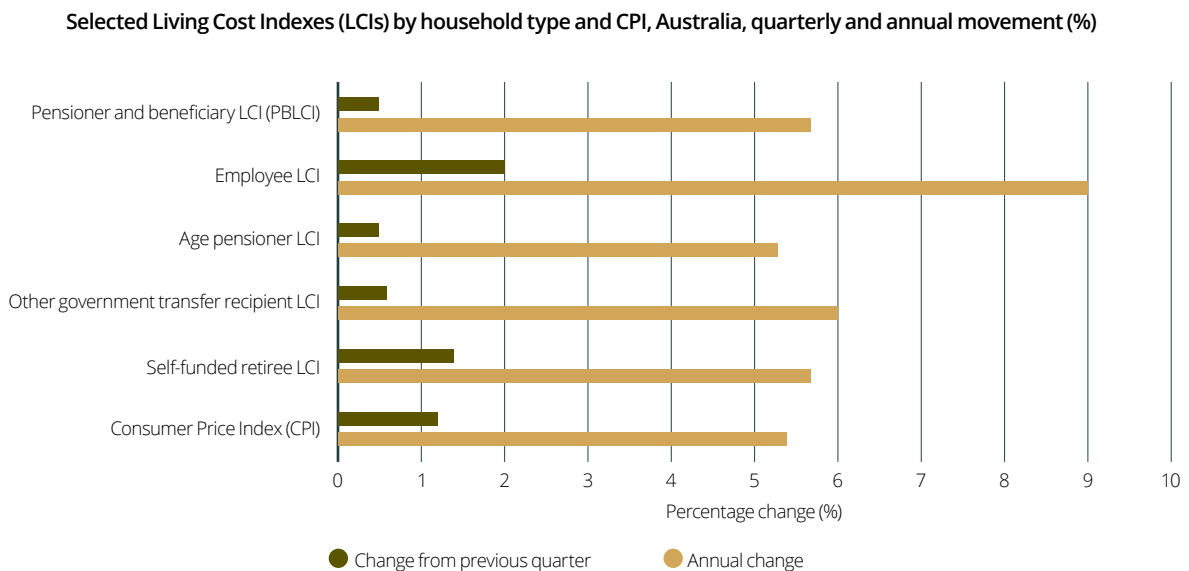
grow older. Without effective policy making and Government investment now, demand for support will continue to escalate to unserviceable levels.

The ‘shadow pandemic’ of domestic violence<sup>2</sup> also remains prevalent in the nation’s headlines<sup>3</sup>, emphasising the need for sustained government investment to facilitate access to the supports that individuals need to find financial security and freedom from violence.

Rising cost of living pressures are also impacting an ever-broadening cross-section of the population. Millions of Australians are struggling to pay for essentials like food, rent and medical care<sup>4</sup> and more people are turning to the social services sector for support and to find relief from financial hardship.

Ensuring that budgetary decision-making addresses current and future challenges and maximises national wellbeing is therefore more important than ever.

**FIGURE 1: RISING COST OF LIVING PRESSURES<sup>5</sup>**



Source: Australian Bureau of Statistics, Selected Living Cost Indexes, Australia September 2023

1 2023. Department of Treasury. *Measuring What Matters: Australia’s First Wellbeing Framework*. <https://treasury.gov.au/publication/p2023-mwm>  
 2 See: United Nations. 2023. *The Shadow Pandemic: Violence against women during COVID-19*. <https://www.unwomen.org/en/news/in-focus/in-focus-gender-equality-in-covid-19-response/violence-against-women-during-covid-19>  
 3 See, for example: ‘Australia is in a domestic violence ‘crisis’. Experts say we need a whole of society change’. <https://www.sbs.com.au/news/article/australia-is-in-a-domestic-violence-crisis-experts-say-we-need-a-whole-of-society-change/8rwjr7yf5>  
 4 2023. Australian Bureau of Statistics. *Selected Living Cost Indexes, Australia*. <https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/selected-living-cost-indexes-australia/latest-release>  
 5 Ibid.

## Encouragingly, the Government has signalled its intent to act.

The 2023 *Intergenerational Report* outlined population ageing and rising demand for care and support services as two ‘major forces’ shaping Australia’s outlook. Accordingly, the report highlighted the need for Government investment in care and support systems, towards boosting prosperity, expanding opportunity and building a stronger, more sustainable and inclusive nation<sup>6</sup>.

The Government has also publicly committed to ending violence against women and children through implementation of the *National Plan to End Violence Against Women and Children 2022-32*<sup>7</sup>. Further, enhancing women’s economic safety and security has been a dominant theme of public discourse, notably through the Women’s Economic Equality Taskforce. Significant opportunity therefore exists for the Government to harness current momentum around the issue and take the lead on nurturing a stronger culture of safety and respect across society. This includes resourcing the supports and financial assistance that allow individuals to gain economic security and escape violence.

The forthcoming *National Strategy for the Care and Support Economy* also represents genuine recognition of the sector’s significant contribution, in both social and economic terms, to the welfare of the nation. Its promise to lay out a roadmap for enabling a sustainable and productive sector offers real potential for Government to practically deliver on the care and support needs and expectations of all Australians.

Perhaps most significantly, however, the Australian Government’s *National Wellbeing Framework* offers a pragmatic tool for Government to use in refocussing budgetary decision making to concentrate on our country’s greatest resource—its people; towards creating a more healthy, secure, sustainable, cohesive and prosperous nation.

Delivering a genuine *Wellbeing Budget* through greater investment in people and the supports they rely on would embody the Government’s thought leadership demonstrated to date and enable it to fulfil its most critical role and purpose—in improving the lives of all Australians.<sup>8</sup>

6 2023. Department of Treasury. 2023 Intergenerational Report.

7 2022. Department of Social Services. The National Plan to End Violence against Women and Children 2022-2032. <https://www.dss.gov.au/the-national-plan-to-end-violence-against-women-and-children/the-national-plan-to-end-violence-against-women-and-children-2022-2032>

8 2023. Department of Prime Minister and Cabinet. Draft National Care and Support Economy Strategy. <https://www.pmc.gov.au/resources/draft-national-strategy-care-and-support-economy/objectives>

## ADOPTING A WELLBEING LENS

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To deliver both immediate relief as well as improved wellbeing outcomes for all Australians over the longer-term, we forward the following criteria as a frame for assessing budgetary proposals through a wellbeing lens. These criteria embody the principles and objectives of the *National Wellbeing Framework*, *National Strategy for the Care and Support Economy* and *2023 Intergenerational Report*.

<b>Criterion 1</b>	How does the proposal improve wellbeing and enhance outcomes against each indicator in the <i>National Wellbeing Framework</i> ?
<b>Criterion 2</b>	How does the proposal improve equality, economic and social participation, particularly for disadvantaged cohorts?
<b>Criterion 3</b>	How does the proposal demonstrate a return on government investment and improved wellbeing for individuals and communities over the longer term?

We call on the Government to implement the following high-impact proposals, developed to satisfy the above criteria and complement existing government initiatives, towards delivering immediate relief to Australians in crisis and long-term wellbeing improvements for the broader community.

## POLICY PROPOSAL 1

# Delivering equitable and sustainable aged care for older Australians

### BACKGROUND

All Australians should experience compassion and dignity as they age and be able to exercise their rights as fully participating members of society. Older Australians should have access to the resources and supports they need, when and where they need them.

The establishment of the Aged Care Taskforce demonstrates an acknowledgement that funding for aged care is not sustainable. Over half of all residential care homes are operating at a loss. A focus on increasing consumer contributions for those that can afford to pay is essential for the long-term sustainability of this sector. However, funding arrangements must be designed to ensure that those without means are not disadvantaged and can still access high quality care and support.

The interim 15 per cent wage rise for many aged care workers has helped with recruitment and retention but aged care is still struggling with workforce shortages. There is a strong case for further wage rises and increases for the many other aged care workers who were not included under the interim decision—the “indirect care workforce” including laundry workers, cleaners, gardeners and administrative staff. These workers are integral to providing the high-quality care and support that older Australians have a right to.

The release of only 9,500 Home Care Packages in 2023-24, compared with 40,000 in previous years, is also having major implications for access to support for many older Australians. The national queue is growing with wait times of 6-9 months for a Level 3 Home Care package. This has been compounded by delays to the implementation of the Support at Home Program. The Aged Care Royal Commission recommended that older people should not wait any longer than one month.

A new Aged Care Act is a once in a generation opportunity and represents a significant change for the sector. Providers are yet to see the full Act and there remain many issues to be resolved. Aged care providers support the intent of the new Act but transition time is needed for the substantial adjustments required to systems, processes and procedures.

### POLICY PROPOSALS

1. Ensure aged care funding is adequate and sustainable.
2. Fully fund all aspects of the Fair Work Commission’s wage determinations, including on-costs and leave entitlements, to deliver a wage increase for indirect and direct care workers.
3. Restore the number of Home Care Packages being released back to 40,000 per annum.
4. Ensure there are appropriate transitional arrangements to allow aged care providers to adjust to the new Aged Care Act.

### WHAT WILL THESE MEASURES DO?

Implementing these policy proposals will ensure high quality aged care can be delivered to all older Australians who need it, by an appropriately valued and paid workforce. This will contribute to the *Measuring What Matters Wellbeing Framework’s* indicator of ‘access to care and support services’.

### HOW MUCH WILL IT COST?

StewartBrown has estimated the cost of a 25 per cent increase in wages for indirect care workers and an additional 10 per cent increase for direct care workers to be around \$3 billion.

Increasing the number of Home Care Packages to 40,000 would cost around \$700 million.

### WHO WILL BENEFIT?

- ✓ Older Australians
- ✓ Aged care workers

## POLICY PROPOSAL 2

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# *Enabling more Australians to find safety through the Escaping Violence Payment Program*

### BACKGROUND

A concerning prevalence of domestic and intimate partner violence reported across the country has emphasised the continuing need to ensure freedom from violence as a key public policy priority.

One in three women in Australia report having experienced physical violence since the age of 15, and on average, a woman is killed by an intimate partner every 10 days, highlighting the 'epidemic' scale of the issue<sup>9</sup>.

Beyond the life-threatening impacts of domestic and intimate partner violence experienced by victim-survivors, the cost to the Australian economy is significant, at an estimated \$26 billion each year<sup>10</sup>.

The trial Escaping Violence Payment (EVP) program has been an extremely important addition to the existing family and domestic violence system, facilitating access to the financial support needed by individuals to find safety and begin the journey of recovery and healing.

Opportunity exists to extend the reach and impact of EVP through committing additional funding to the initiative and continuing its delivery as a permanent program beyond conclusion of the trial in January 2025.

### POLICY PROPOSALS

1. Establish the Escaping Violence Payment (EVP) as a permanent program beyond completion of the program trial in January 2025.
2. Increase the level of overhead funding for EVP to fully meet the program's potential.
3. Increase the EVP payment amount from \$5,000 to at least \$6,000 and index the payment over time.
4. Progressively transition the EVP program to a demand-led model to better engage vulnerable cohorts, including people with disability, people from culturally and linguistically diverse backgrounds, older women, and those in regional and remote areas.

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<sup>9</sup> 2022. Department of Social Services. The National Plan to End Violence against Women and Children 2022-2032. <https://www.dss.gov.au/the-national-plan-to-end-violence-against-women-and-children/the-national-plan-to-end-violence-against-women-and-children-2022-2032>

<sup>10</sup> Ibid.



## WHAT WILL THESE MEASURES DO?

Increasing the level of overhead funding will facilitate EVP program capacity building and the ability for the program to better meet client demand.

Increasing the EVP payment amount and ensuring its adequate indexation will also enable the payment to better meet escalating living costs of payment recipients.

Ideally, the EVP program should transition to a demand-driven model to support more victim-survivors requiring the payment, and particularly those vulnerable groups that may require more active outreach. Further data and trend analysis should occur over the next 12-18 months to scope and cost the program's transition to a demand-driven model.

The EVP program is strategically situated to contribute to measures of 'safety' recorded through the *Measuring What Matters Wellbeing Framework*, including specific metrics regarding experiences of intimate partner violence, financial security, and physical and mental health.

EVP also makes a significant contribution to delivering on the objectives of the *National Plan to End Violence Against Women and Children*<sup>11</sup> as a key initiative within the 'Response' domain.

EVP is further highlighted in the *Closing the Gap Implementation Plan* as a service providing specialised and culturally appropriate support for Aboriginal and Torres Strait Islander victim-survivors of intimate partner violence.

## HOW MUCH WILL IT COST?

Continuation of the EVP program in its current format (maintaining the existing eligibility criteria and payment amount) would cost approximately \$213 million per annum.

Increasing the level of overhead funding to boost EVP service capacity is estimated to cost an additional \$1 million per annum.

Raising the EVP payment amount to \$6,000 per package is estimated to cost an additional \$30 million per year.

The above cost estimates are based on current levels of program demand, which are subject to fluctuation, and do not incorporate future indexing.

## WHO WILL BENEFIT?

- ✓ People escaping domestic violence
- ✓ First Nations peoples
- ✓ The care and support workforce

<sup>11</sup> 2022. Commonwealth Department of Social Services. The National Plan to End Violence against Women and Children 2022-2032. Available at: <https://www.dss.gov.au/ending-violence>

## POLICY PROPOSAL 3

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# *Sustainably meeting Australians' care and support needs*

### BACKGROUND

As demand for, and reliance on, care and support services grows, there is a genuine risk that Australians may not have access to the support they need unless Government investment in the sector is committed to as a budgetary priority.

Emergency and food relief services are being placed under increasing strain, with demand for support rising by at least 30 per cent across the country as a result of rising living costs<sup>12</sup>.

Population ageing, increased utilisation of disability, child and family support services and growing complexity of care needs have also meant even more demand placed on already overburdened services and the care and support sector's workforce<sup>13</sup>.

Income support payment rates have also fallen well short of the levels required to facilitate a basic standard of living for recipients.

These factors combined mean that the support system is in need of serious investment and attention.

That only 9 per cent of community service providers regard the funding they currently receive from Government as sufficient to cover the full costs of service delivery highlights the investment deficit impeding the delivery of supports that Australians are relying on<sup>14</sup>. Quantifying the actual cost of care and support, including those costs currently being absorbed by service providers, is therefore an essential step in establishing the baseline for revenue needed to fund what matters.

Sustainably meeting Australia's care and support needs starts with building a fairer tax system and cutting wasteful and inefficient spending. The Stage 3 income tax cuts will undermine Australia's revenue base at a cost of approximately \$320 billion over 10 years through their current formulation and need an urgent rethink. Creating a fairer tax system should underpin the delivery of a Wellbeing Budget, towards generating the baseline revenue required to fund what matters to *all* Australians.

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<sup>12</sup> Per feedback received through the UnitingCare Network.

<sup>13</sup> 2023. Department of Treasury. 2023 Intergenerational Report. <https://treasury.gov.au/sites/default/files/2023-08/p2023-435150.pdf>

<sup>14</sup> 2023. Australian Council of Social Services. At the Precipice: Australia's Community Sector through the Cost-of-Living Crisis. Findings from the Australian Community Sector Survey. [https://www.acoss.org.au/wp-content/uploads/2023/04/At-the-Precipice\\_ACSS-2023.pdf](https://www.acoss.org.au/wp-content/uploads/2023/04/At-the-Precipice_ACSS-2023.pdf)

## POLICY PROPOSALS

1. Reformulate the Stage 3 tax cuts to reduce the benefit to high income-earners while maintaining the tax cuts for lower to middle income earners, enabling savings to be channelled into measures that will benefit more Australians.
2. Fund an immediate 30 per cent uplift for the Financial Wellbeing and Capability Activity funded by the Department of Social Services, including for Emergency and Food Relief and Financial Counselling, to support vulnerable Australians through the cost-of-living crisis.
3. Establish a Productivity Commission Inquiry to identify the full cost of social service need in the community, building on projections supplied in the *2023 Intergenerational Report*.
4. Increase indexation rates for community service providers to ensure the annual uplift is commensurate to actual costs of service delivery.

## WHAT WILL THESE MEASURES DO?

Adequate and sustained funding for care and support services will enable the Government to deliver wellbeing improvements against a significant number of indicators in the *National Wellbeing Framework*—most notably, those related to ‘health’, ‘security’, ‘cohesion’ and ‘prosperity’.

Reformulating the Stage 3 tax cuts will ensure the integrity of our progressive tax system and provide revenue to fund what matters – including increases to income support payments and other cost of living measures.

Undertaking a comprehensive examination of our country’s current and anticipated care and support needs, including calculation of costs currently borne through unmet demand or absorbed by service providers, will enable development of a clear baseline for future resourcing requirements.

Funding the full cost of community service delivery, including consideration of infrastructure (including capital building works), workforce, administrative, IT and other operational costs, will enable services to run viably and increase their productivity, resulting in improved service quality and wellbeing outcomes for all Australians.

## HOW MUCH WILL IT COST?

Reformulation of the Stage 3 tax cuts could reduce foregone revenue by up to \$130 billion.

Increasing funding for the Financial Wellbeing and Capability Activity would cost approximately \$36 million.

## WHO WILL BENEFIT:

- ✓ Low- and middle-income earners
- ✓ Social support recipients
- ✓ The care and support workforce

