

Select Committee Inquiry on the Cost of Living

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About UnitingCare Australia

UnitingCare Australia is the national body for the Uniting Church's community services network and is 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 provisions.

We are the largest network of social service providers in Australia, supporting 1.4 million people every year across urban, rural and remote communities.

We focus on articulating and meeting the needs of people at all stages of life and particularly those most vulnerable.

RECOMMENDATIONS

- Increase indexation rates for community services providers to ensure the annual uplift is commensurate to actual costs of service delivery.
- Increase JobSeeker, Youth Allowance, Parenting Payment Single and related payments to be on parity with pensions and index payments to wages or prices (whichever is greatest).
- Index Family Tax Benefit payments to wages or prices (whichever is greatest) and reduce complexity of access.
- Deliver a one-off cost-of-living payment for all recipients of social security payments, including concession card holders and those receiving the Family Tax Benefit.
- Ensure access to safe and affordable housing.
- Enable more Australians in financial hardship to find safety through the Escaping Violence Payment Program.
- Deliver relief on essential energy costs.

UnitingCare Australia welcomes the opportunity to submit additional evidence to the Senate Select Committee on Cost of Living's Inquiry. We reaffirm the importance and timeliness of this process as the affordability crisis impacts an ever-broadening cross-section of the population.

With more Australians struggling to pay for essentials like food, rent, energy bills and medical care, there is increasing reliance on the social services sector and Australia's income support system to deliver relief from financial hardship.

UnitingCare Australia welcomed the Commonwealth Government's recent announcement of an additional \$114.8 million in funding for financial wellbeing and capability programs across Australia and commended the Government's investment as acknowledgement of the vital need for extra support to assist services in responding to increasing community demand for support and costs of service delivery.

We also welcomed the Prime Minister's recent announcement to revise the proposed Stage 3 Tax Cuts with the intention of delivering greater relief for low and middle-income families. We commend the Government's willingness to make changes on the basis of evidence reviewed to ensure that financial relief is delivered to those most in need in our community.

We maintain, however, that the ability of frontline services and staff to assist Australians requiring support is increasingly constrained due to historic underfunding and escalating pressure on an already stretched care workforce.

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

UnitingCare Australia restates our overarching recommendation to the Committee that addressing the impacts of cost-of-living pressures requires an immediate injection of funding into the services and supports that Australians are relying on.

Indexation rates for community service providers should be increased to ensure that annual uplift is commensurate to actual costs of service delivery, and that services are viable and have full capability to provide ongoing support to people in need.

Australia's income support system should also be strengthened immediately through further investment and appropriate indexation of payments. Lifting JobSeeker, Youth Allowance and related income support payments to be on parity with pensions and indexing payments to wages or prices (whichever is greatest)¹, are essential steps in ensuring that people receive a rate of payment that delivers a decent standard of living.

As an immediate mechanism to relieve cost-of-living pressures, we also recommend that Government support provision of a one-off cost-of-living payment for all recipients of social security payments, including concession card holders and those receiving the Family Tax Benefit. We advocate that the payment could deliver immediate relief to Australians in need and be funded by savings recovered through restructuring of the Stage 3 Tax Cuts.

UnitingCare Australia also endorses the following additional proposals to ease cost of living pressures through the tax and transfers system and provision of Government services:

- **Index Family Tax Benefit (FTB) payments to wages as well as prices (whichever is greatest) and reduce complexity of access.**

The FTB payment rate should be increased through appropriate indexation to provide greater assistance to very low-income families and single parents. Reform of the family payments system is also needed to remove unnecessary complexity and allow relief to be delivered more efficiently to families in financial hardship.

- **Ensure access to safe and affordable housing.**

More Australians are being placed under increasing financial strain as a result of escalating housing costs, which have spiralled to record levels. Ensuring access to more social and affordable housing is critical if Government is to effectively support Australians through the affordability crisis. With the National Housing and Homelessness Agreement due for renewal next year, there is timely opportunity for the Government to make the necessary investment required to improve housing access and reduce the significant financial strain currently being borne by the Australian community due to housing stress.

¹ 2023. Australian Council of Social Service (ACOSS). *Budget Priorities Statement 2024-25*. <https://www.acoss.org.au/acoss-reports-submissions/>

We also advocate an increase of 60% to the maximum threshold for Commonwealth Rent Assistance and support calls² for a review of the payment to ensure its adequacy and suitability in the context of escalating rental costs.

Further, we endorse the policy reform principles advocated by *Everybody's Home* regarding the need for the tax system to be reset in order to prioritise community need for housing³. We advocate reform of capital gains and negative gearing tax concessions for investors to reduce speculative investment, and support the position that revenue raised from tax reform should be reinvested into the provision of new social and affordable housing.

- **Enable more Australians in financial hardship to find safety through the Escaping Violence Payment Program.**

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. We advocate for an increase to the EVP payment amount from \$5,000 to at least \$6,000 and appropriate indexation of the payment over time to enable it to better meet escalating living costs of recipients.

- **Deliver relief on essential energy costs.**

UnitingCare Australia endorses Anglicare Australia's proposal⁴ to expand eligibility of the Energy Price Relief Plan and better support Australians on minimum wages and essential workers on lower-paid awards to access essential energy services. We also endorse Anglicare Australia's proposal to upgrade low-income household energy efficiency through expansion of the Household Energy Upgrades Fund to better target support for low income and rental households⁵.

UnitingCare Australia thanks the Committee for the opportunity to submit additional evidence and we restate our commitment to working in partnership with Government to alleviate cost of living pressures and poverty for the wellbeing of all Australians.

We would welcome the opportunity for members of our network to provide their direct service experience through appearance at a Committee hearing and to elaborate further on the key points and recommendations included in this submission.

² 2023. Australian Council of Social Service (ACOSS). *Budget Priorities Statement 2024-25*. <https://www.acoss.org.au/acoss-reports-submissions/>

³ 2023. Everybody's Home. *Policy Platform*. <https://everybodyshome.com.au/everybodys-home-policy-platform/>

⁴ 2023. Anglicare Australia. *Pre-Budget Submission 2024-25*.

⁵ Ibid.