



19 December 2023

The Hon Dr Jim Chalmers
The Treasurer
Commonwealth of Australia
Parliament House
CANBERRA ACT 2600

cc: Minister for Finance
Minister for Home Affairs
Minister for Immigration, Citizenship and Multicultural Affairs
Minister for Social Security

Dear Treasurer,

RE: Pre-Federal Budget Submission 2024

The Society is a partner of governments. Our charitable work couples with government assistance initiatives to help promote resilience and unity in civil society in times of need. In the January 2023 pre-budget submission from the St Vincent de Paul Society National Council of Australia (the Society, SVdP), we outlined various difficulties that Australians had been encountering, and in many cases still are. For example, the social and economic impact of the COVID-19 lockdowns, natural disasters such as bushfires or floods, rising costs of living, and housing stress.

Since January, the cost of living and housing crises have been ongoing, with no apparent end in sight. While some welcome improvements have been made, such as the passing of the Housing Australia Future Fund Bill (HAFF) and making small increases to Commonwealth Rent Assistance (CRA) and income support payments, more needs to be done to help the growing numbers of vulnerable Australians.

Right across the country, the Society is seeing rises in requests for help. Our own analysis over the past decade identifies key issues that are driving persistent levels of poverty and disadvantage. These include a lack of affordable housing (for both renting and buying); limited social housing options; unfunded or insufficient levels of government-funded programs (housing, homelessness); the prohibitive costs of living; inadequate low-income support payments (JobSeeker, Disability Support Pension etc.); and inadequate funding and services for refugees and people seeking asylum, including gaps in service provision.

Based on our direct experiences with people unable to meet the rising costs of living, all these areas require urgent attention. Many people living in poverty are already receiving the combined support of government agencies and charities. For the worst types of poverty there are obvious solutions, for example, increasing the base rate of income support payments and income threshold for income support recipients, increasing Commonwealth funding of Emergency Relief programs, properly funding the Status Resolution Support Service (for people seeking asylum), increasing CRA, increasing social and affordable housing, and finding a replacement for the National Rental Affordability Scheme that ends in 2026.

Community organisations such as SVdP also collaborate with the Department of Social services (DSS) to provide Financial Wellbeing and Capability Activity programs to low-income earners. These programs promote financial resilience by providing emergency and food relief, improving financial literacy and access to microfinance products, such as no interest loans schemes (NILS). Commonwealth funding of financial wellbeing or resilience programs must be maintained (at a minimum) at existing levels. However, to enable organisations such as SVdP to help more of the people seeking our assistance, NILS funding should be increased.

During the current cost of living crisis, the current levels of Commonwealth Emergency Relief (under the Financial Wellbeing and Capability Program), require particular attention. Given the crisis payments made during the COVID-19 lockdown era and during the northern New South Wales floods, there are precedents for additional emergency allocations of income support.

The Australian Government should start treating the impact of the cost-of-living crisis on vulnerable Australians in similar ways to earlier emergencies such as the pandemic or natural disasters. Moreover, the growing cost of living crisis suggests that the historical drawdown on emergency relief funds needs review with respect to the level of the contemporary 'business as usual' environment; i.e. past Budget allocations to the Financial Wellbeing and Capability Activity are now inadequate.

The Society recommends that the Australian Government should:

- drop the stage 3 tax cuts
- increase working age income support payments
- increase base funding of Commonwealth Emergency Relief (under the Financial Wellbeing and Capability Activity) by 30 per cent for 2024-25
- increase base funding of the Commonwealth No Interest Loans Scheme (under the Financial Wellbeing and Capability Activity)
- establish a specific budgetary line item of Emergency Relief funding for refugees and people seeking asylum
- fund implementation of recommendations contained in the House of Representatives Select Committee on Workforce Australia Employment Services report, *Rebuilding Employment Services*, with decision-making on suspension of payments returned to Services Australia prioritised
- review Commonwealth Rent Assistance, increase funding by 25 per cent and finalise *A Better Deal for Renters*
- build the Equal Remuneration Order funding (\$67.5M) into the base funding of applicable Specialist Homelessness Service providers
- provide more private market incentives to replace the National Rental Affordability Scheme
- reduce the capital gains tax discount from 50 per cent to 37.5 per cent
- waive outstanding housing-related debts held by states and territories to the Australian Government
- increase Status Resolution Support Service funding and review criteria to increase eligibility and focus on the needs of individuals and families rather than job readiness, and
- ensure people have visas with work and study rights, along with access to Medicare, while they await decisions on their protection application.

Needs keep growing

Over many years, the Society has highlighted that vulnerable groups such as single parents, First Nations Peoples, refugees and people seeking asylum, income support-dependent households, elderly renters, the long-term unemployed, and people living with disability or ill-health, are more likely to be living in poverty. Overall, the Society has seen an annual increase of between 20 to 30 per cent in demand for assistance.

Research shows that people living in low to middle income households are disproportionately affected by inflation and the rising cost of living expenses. They often end up paying more for food, credit, transport, data/telecommunications, energy, and insurance, with these expenses consuming a larger proportion of their income when compared to other household types. This occurs for several reasons, including being unable to buy in bulk or establish direct debits, limited consumer choice and purchasing power, fewer service options and poor credit ratings. Lower income households are also likely to spend a greater proportion of their income on housing costs.

New South Wales

In 2022-23, SVdP-NSW responded to a significant surge in demand, aiding 87,224 individuals — an increase of 17 per cent. Among those supported, 10,600 identified as Aboriginal or Torres Strait Islander people, and 10,500 lived with disabilities. The organisation reports a 20 per cent rise in requests for help, primarily from individuals aged 30 to 70, with around 60 per cent being female. Most seeking aid were renters, and 90 per cent relied on income support payments as their main income source.

Between July and November 2023, SVdP-NSW assisted over 54,670 individuals, marking a 16 per cent increase from the previous year. Over the 12 months from October 2022 to September 2023, the organisation aided 92,216 individuals—a 19 per cent rise from the prior period. This heightened demand led to a 51 per cent increase in total assistance, amounting to \$14.2 million compared to \$9.4 million in the previous year. Notably, 26 per cent of those supported identified as Aboriginal or Torres Strait Islander people. SVdP-NSW also observed a rise in first-time aid seekers, constituting 34 per cent of total beneficiaries in 2022-23. By the first quarter of 2023-24, emergency relief disbursements had surged by 20 per cent statewide compared to the previous financial year. By August 2023, SVdP-NSW had expended over \$2.5 million in assistance. In the first quarter of the 2023-2024 financial year, SVdP-NSW disbursed 20 per cent more emergency relief state-wide compared to the same quarter last year.

The value of assistance provided by SVdP-NSW members increased by more than 60 per cent, disbursing \$13.7 million worth of food, electricity, clothing, furniture, accommodation, transport and medical costs. This substantial growth reflects the rise in the numbers of people seeking assistance, and the complex needs of those seeking help. The value of average assistance to primary individuals increased 36 per cent from \$255 in the 2021-22 financial year to \$346 in 2022-23.

Northern Territory

SVdP-NT assists people with accommodation, food, and bills (including rent). SVdP-NT reports that calls for assistance are up by around 15 per cent due to the high costs of living and shortages of accommodation. There is currently a 12-month waiting list for accommodation assistance. Over the Christmas-back to school period additional local SVdP conferences will be needed to meet increased demands for accommodation and emergency relief. However, if volunteers are unavailable, services become more limited or cannot be delivered.

The biggest challenges facing the SVdP-NT are a lack of resources, limited funds, and accommodation. There is a shortage of short-term accommodation options in the Greater Darwin and Alice Springs regions making it difficult for SVdP-NT to support everyone seeking shelter. The amount of funding available for short-term accommodation requests is limited to only \$14,500 per financial year.

Queensland

SVdP-Queensland reports growing requests for emergency relief due to housing stress, homelessness, domestic violence, and the cost-of-living crisis. This is concerning because even in August 2021, almost 98 per cent of all those assisted already received some type of income support. The most common being Newstart, JobSeeker, Family Tax Benefits, Parenting Payments, and Disability Support Payments.¹

South Australia

SVdP-SA reports that during 2022-23, the metropolitan call centre experienced a 17 per cent increase in phone calls for assistance compared to the previous year, reaching 19,268 calls. In 2022-23, SVdP-SA reports that 22,250 home visitations were made, assisting 9,527 unique clients/households. In 2021-22, 19,931 home visitations were made, assisting 8,388 unique clients/households. This represents an increase of 11.6 per cent in home visitations and 13.5 per cent of unique client/households assisted in the last financial year.

In 2022-23, 52 per cent of clients accessed support once in the financial year, while two per cent accessed it nine or more times, indicating a varied pattern of frequency of assistance. Around 97 per cent of individuals in both 2021-22 and 2022-23 relied on income support payments, with Jobseeker being the most common source of income (2023), at 34.7 per cent. Data from the Commonwealth Emergency Relief program in 2022-23 shows that food support constituted 78.1 per cent of the assistance provided. Other forms of aid included utility bill assistance (18.2 per cent), material aid (2.5 per cent), and accommodation assistance (0.3 per cent). The data illustrates a significant increase in demand for emergency relief services in the metropolitan area.

SVdP-SA is also piloting innovative approaches in their allocations of emergency relief funding. For example, they are providing clients/companions with specialist interventions by volunteer financial counsellors and/or community support workers. However, the challenges of supplying

specialised assistance, as well as delivering other programs, highlight the need for increased funding and resources to address escalating demands for help.

Tasmania

SVdP-Tasmania reports that weekly case numbers have increased 40 per cent (from 125 to 175) in recent months. The data shows a significant escalation in complex cases managed by Case Coordinators. For example, over a six-month period, the number of weekly complex cases has increased 66 per cent (from 27 to 45 cases, April-Sept 23). There are also other costs related to providing assistance to clients with complex needs. For example, the current salary cost for the three Case Coordinators, each working 0.8 full-time equivalent, averages around \$67,000, totalling \$201,000. Ongoing costs strain SVdP-Tasmania's ability to sustain staff levels and provide the necessary support services for the growing number of individuals seeking assistance.

Victoria

Between May 2022 – May 2023, SVdP-Victoria experienced a 20 per cent increase in phone calls to its Call Centre, with a notable rise in first-time callers. The profile of callers included low-income households, people living on pensions, refugees, and individuals employed in the workforce. Particularly concerning is the emergence of the working-poor now seeking assistance. The people helped by SVdP-Victoria are predominantly:

- low-income households, in the bottom 20 per cent of income distribution
- approved applicants on the Victorian Housing Registrar who are experiencing rental stress, in rental arrears or in need of affordable housing
- families, particularly single-parent families
- low-income seniors
- singles and couples whose main source of income is the Age Pension, Disability Support Pension, Jobseeker or Parenting payments
- LGBTIQ+ people experiencing homelessness, and
- refugees and people seeking asylum with limited Centrelink entitlements and work rights.

SVdP-Victoria reports a growing reliance on Buy Now Pay Later products and an increase in mortgage arrears, utility debts, elder abuse cases, and financial scams. Three case studies are provided to further outline these issues (see Appendix 1). SVdP-Victoria highlights that:

- there has been a 20.8 per cent increase in requests for food over a 12-month period (from May 2022 to May 2023)
- furniture requests for the same period increased by 13.4 per cent
- referrals from other agencies increased 44 per cent. This is a strong indicator of increased need, suggesting other agencies are over-subscribed in what they can offer, and
- requests for education assistance increased by 142 per cent (and most likely related to requests for winter uniforms).

In 2022 alone, SVdP-Victoria distributed \$6.9M worth of food and food vouchers, and soup vans supplied 600,757 meals. There has been a 264 per cent rise in meals served by soup vans over the past five years. Research commissioned by SVdP-Victoria highlights that for 64 per cent of Australian households in 2022, the main reason for food insecurity was increased costs of living.² Vulnerable populations, including those experiencing homelessness, social housing residents, international students, Indigenous communities, women affected by family violence, and older adults, are all disproportionately affected by the cost of living and housing crises. In the 2022-23 financial year, VincentCare (a subsidiary of SVdP) provided:

- approximately \$228,684 in emergency relief funding
- \$126,148 in debt relief through the Financial Counselling and Capability Program, and
- assistance to 1846 individuals.

Western Australia

SVdP-WA reports that there was increased need for emergency relief services. During 2022-23, 31 per cent of total clients assisted were new, while 53 per cent were known to the organisation, having sought assistance before the 2021-22 financial year. In terms of frequency, 67 per cent of clients received emergency relief assistance once or twice, 24 per cent received it between three to five times, and nine per cent, six times or more times. Overall, the complexity of cases also escalated. Food insecurity cases increased 88 per cent (from 306 to 576), and homelessness cases 72 per cent (from 157 to 270). In comparison to the previous financial year, 11 per cent more homeowners sought assistance, and there was a 57 per cent increase in employed clients accessing aid. This underlines the changing demographics of those experiencing financial distress.

SVdP-WA helped an additional 992 households and completed an additional 2,333 visits during 2022-23, representing a 12 per cent increase in support provided compared to the previous year. SVdP-WA tried to manage unmet need by incorporating wraparound support, aiding clients with referrals, and advocating for them with other organisations. However, such levels of unmet need illustrate how easily people could fall through the cracks.

SVdP-WA's financial counselling services, provided through the National Debt Helpline (NDH) and face-to-face consultations, also faced heightened demand. In 2022-23, NDH conducted over 15,100 sessions, averaging 118.08 minutes per case. Face-to-face financial counselling totalled 18,500 sessions. There were also 576 cases of food insecurity, 270 cases of homelessness, and 196 cases related to budgets. Additionally, there was an increase in clients facing mortgage stress, rent arrears, and issues related to utility debts and credit cards. The service helped clients navigate issues such as domestic violence (122 cases) and living with disability (96 cases). Despite the service's best efforts, again, there was a struggle to meet demand due to the increased number of callers.

Emergency Relief Funding – 30 per cent increase is needed now

In summary, each year the Society provides around \$50 million in emergency assistance. This amount is a combination of Commonwealth grant funding (approximately one third), donations, and proceeds from our shop network. As outlined above, demand is outstripping our capacity to support all those who come to SVdP for assistance. We are aware that other providers of emergency relief are also experiencing the same issues and are being put in the difficult position of having to turn people away. We know that referring on is hardly the answer when we are all struggling to provide the assistance needed. For these reasons, we recommend the Commonwealth increase base grant funding of Emergency Relief by 30 per cent for 2024-25. The amount should again be reviewed prior to the Commonwealth conducting an open grant round in 2025 and subsequently entering into multi-year grant agreements, which could lock providers and those we assist into insufficient funding levels through to 2030.

Working age payments, income thresholds, welfare, and taxation reform

In our January 2023 pre-budget submission, we outlined how high inflation, rising interest rates and cost of living pressures were negatively affecting vulnerable Australians. The group most affected by the cost of living and housing crisis was identified as income support recipients, and this remains the case. As of October 2023, the unemployment rate increased to 3.7 per cent, while underemployment remained at 6.3 per cent. In October 2023, the number of people receiving JobSeeker was 761,315, the number receiving Youth Allowance (Other) was 72,650, and the number receiving Youth Allowance (Student or Apprentice) was 148,895.³ Of these people, one-third had been on a payment for less than one year, and two thirds for more than one year. Research shows that households relying on income support are five times more likely to experience poverty.

Following the 2023 Federal Election, the Society commissioned the Australian National University to update earlier economic modelling it completed for the Society in 2022 by incorporating the 2023 Budget announcements, using the latest available data, and amending some assumptions. Results on changes to poverty and financial stress rates were generated by statistical area (SA3) for three options. *A Fairer Tax and Welfare System for Australia*, launched at Australian Parliament House (4 September 2023) outlines progressive options for tax, superannuation and welfare reform designed to reduce poverty and financial stresses. The ANU research presumes

that the Stage 3 tax cuts scheduled for next year will be scrapped.

A Fairer Tax and Welfare System for Australia, highlights that:

- the after-housing poverty rate⁴ is 11.7 per cent of households, or 3.15 million people by December 2023
- poverty rates are highest for households relying on JobSeeker (59.6 per cent), working age pensions (Disability Support Pension, Parenting Payment (Single) and Carer Payment (25.7 per cent), single parents (25.5 per cent), lone persons (18.7 per cent) and renters (17 per cent)
- financial stress rates are highest for households on JobSeeker (51 per cent), working age pension (41 per cent) and other welfare payments (49 per cent), compared to a national average of 14 per cent, and
- single parent households are more likely to experience financial stress than other households, with 38 per cent in financial stress.

The argument for scrapping the Stage 3 tax cuts is growing louder. For one, these tax cuts benefit the wealthiest Australians. A diverse body of research highlights that the top 20 per cent will gain disproportionately from their implementation in 2024. Over the last decade wealth inequality in Australian households has grown significantly. Given the current housing and cost of living crises being felt all over the country, we believe that these tax cuts must be reviewed. If implemented, they will exacerbate wealth inequality and do nothing to alleviate poverty.

A Fairer Tax and Welfare System models reforms to personal income taxation thresholds, the capital gains tax discount, and superannuation tax concessions. It lifts the tax-free threshold from \$18,200 to \$24,000 per year for the modest and high options described. All three options (low, modest, and high) reduce poverty rates for low to medium income households and especially those relying on income support. These reforms, costing between \$4.0 billion and \$20.0 billion per year, are fully funded over the forward estimates. The highest option could lift 834,000 Australians out of poverty.

Low option (\$4BN):

- Lifts 193,000 people out of poverty by increasing JobSeeker by \$176 per fortnight (pf) and Parenting Payment by \$167 pf

Modest option (\$10BN):

- Lifts 491,000 people out of poverty by increasing JobSeeker by \$249 pf, Parenting Payment by \$238 pf, and Disability Support Pension and Carer Payment by \$69 pf.
- Increases the tax-free threshold from \$18,200 to \$24,000

High option (\$20BN):

- Lifts 834,000 people out of poverty by increasing JobSeeker by \$338 pf, Parenting Payment by \$351 pf, Disability Support Pension and Carer Payment by \$249 pf, the Family Tax Benefit A by 20 per cent, and Commonwealth Rent Assistance by 25 per cent
- Increases the tax-free threshold from \$18,200 to \$24,000

Total Increases to income payment by option 1,2, and 3.

Table 1. Job Seeker

Option	Base Rate P/F	Increase P/F	New Total	Increase Per Day
\$4BN	\$753	\$176	\$929	\$66.36
\$10BN	\$753	\$249	\$1002	\$71.57
\$20BN	\$753	\$338	\$1091	\$77.93

Table 2. Parenting Payment

Option	Base Rate P/F	Increase P/F	New Total	Increase Per Day
\$4BN	\$990	\$167	\$1157	\$82.62
\$10BN	\$990	\$238	\$1128	\$87.71
\$20BN	\$990	\$351	\$1341	\$95.79

Table 3. Disability Support Pension/Carer

Option	Base Rate P/F	Increase P/F	New Total	Increase Per Day
\$4BN	N/A	N/A	N/A	N/A
\$10BN	\$1110	\$69	\$1179	\$84.21
\$20BN	\$1110	\$249	\$1359	\$97.07

Table 4. Family Tax Benefit & Commonwealth Rent Assistance

Family Tax Benefit		Commonwealth Rent Assistance
Option	Increase P/F	Increase P/F
\$4BN	N/A	N/A
\$10BN	N/A	N/A
\$20BN	20 per cent	25 per cent

Measures such as those recommended by *A Fairer Tax Welfare System* can help to reduce poverty. Despite Australia being a wealthy country, an Oxfam Report⁵ found that the richest one per cent of people had gained ten times more wealth in the past decade than the bottom 50 per cent, and that extreme wealth and poverty have increased simultaneously for the first time in 25 years.

We need to consider tax reforms that can lift people out of poverty. Even with recent increases to JobSeeker, provided by Consumer Price Index (CPI) mechanisms and measures announced in the last Budget (May 2023), income support recipients continue to live below the poverty line.

Parliamentary Inquiry into Workforce Australia Employment Services

The Society calls on the Australian Government to support recommendations made by the House of Representatives Select Committee on Workforce Australia Employment Services in its report, Rebuilding Employment Services. The Society supports: an end to automated suspension of payments; an overhaul of the employment services sector with the establishment of Employment Services Australia and an Employment Service Quality Commission; reforming the mutual obligation framework; a national wage subsidy and work experience scheme for the long-term unemployed; increased employment and training of Services Australia staff and increased funding and use of specialist providers, including Aboriginal Community Controlled Organisations and Culturally and Linguistically Diverse service partners.

For the last five years the Society has advocated for employment services to be refocused to support job seekers into work that aligns with their aspirations, abilities, skills, and interests, and which enables personal agency.

In our federal policy statement, *Let's Build a Fairer Australia!*, we have long called for strategies, funding and improved case management and support services to assist the underemployed and long-term unemployed. However, our immediate concern is the rate of payment suspensions. We call for these to be paused until a fair system is in place in which decisions impacting payments are made by Services Australia and for funding to be set aside within this Budget to implement these changes.

Housing

It is estimated that over 122,000 people in Australia are experiencing homelessness on any given night, and many others are at a real risk of becoming homeless. Almost one in four of these people are aged between 12 and 24 years, and one in five identify as Aboriginal and/or Torres Strait Islander people. Most people who are homeless are hidden from sight by some form of temporary accommodation. Recent research by *Australian Housing and Urban Research Institute* (AHURI) outlines the long-term linkages between poverty, housing, and homelessness.

A recent report on Government Services 2023⁶ found that almost 44 per cent of low-income households renting privately are in rental stress, despite receiving CRA. AHURI research has found that improvements to CRA's eligibility requirements would generate savings that could be redirected to better assist those in need. This includes the one-third of CRA recipients whose housing costs currently exceed 30 per cent of their income, even after CRA is deducted from rents.

These improvements could also be used to assist the 246,000, or 18 per cent of low-income private renters, who pay rents that exceed 30 per cent of their income but are ineligible for CRA.⁷ The Society calls for a review of CRA and, as outlined in the updated 2023 ANU paper, a 25 per cent increase to its base funding which could be covered by reducing the capital gains tax discount from 50 per cent to 37.5 per cent.

While the Society welcomes enactment of the Housing Australia Future Fund (HAFF) Bill, social and affordable housing requires ongoing attention due to the prohibitive costs associated with housing (buying or renting), and the long-term shortage of safe, secure, and affordable housing options.

Fairer economic and social policies are needed to lower poverty rates and decrease homelessness, while the funding of housing and homelessness related programs needs to be directed to those locations (and services) where they are most needed. Budgetary measures to adequately boost income support payments, along with increases in CRA, would lift many Australians out of poverty.

The Government should build Equal Remuneration Order funding into the base grant funding of organisations funded to provide specialist homelessness services (approx. \$67.5M).

The Government must also support private sector investment options that are a suitable alternative to the National Rental Affordability Scheme, which ends in 2026. With 32,930 homes exiting the scheme, failure to establish a replacement will see thousands of low-income renters being evicted or facing even higher rents.

Further, state and territory governments must be active partners in addressing the current housing and homelessness crisis and should be incentivised to prioritise local investment in social and affordable housing. To enhance this process, the Government should waive all the significant housing debts owed to the Commonwealth by the states and territories. In June 2023, this debt amounted to just over \$700 million.

The Society recommends that the Australian Government should:

- drop the stage 3 tax cuts
- increase working age income support payments
- increase base funding of Commonwealth Emergency Relief (under the Financial Wellbeing and Capability Activity) by 30 per cent for 2024-25
- increase base funding of the Commonwealth No Interest Loans Scheme (under the Financial Wellbeing and Capability Activity)
- fund the implementation of recommendations contained in the House of Representatives Select Committee on Workforce Australia Employment Services report, *Rebuilding Employment Services*, with decision-making on suspension of payments returned to Services Australia prioritised
- review Commonwealth Rent Assistance, increase its funding base by 25 per cent and finalise *A Better Deal for Renters*
- build the Equal Remuneration Order funding into the base of applicable Specialist

Homelessness Service providers

- provide more private market incentives, including a suitable replacement for the National Rental Affordability Scheme
- reduce the capital gains tax discount from 50 per cent to 37.5 per cent, and
- waive outstanding housing-related debts held by states and territories to the Australian Government.

Refugees and people seeking asylum

People seeking asylum in Australia, and waiting for the Government to recognise their claim, receive the least amount of government help.⁷ They have access to little or no social safety net, including income support, health care and housing. One of the few forms of support available to asylum seekers is the Status Resolution Support Service (SRSS) which provides a basic living allowance (around 89 per cent of JobSeeker), limited casework support and sometimes access to torture and trauma counselling.

Over the last seven years, funding to the SRSS has been cut by 85 per cent (from \$245 million in 2016-17 to \$36.9 million in 2022-23). This, along with restrictive eligibility criteria, has resulted in recipient numbers falling from over 13,000 in early 2018 to around 1,900 in 2022.

Further, SRSS recipients deemed 'job ready' are removed from the payment but if they are unable to find work, are left with no form of income. Changes to the SRSS have resulted in welfare costs and responsibilities being shifted from federal to state agencies and community-based organisations, at an estimated cost of between \$80 to \$120 million per year.⁸ Charities are often left to fill the gaps but even with the best of intentions, it is not possible to make up the shortfall in resources – providing a basic living income and housing is costly and if the situation remains unchanged, could present significant viability issues for organisations such as ours.

Refugee Council of Australia (RCOA) research highlights that the SRSS is not fit for purpose.⁹ Using recent data (August 2023), RCOA shows that the average waiting time for a primary decision on refugee protection applications from the Department of Home Affairs is approximately two years. For a review of decisions by the Administrative Appeals Tribunal, the waiting period extends to over seven years, resulting in many individuals waiting for up to nine years without resolution. The consequence is that charities are seeing significant increases in mental health issues among people seeking asylum; rises in homelessness and sleeping rough; and widespread food insecurity. Health practitioners have also noted cases of malnourishment and developmental delays among children of asylum-seeking families. Charities are unable to fill the gap created by funding cutbacks to the SRSS.

Safety net for people seeking asylum - community-based services cannot meet demand

This reality is increasingly being seen by specialist non-SVdP community organisations who assist people seeking asylum and refugees. For example, in Sydney, the *House of Welcome* (HoW) founded in 2001¹⁰ supplies essential services, transitional housing, and financial aid to refugees and asylum seekers. It also runs *House of Welcome Catering*, which offers work experience for refugees and people seeking asylum. Statistics provided to SVdP offer insights into the growing problem of unmet need. From July to September 2023, the HoW received a total of 175 referrals, involving 353 individuals. Among them, 24 individuals were affected by family and domestic violence (FDV). The referrals included 72 single males, 30 single females, five couples, and 68 families. Despite HoW's fundraising efforts, the challenge to provide adequate assistance is daunting. Between July 2022 - April 2023, HoW provided:

- \$50,000/month to prevent and respond to homelessness, destitution, food insecurity, FDV, health and mental health crises
- over \$183,500 on rental assistance
- roughly \$16,000 on crisis accommodation for individuals and families, including funds for women to access FDV refuge accommodation
- over \$13,682 on medication and medical treatment, particularly for those without access to Medicare. This included funds to assist with the purchase of life saving medications for heart conditions, diabetes, high blood pressure, and cancer treatments, and
- nearly \$117,290 on food parcels, food vouchers, and payments for food and other

essential household items to ensure over 3,000 individuals didn't go without food.

The NSW Government provided the Emergency Relief Support Grant to 15 organisations to assist people seeking asylum and temporary visa holders. When the NSW Government announced that its funding would cease by 30 June 2023, the situation was dire. Between July 2022 - April 2023, the HoW had supported 1480 people, of which nearly 40 per cent were children, and there were waiting lists of 200+ people per service, with an estimated wait time for an initial intake appointment at an unprecedented five-plus weeks. Despite its ongoing fundraising efforts, current resources cannot meet the demand.

The experiences are mirrored by other non-SVdP community organisations. In Queensland, funding cuts by the Department of Home Affairs forced Catholic Care (Qld) to cut back services provided by Toowoomba Refugee and Migrant Support when demand for assistance was already outstripping capacity. In Victoria, the Brigidine Asylum Seeker Project (BASP) managed 64 houses and units, housing an average of 163 individuals a month in 2022-2023. This is possible due to support from religious groups and others in the community, who supply low rent or no cost accommodation. This accounts for one-third of available BASP accommodation. However, BASP still spends a sizeable amount (\$1,242,532) on housing, and \$398,000 in emergency relief (food, bills, and clothing etc). Donations amounting to \$1,529,818 are crucial to the work of BASP. Without low cost (or free accommodation), or donations, the scope of operations offered by BASP would be reduced.

Safety net for people seeking asylum - the Society cannot meet demand

Similar experiences are being reported within the Society. For example, in 2022-23, a single Society Conference in Mooroopna (Victoria) assisted 61 adults and 24 children. Among the adults, 15 were from Malaysia, two from Indonesia, 13 from Papua New Guinea, four from Afghanistan, four from various African countries, three from Turkey, three from India, and one from Iran. Additionally, 16 adults had an unknown country of origin. Most adults and their children were on temporary visas, awaiting decisions from the Administrative Appeals Tribunal.

The question of access to essential services, work rights, cultural isolation, and health concerns, makes the provision of sufficient help almost impossible. For example, eight individuals in Mooroopna had an unknown visa status, and only one person had a permanent visa. Only nine individuals had IMMI cards,¹¹ allowing them access to essential services, while only eight were on 866 visas, granting permanent residency and essential services.

The visa status of other refugees and asylum seekers further complicates the situation. For example, eight individuals were on Bridging Visa A, allowing work rights, and 10 were on Bridging Visa C, granted to unlawful non-citizens with valid applications for substantive visas. Seven individuals held Bridging Visa E, due to circumstances such as voluntary arrangements to leave Australia or immigration detention at a future agreed date. The uncertainties faced by those requiring help is made even more challenging by lack of employment for those even with work rights. Out of the 38 individuals with work rights, some were restricted due to health issues, hindering their employment opportunities. Additionally, 12 individuals had no work rights, which intensified their reliance on the Society and other aid agencies.

The situation is similar in other Society jurisdictions, with demand far outstripping supply. For example, by mid-2023, SVdP-NSW supported 157 people seeking asylum and 168 people on temporary visas. Alarming, 28 per cent of these individuals were homeless or in temporary accommodation. There was a 21 per cent increase in people seeking asylum accessing homelessness services compared to the previous year.

In SVdP-Queensland (by mid-2023), the Migration Advice Service experienced unprecedented demand, conducting 100 interviews. This increase was due to the rising number of humanitarian cases, and other migration advice services being overstretched. SVdP Queensland reports that males on Bridging Visa E consistently struggled to manage daily living due to poor mental health, lack of accommodation, and lack of employment.

In SVdP-Canberra-Goulburn (between March and July 2023), the Caritas Christi Conference supported asylum seekers by collaborating with Companion House and Canberra Refugee Support. Advocacy from Companion House, Canberra Refugee Support and SVdP Canberra Goulburn- resulted in the ACT Government funding services to June 2024 through a \$185,000 grant. The ACT Government has also supported a housing project for destitute asylum seekers.

SVdP-SA (up to mid-2023) reports that the Vinnies Refugee and Asylum Seeker Service (VRASS) provided significant support. During an 18-week period, VRASS provided emergency support to 85 companions, distributing supermarket cards totalling approximately \$27,000. The Foodbank initiative also supplied perishable and non-perishable items to the community on a weekly basis. Intensive support was extended to 22 companions, with financial aid for rent, living allowance, utilities, and pharmacy expenses, gradually reducing to 16 companions by mid-2023. Legal assistance was provided, with 154 appointments made between January and June. Health services, including pop-up clinics for optometry and dental care, were provided. Additionally, VRASS assisted 70 companions with utilities amounting to \$14,000 over a three-month period (\$200 per companion). VRASS also helped 19 companions in completing complex Medicare applications. Furthermore, VRASS engaged in advocacy efforts, collaborating with organisations like The Red Cross, Circle of Friends, and legal services commissions.

The needs of people seeking asylum and refugees are complex. With limited avenues for government income support and access to services, ongoing issues with housing stress, mental health or medical expenses, unemployment, under employment, and the day-to-day effort to survive cost of living pressures, community organisations provide assistance with finite resources. In conjunction with an overall 30 per cent increase in Commonwealth Emergency Relief funding, a specific budgetary line item for Emergency Relief to assist people seeking asylum is required to enable community organisations such as SVdP to better assist, manage, respond to and monitor the needs of people seeking asylum.

Safety net for people seeking asylum – buck passing must stop

The safety net for people seeking asylum is woefully inadequate. The withdrawal of Commonwealth support has seen responsibility being passed on to states and territories. This has resulted in a “hit and miss” approach towards the wellbeing of people who are particularly vulnerable. They are at risk of destitution, homelessness and poverty, and the uncertainty they face further exacerbates their health issues. The continued disregard for the wellbeing of this group adversely impacts our whole community. Shifting responsibility to the states and territories or, worse still, expecting charities or the largesse of communities to provide ongoing, long-term financial and material support is contrary to the statements made in the ALP’s National Platform of providing people seeking asylum with an adequate safety net.

Finally, recent research by the Australian Catholic University, [We were already in lockdown](#), found that asylum seekers and refugees in Australia during the pandemic were already experiencing pre-existing hardships while government policies that excluded them from support packages exacerbated their feelings of worthlessness and humiliation. The pandemic intensified these experiences, particularly domestic partner violence and financial stress.

The Society recommends that the Australian Government should:

- increase base grant funding of Status Resolution Support Services and review criteria to increase eligibility and focus on the needs of individuals and families, rather than job readiness
- ensure people have a valid bridging visa with associated work and study rights and are linked to Medicare while they await decisions on their protection application, including by automating the bridging renewal process, and
- establish and fund a separate budgetary line item for Emergency Relief funding for people seeking asylum.

Thank you for considering our 2024 Pre-Federal Budget submission. Please do not hesitate to contact me if you require further information.

Yours sincerely



Mr P Toby oConnor
Chief Executive

Appendix 1.

Conference Visitations Case Studies: St Vincent de Paul Society Victoria (October 2023)

Specific townships and identifying information have been removed to protect the privacy of the people who have received support.

Case study 1: Romance scam

A bayside conference was alerted to the plight of an elderly, frail woman, with no vision and English as her second language. She had been defrauded in the vicinity of \$900,000 over a period of three years. This left her unable to pay her rent and other basic living costs. The two banks involved refused to accept any liability.

A SVdP conference member who had formerly worked at a senior level in the banking industry advocated on her behalf to the banks and a range of banking regulatory bodies in pursuit of justice. The Australian Financial Complaints Authority found in favour of the banks and yet, the member continued to pursue every avenue available for a better outcome. His dogged advocacy over two years on the woman's behalf resulted in the return of \$310,000 to the woman.

Case study 2: Delayed access to financial counselling leads to worsening situation

The following case demonstrates the need to access financial counselling early and when a person is ready to take the necessary steps to tackle accrued debt.

A country conference started seeing a two-parent family who never imagined they would need to rely on charity. The father had been in full-time employment for several years, earning \$1800 per week. The weekly rent was \$350. The family took out several personal loans that they believed were manageable on this income. The employer started to reduce hours and began not to require the man to work some weeks. The family were now unable to make payments.

The conference assisted with getting some modest debt waivers and ensuring the family were receiving the appropriate concessions but realised effectively tackling the multiple debts required help from an experienced financial counsellor who could consolidate loans and effectively advocate to financial institutions on the family's behalf.

The funded financial counselling service advised there was a six-week wait for an appointment. Within two weeks, the financial pressure for the family was affecting family members. Tempers were flaring and familial harmony was breaking down. The conference sought an emergency appointment, but to no avail. The conference also advocated to the local MP to assist in locating financial counsellors, and she, in turn, contacted the agency seeking an earlier appointment. As the pressure built, the man perpetrated physical violence on his partner for the first time. The relationship broke down and the consequences of this financial crisis were multiple.

The conference continued to do what it could with regular food hampers and vouchers and organised the school age children to attend Young Vinnies programs over summer.

Case study 3: Assisting a long-term companion with an accrued debt

Many conference members have long established relationships with companions. Over time, companions will sometimes disclose issues exacerbating their situation and causing shame. The conference can advocate on their behalf and seek debt waivers, negotiate a reduction in arrears and present a hardship case to gain a compassionate response.

A single mother, who had escaped family violence with three children, was often responding to health issues compounded by the violence the children had witnessed. Her children demonstrated PTSD, school refusal, eating disorders and a range of other mental health issues, including anxiety and depression. As a last resort, the mother enrolled one child in a specialist school, believing this may enable her to engage again with learning. Her daughter refused to attend after one week.

The school demanded a full term's fees be paid, amounting to \$5,000 and had been pursuing the mother for several months. She gave permission for the conference to advocate for a fee reduction on her behalf. After two meetings to advocate for the companion, the school agreed to waive the fees. As well as food and petrol, the conference also helped with car registration and repair costs to keep the mother's car on the road; a vital link as the family lived in an area with limited public transport.

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- ¹ University of Queensland, *Income and Emergency Relief What we know so far*, Evidence Note, Vol.3, August 2021. Accessed at: <https://espace.library.uq.edu.au>
- ² Dr Mohsin Nazir & Karen Mackenzie, *Food Security in Victoria*. Research funded by SVdP Victoria.
- ³ DSS Income Support Recipients – *Monthly Time Series, October 2023*. Accessed at: <https://data.gov.au/data/dataset/dss-income-support-recipients-monthly-time-series>
- ⁴ The poverty rates used by *A Fairer Tax and Welfare System* are 'after-housing' i.e., they deduct housing costs from disposable income (gross income – personal income tax paid). The poverty line used in *A Fairer Tax and Welfare System* is 50 per cent of the median of this 'after-housing' income measure. See ANU Centre for Social Research and Methods, *A Fairer Tax and Welfare System for Australia*, p.6. Accessed at: https://csrcm.cass.anu.edu.au/sites/default/files/docs/2023/9/ANU_-_A_FAIRER_TAX_AND_WELFARE_SYSTEM.pdf
- ⁵ Oxfam Australia. 16 January 2023. *Survival of the Richest*. Accessed at: <https://media.oxfam.org.au/2023/01/australias-richest-1-gain-10-times-more-wealth-in-past-decade-than-bottom-50-oxfam/>
- ⁶ Australian Government. 24 January 2023. *Report on Government Services*. Accessed at: <https://www.pc.gov.au/ongoing/report-on-government-services>
- ⁷ Ong, R., Pawson, H., Singh, R. and Martin, C. 2020. *Demandside assistance in Australia's rental housing market: exploring reform options*. AHURI Final Report No. 342. Australian Housing and Urban Research Institute Limited Melbourne. Accessed at: <https://www.ahuri.edu.au/research/finalreports/342>, doi: 10.18408/ahuri8120801.
- ⁷ Refugee Council of Australia. 25 April 2020. *Information about money you can get from the government*. Accessed at: <https://www.refugeecouncil.org.au/money-info>.
- ⁸ Van Kooy, J., Ward, T., Sept 2018. *An Unnecessary Penalty: Economic impacts of changes to the Status Resolution Support Services*. Commissioned by Refugee Council of Australia in partnership with ten other community-based organisations. Accessed at: <https://www.refugeecouncil.org.au/srss-economic-penalty/2/>
- ⁹ Refugee Council of Australia, August 2023, *Seeking safety but sleeping rough: Why we need a safety net for people seeking protection in Australia*.
- ¹⁰ House of Welcome, *About Us*, accessed at: <https://www.houseofwelcome.org.au/who-we-are>.
- ¹¹ Department of Home Affairs, *ImmiCard*, Accessed at: <https://immi.homeaffairs.gov.au/visas/already-have-a-visa/immicard>.