



24 January 2025

The Hon Dr Jim Chalmers
The Treasurer
Parliament House
CANBERRA ACT 2600

cc: Minister for Finance
Minister for Health
Minister for Home Affairs
Minister for Housing, Minister for Homelessness
Minister for Social Services

Dear Treasurer,

RE: Pre-Budget Submission 2025

The St Vincent de Paul Society (Society) is a partner of governments. Our charitable work couples with government assistance initiatives to promote resilience and unity in civil society in times of need. The Society's focus is on addressing the root causes of disadvantage and poverty, reducing inequality and helping everyday Australians reach their full potential. Our Members provide cash and material assistance to those struggling with everyday living. Our Members tell us the number of people seeking assistance has significantly increased over the past 12 months.

This is why we welcomed the Australian Government's recent decisions to:

- extend the eligibility for Parenting Payment (Single) to single principal carers with a youngest dependent child under 14 years (up from 8 years)
- change the stage 3 tax cuts
- a \$300 energy rebate, but would have liked to see it directed to households in need
- fund a \$40 (p/f) increase to the base rate of working age payments
- fund the Financial Wellbeing and Capability Activity an additional \$114.8M over five years
- include the Equal Remuneration Order funding into the base funding of applicable Specialist Homelessness Service providers
- fund a 25 per cent increase to Commonwealth Rent Assistance
- extend the eligibility criteria of the Leaving Violence Program to include temporary visa holders and make the funding ongoing
- fund \$500M to improve the energy efficiency of an additional 50,000 social housing properties, but would like this extended to low-income homeowners and private rentals
- fund an additional 29 bulk billed Medicare Urgent Care Clinics and cheaper medicines

However, this last year has seen Australians continue to struggle with the cost of living and housing crises. As a national provider of emergency relief and community housing, we are facing increased demand and costs, which make it harder to assist all those who need our help.

The Society therefore calls on the Australian Government to:

- increase the base rate of working age income support payments
- increase Commonwealth Emergency Relief funding
- increase medical bulk billing services

- increase base funding of the Leaving Violence Program and the Crisis Payment
- increase and review Commonwealth Rent Assistance
- increase base funding of Specialist Homelessness Services
- increase the Remote Allowance payment
- extend the eligibility criteria of the Status Resolution Support Service and ensure people have visas with work and study rights, along with access to Medicare
- expedite and fund recommendations that assist the long-term unemployed outlined in the parliamentary report, Rebuilding Employment Services

Increasing the base rate of working age payments

Almost 850,000 people on JobSeeker (Dec 2024) are living on a fortnightly income that is around \$150 below the poverty line.

An increase to working age payments would not only help people to afford the basics but improve their self-esteem and stimulate the economy, as people spend immediately, and locally, on essentials.

We are particularly concerned about children living in low-income households. Growing up in poverty is a strong predictor of a child being developmentally vulnerable by the time they start school, potentially reducing good health, education and social outcomes.

The Economic Inclusion Advisory Committee (EIAC) noted in its two previous reports that the base rates of working age payments 'are seriously inadequate... and that people receiving these payments face the highest levels of financial stress in the Australian community.' The EIAC has called for an increase equivalent to 90 per cent of the age pension.

In 2022 and 2023, the Society commissioned the Australian National University (ANU) to examine what needs to be done to lift people out of poverty. The ANU paper, [A fairer tax and welfare system](#), makes recommendations similar to those of the EIAC, noting that changes to superannuation and capital gains taxes could cover increased costs to the welfare system.

Increasing Commonwealth Emergency Relief funding

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 charity shop network.

Most of those assisted by the Society rely on income support, such as Job Seeker or Disability Support Pension, Aged Pension and Carers Pension, as their main source of income. Some record no income. Many of these people are asylum seekers awaiting visa approval, or people awaiting Centrelink assessments.

Demand is outstripping our capacity to support all those who need help. The inadequacy of income support payments, combined with the cost of living and housing crises have resulted in emergency relief providers experiencing similar issues, placing them in the difficult position of having to turn people away. However, referring people on is not the answer when we are all in the same boat.

While we appreciated the additional \$25M per year for the Financial Wellbeing and Capability Activity (announced in January 2024, and to apply from 2024-25 covering emergency relief, food relief and financial counselling), the Society continues to experience increased demand for emergency relief.

In **New South Wales**, there has been a 12% increase in the total number of people assisted in the 2024 calendar compared to 2023 – up to 108,554 total people assisted (primary plus secondary). For the same period, material assistance provided totalled \$14.9 million. The number of interactions increased 19 per cent over the year, and the number of people assessed who were experiencing housing stress also increased 19.5 per cent increase. There was also an almost 8 per cent increase in the number of people assisted for the first time by the Society in 2024 – 16,078 out of the total

primary people assisted (49,096).

In **Victoria**, requests for assistance received by its call centre have increased 15 per cent over the last financial year (65,300 v 55,433). Food assistance is most sought after and has increased month on month, with an increase of 34 per cent over a 12-month period. First-time callers have increased by 15 per cent over a two-year period and the Society is receiving more calls from NDIS support workers on behalf of their clients. Over a 12-month period, requests for Vinnies shop vouchers have increased 51 per cent, while referrals from other agencies have increased 26 per cent. In the last five years, and particularly noticeable in the last two years, there has been an increase in calls for support from people in the workforce.

Aged pension calls have also been steadily increasing, with both those who rent or pay mortgages under financial stress due to the increasing costs of housing. Since January 2018, there has also been a noticeable increase in the number of people with no income at all seeking support.

In **Tasmania**, people requesting emergency relief assistance are presenting with more complex issues and this requires more time. Consequently, Case Coordinator hours have been increased and would be increased further if resources were available to do so. The Society has accessed other financial reserves to meet demand and is busier than ever. The Emergency Relief Principles and Guidelines have been reviewed in response to managing demand and maintaining viability going forward.

In **Western Australia**, the average projected year to year increase for all emergency relief phone lines is 10 per cent – with 50,501 calls in 23-24, 55,501 in 2024-25 and a projected 60,995 in 2025-26. The Society is considering changes to the operation of its call lines (Hub/regional and hours), noting that this would result in an even further increase to calls received (e.g. to 61,668 in 2024-25). The total households that received assistance is also steadily increasing, from 13,036 in 2023-24 to 14,079 in 2024-25 and a projected total of 15,205 in 2025-26. This equates to 30,769, 32,663 and 35,276 individuals receiving assistance, respectively.

Increases have also been seen in the number of people who are homeless or at risk of eviction, who identify as Aboriginal and/or Torres Strait Islander, are impacted by family and domestic violence, live with disability and identify as culturally and linguistically diverse.

There is also an increasing trend in people presenting in financial distress with multiple issues, often accompanied by trauma. These multiple issues can affect a person's capacity to engage, make decisions, and process the steps required to address any immediate financial issues. For these clients, the Society uses a service delivery model which is slower paced, enabling the client to use non-financial support services to deal with any trauma / non-financial issues, whilst building a relationship of trust, and directing focus on financial education and understanding.

In the **Northern Territory**, 3,222 individuals were assisted in 2024, representing a three per cent increase in the number assisted in 2023. However, the cost of assistance provided was 41 percent greater in 2024 than 2023, totalling \$244,000.

In **Queensland**, total assistance has increased by 65 per cent, from \$9.9M in 2021-22 to a projected \$16.4M in 2024-25. Assistance with accommodation costs has increased by over 600 per cent, from \$0.8M in 2021-22 to a projected \$5.7M in 2024-25. Food costs have increased by just over 30 per cent, from \$5.1M in 2021-22 to a projected \$6.7M in 2024-25.

Increasing access to medical bulk billing services

A recent report highlights what we already know about the difficulty many Australians face in accessing affordable medical services, particularly in regional areas. Bulk billing rates across the country are low (now averaging 20.7 per cent), with the average out of pocket cost of visiting a GP standing at \$43.38. The rate varies significantly by jurisdiction – five states and territories have a bulk billing rate of less than 10 per cent (Tas, ACT, WA, SA and NT), and of these, Tasmania has nil. The larger states (Qld, Vic and NSW) alone fare better.¹

It is little wonder that people delay visiting a GP, a situation that contradicts the principle of preventive medicine. If their conditions worsen, as is often likely, they are left with little choice than to pursue the more expensive option, which is to pay the full gap, or to present to a public hospital's often overstretched ED. While the additional 29 bulk billing clinics and cheaper medicines are welcome, more is needed. Government indexation of Medicare Benefit Schedule rebates has not kept pace with the rising costs of providing high-quality medical services to patients, which has resulted in cost shifting from Federal Government to health care providers and patients themselves.

Increasing the Leaving Violence Program and the Crisis Payment

We know that financial insecurity is a major contributing factor in the decision to leave, stay in or return to a violent relationship. Payments currently available include the Crisis Payment and the new Leaving Violence Program.

Economic security is an important part of helping survivors of family and domestic violence to transition from violent relationships and achieve wellbeing following family and domestic violence.

A recent parliamentary inquiry report has recommended changes to the Crisis Payment, including removing the requirement that a person must leave their family home, and increasing the length of time to apply (Rec 58, Financial abuse: an insidious form of domestic violence, December 2024).

An independent evaluation of the Leaving Violence Program commissioned by the Department of Social Services² found that improvements could be made by addressing the timeliness of payment, overall awareness of it and improvements to the eligibility and assessment processes.

Increasing and reviewing Commonwealth Rent Assistance

Nationwide, the proportion of renting households is rising, having increased from 26 per cent to 31 per cent between 1995 and 2020. Housing costs are proportionately much higher for people on low incomes, with renters spending on average 20 per cent of their income on housing. Since May 2022, landlords have tried to pass on increased costs to tenants, due to rising interest rates, and there is less social and affordable housing stock available than a decade ago.³ Recent increases to Commonwealth Rent Assistance are welcome but additional funding is still required to make significant improvements to housing affordability for low-income households.

The Society supports recommendations made by the Australian Housing Urban Research Institute and National Shelter Australia to review Commonwealth Rent Assistance to include low-income households who are currently not eligible. The Productivity Commission has recently reiterated this call, noting that some payments are not targeted to people in greatest need and some people in similar circumstances might be treated differently because of their eligibility for income support. The review should cover all aspects of the payment design (including minimum and maximum rates, the co-payment rate, indexation, income tapering and eligibility) with the aim of improving the sufficiency, fairness and effectiveness of the payment.

Commonwealth Rent Assistance should significantly improve rental affordability and reflect fluctuations in rents and local rental market circumstances.

The EIAC has welcomed increases to Commonwealth Rent Assistance but recommends that more work be done to address the long-term reduction in adequacy of the payment and better reflect rents currently paid.

Increasing base funding of Specialist Homelessness Services

The Society provides the full range of housing services, from short-term crisis accommodation to transitional, medium and long-term community housing, accessible housing for people living with disability and specialist homelessness services. We know that the effective transition of people from homelessness to more permanent housing solutions must include resourcing wrap-around, resident-led and trauma-informed support services.

Research commissioned by St Vincent de Paul Society NSW (SPRC, 2023) found that people transitioning to the Society's community housing had often experienced insecure and unsustainably

expensive housing, with around half exposed to some form of homelessness. Loss of employment, accidents, injury, mental health crises, domestic and family violence and death were recurring topics.

Vincentcare Vic and other Intake Assessment Providers participated in a seven-year longitudinal study (RMIT, 2024) of households experiencing a form of housing crisis. The research found that one-third of those seeking assistance had mental health issues and the number of those with medical issues and substance misuse had doubled. Households experiencing family or domestic violence also doubled to nearly 16 per cent.

Funding was redistributed under the new National Agreement on Social Housing and Homelessness, with the allocation for homelessness services doubled to \$400M. However, as there was no significant increase in overall funding, the reallocation will likely impact capital projects (modifications) and maintenance of social housing. For these reasons, the Society calls for increased needs-based funding of specialist homelessness services.

Increasing the Remote Area Allowance Payment

The cost of living and housing crises have hit people hard, especially those in remote communities. We know that many in these communities have experienced complex and entrenched disadvantage for years, with little change.⁴ The Socio-Economic Index displayed by Government's digital atlas confirms as much. We also know that groceries cost more than twice as much in remote First Nations communities in NT and WA.⁵

Currently the Remote Area Allowance Payment sits at \$18.20 for a single person and \$15.60 each for a couple. We understand that it has not been increased for many years and ask that this be addressed in the 2025 Budget.

Supporting refugees and people seeking asylum

People seeking asylum in Australia, and those waiting for the Government to recognise their claim, receive the least amount of government assistance.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, over the last seven years, has been cut by 85 per cent (from \$245 million in 2016-17 to \$36.9 million in 2022-23).

Restrictive eligibility criteria have resulted in recipient numbers falling from over 13,000 in early 2018 to around 1,900 in 2022. 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

The 2024 Federal Budget made no provisions to increase work rights, study rights or access to mainstream social support, including Medicare. However, \$604 million was committed in 2024-25 to keeping people in offshore processing centres in Nauru.

In **South Australia**, the Vinnies Refugee and Asylum Seeker Service (VRASS) continues to provide emergency relief and other assistance to people seeking asylum who are on temporary, short-term bridging visas. In 2024-25, the Society had to cut its budget by 50 per cent but continued to pay rent and/or a living allowance to asylum seekers who are either unable to find work or are ineligible for any form of social security.

The VRASS cuts mean fewer people can be assisted. At present, there are 12 individuals/families for whom rent is paid and four individuals/families who receive a very modest monthly living allowance of \$120. Help is also provided with utility bills. VRASS is no longer able to provide supermarket vouchers but instead covers the purchase of Foodbank vouchers and continues to provide Vinnies vouchers.

VRASS also continues to provide:

- General advocacy, which includes contacting government departments, utility providers, Medicare or whoever else is needed to address issues

- Legal help, once a fortnight, for those still in the process of applying for their Resolution of Status visas
- Referrals to refugee legal services for those asylum seekers who need to renew their bridging visas, apply for Ministerial intervention or who have other visa-related issues
- English classes
- Assistance with training and finding employment
- Financial counselling

VRASS notes that the main issue experienced by the people they assist are chronic mental and physical health problems due to living in a state of uncertainty for many years, and with the constant threat of being sent back to the countries from which they fled.

No other cohort in Australian society is expected to just get by. The Society is unable to meet the continued and ongoing needs of refugees awaiting decisions on their protection application.

These people must be able to access SRSS and have a valid bridging visa with associated work and study rights that are linked to Medicare. The bridging renewal process should also be automated.

Implementing and funding Rebuilding Employment Services

The Society welcomes the Australian Government's commitment to implement recommendations made by the House of Representatives Select Committee on Workforce Australia Employment Services in its report, [Rebuilding Employment Services](#).

In our federal policy statement, *Let's Build a Fairer Australia!*, we ask that strategies, funding and improved case management and [support](#) services be prioritised to assist the underemployed and long-term unemployed.

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. While some pilots were announced in the 2024 Budget, further commitments are required to progress the implementation of this important reform work.

We thank you for considering the Society's 2025 Pre-Federal Budget submission. Please do not hesitate to contact me if you require further information.

Yours sincerely



Mr P Toby oConnor
Chief Executive

¹ Cleanbill. January 2025. *Blue Report National General Practitioner Listings*. Accessed at: <https://cleanbill.com.au/cleanbill-data/>

² Whereto Research Consultancy. May 2023. *Evaluation of the EVP*. Accessed at: <https://www.dss.gov.au/safety-programs/resource/evaluation-escaping-violence-payment-evp-trial>

³ SGS Economics & Planning. November 2024. *Rental Affordability Index*. Accessed at: <https://acrobat.adobe.com/id/urn:aaid:sc:AP:91e847dc-1687-4425-9c2d-ebaf0193cc96?viewer%21megaVerb=group-discover>

⁴ University of Canberra. 2021. *Dropping off the Edge*. Accessed at: <https://www.dote.org.au/>

⁵ Blakerrly, J. 31 October 2024. *Groceries cost more than twice as much in remote First Nations communities | CHOICE*. Accessed at: <https://www.choice.com.au/shopping/everyday-shopping/supermarkets/articles/remote-first-nations-grocery-stores>

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/>