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**Submission to the
Select Committee on
Covid-19**

May 2020

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About Anglicare Australia

Anglicare Australia is a network of independent local, state, national and international organisations that are linked to the Anglican Church and are joined by values of service, innovation, leadership and the Christian faith that every individual has intrinsic value. With a combined expenditure of \$1.82 billion, and a workforce of 20,500 staff and 9,000 volunteers, the Anglicare Australia Network contributes to more than 50 service areas in the Australian community. Our services are delivered to 450,000 people each year, reaching over 1.33 million Australians in total. Our services are delivered in partnership with people, the communities in which they live, and other like-minded organisations in those areas.

As part of its mission, Anglicare Australia “partners with people, families and communities to build resilience, inclusion and justice.” Our first strategic goal charges us with reaching this by influencing “social and economic policy across Australia with a strong prophetic voice; informed by research and the practical experience of the Network.”

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Introduction

Anglicare Australia is pleased to make this submission to the Select Committee on Covid-19. It is based on the insight and expertise of Anglicare Australia's member organisations, and addresses the interest and experience of the people with whom they work.

As a locally-based network with national reach, Anglicare Australia is already supporting those in need as our economy recovers – and we are well-placed to provide insights on how recovery efforts are working on the ground. Our network provides vital emergency relief, housing, financial counselling, mental health, and other social services, such as aged and disability care. We are embedded in communities across Australia, especially in regional and rural areas. As locally based services, we contribute to local economies and employ local people.

As frontline services, we have been closely watching the impact of the pandemic on our communities. While the current focus is rightly on the immediate impacts on individuals and communities, we know from our experiences of past crises that we must prepare for the longer-term social and economic impacts. Our submission offers insights on how to help people cope with the current crisis, explores the impact of current government measures, and makes recommendations on how to prepare for longer-term impacts.

This pandemic is already proving to be a generation-defining event that will affect individuals and communities for years to come. We hope to work with the Committee and the Government to help the nation recover – and to build a more resilient and prosperous Australia.

A safety net that's up to the challenge

According to the Grattan Institute, between 2 and 3.4 million Australians will lose their jobs by the end of June 2020 due to the lockdown.ⁱ That is between 14 and 26 percent of Australian workers. The Government itself estimates that unemployment will reach 10 percent by July.ⁱⁱ A further 5 percent could face unemployment, masked by the JobKeeper Payment.ⁱⁱⁱ

Those affected by the downturn are among the most likely to struggle in re-establishing their careers and incomes as the economy recovers. These include people in low-paid and insecure jobs, particularly young people and women. Around a third of low-paid workers are expected to lose their jobs.^{iv} Since the lockdowns began, there have been 500,000 new claims for JobSeeker Payment.^v These add to the more than 800,000 people already receiving the payment.^{vi} Before the lockdowns, over two-thirds of those on the payment relied on income support for more than a year.^{vii}

When the Government introduced the Coronavirus Supplement, it was a tacit acknowledgement that the base rate of JobSeeker and related payments was too low. Without the increase, many thousands of Australians who found themselves unemployed would have been plunged into poverty, joining the hundreds of thousands of Australians already trapped there by dire government incomes. Now, the Government needs a plan to ensure these people never return to poverty, and to ensure that additional support is phased-out responsibly.

The JobSeeker payment, Age Pension, and Disability Support Pension

While much has been made of the doubling of the JobSeeker payment, Anglicare Australia believes that the increase simply exposes the fact that unemployment payments had been too low for too long. The increase comes after rates were frozen for 26 years, and the payment now barely matches the poverty line. In that time, rents in Sydney and other capital cities more than doubled.^{viii} Other living costs like food, education, health, transport, petrol, and electricity have also gone up.^{ix} Put simply, it was past time for a major boost to the payment.

This is reinforced by the findings of Anglicare Australia's most recent Rental Affordability Snapshot, released in April. We found that 0 percent of rental listings would be affordable for a single person someone on the old Jobseeker payment (nine out of 70,000). On the newly doubled payment, we found that 1.5 percent of rental listings are affordable.^x While this number is still far too low, it underscores the importance of the increase – and shows that it was long overdue.

Our Snapshot also found that age and disability pensioners were at the very bottom of the market. With no change to their payments, a person on the Age Pension can afford just 1 percent of rentals, while a person on the Disability Support Pension can afford 0 percent.^{xi} Along with those who are reliant on carer payments, these are the groups most vulnerable to the virus. This highlights the clear need for age and disability pensioners to be included in payment increases.

Self-isolating in the midst of a downturn is expensive, distressing, and exhausting. The Supplement must be immediately extended to these groups, along with any permanent increase. Older Australians and people with a disability typically have much higher medical, power and transport costs, and therefore equity demands it.

Recommendation: A permanent increase to income support payments

Anglicare Australia recommends permanently retaining the increase to the JobSeeker payment and related payments, such as Youth Allowance. The \$550 increase must also be expanded to age and disability pensioners.

Migrants and asylum seekers

In considering the response to the pandemic, it's important to remember that asylum seekers, international students and temporary migrants do not have any access to income support including JobSeeker, JobKeeper, or Medicare. This is a huge concern and one we urge the Committee to take seriously.

Governments have provided emergency and food relief but this does not match the level of need, nor is it an effective way to provide income security for people throughout this crisis. While some people on temporary visas are approaching Anglicare services for help, many are unaware of the existence of services such as Emergency Relief. Anglicare Australia Network agencies across the country are working to reach out to these populations to help them access crisis help. However, emergency relief still will not prevent people from losing their homes or being unable cover the cost of essentials. Self-isolation requirements also make the delivery of emergency and food relief particularly challenging as it can force people to congregate at emergency relief centres, increasing the risk of infection.

There is also a major concern about lack of access to healthcare for people not currently eligible for Medicare. In the context of this pandemic, everyone should be able to access free health screening, testing and treatment for the virus regardless of their Medicare or visa status.

Anglicare Australia notes that some States and Territories have put in place provisions for people who otherwise do not have Medicare access to receive free or subsidised healthcare. While this is welcome, the Commonwealth has a responsibility to ensure people have access to treatment during this pandemic in the interests of public health.

Recommendation: Migrants and asylum seekers

Anglicare Australia recommends that JobSeeker and JobKeeper payments be urgently extended to over one million migrants who currently miss out. This remains one of the most serious flaws in the pandemic response and one that must be remedied quickly.

Cashless Debit Card trial

Anglicare Australia notes that the Minister for Families and Social Services has been given the power to extend, for up to six months, existing Cashless Debit Card trial sites in Ceduna, East Kimberley, Goldfields and Hinkler. These were due to expire on 30 June 2020. Ordinarily, a Bill would need to pass through Parliament to extend these trial sites.

Despite Parliament returning at various points in the past two months, and the Minister having the opportunity to put a Bill to Parliament, the Government has announced that the Minister will instead use the temporary pandemic powers to extend the trials until 31 December 2020. This announcement coincided with the Government publishing an evaluation report of the Cashless Debit Card, which provided more evidence of the harm and stress that the trials are causing people forced to participate against their will. Parliament must be given the opportunity to consider this evidence before the trials are extended.

Recommendation: Cashless Debit Card trial

Anglicare Australia recommends that the Committee holds dedicated hearings on the extension of the Cashless Debit Card trial sites to consider the findings of the most recent evaluation. Although the trial has now been extended to December, it is critical that no further extensions occur without consideration of the evidence. To date has not supported the continuation of further trials.

Action on housing and homelessness

The lockdowns have exposed the scale of homelessness and rough sleeping in Australia, both as a social problem and as a health risk to the whole community. In the last census, the Australian Bureau of Statistics estimated that at least 116,000 people were homeless. This includes those who are in overcrowded or insecure accommodation, and those sleeping rough. Of particular concern are the 'hidden homeless', such as those who live in cars, or who have been reliant on couch surfing. Tenants in private rental properties must also be able to maintain their tenancies despite loss of employment and income.

Crisis and other residential accommodation providers are being called upon to reduce occupancy to allow for social distancing, health and hygiene. At the same time, they are under pressure to provide access alternative accommodation for some residents. These challenges are emerging in the context of a long-term housing crisis, including high levels of rental stress among low and middle income households, severe shortages of social and affordable housing, and growing rates of homelessness. Our latest Rental Affordability Snapshot confirmed this.

To date, the Commonwealth Government has provided limited increased funding for emergency relief and family support services. Some State and Territory governments have delivered packages of assistance to their homelessness and crisis accommodation sectors, although several have not. Anglicare Australia also notes that the national rental eviction moratorium, adopted by the National Cabinet, is not being applied consistently across States and Territories. In most parts of the country, renters are still being evicted. Anglicare Australia has already heard of stories from the frontline of people being evicted with nowhere to go. In NSW, ACT, and Victoria tenants continue to be evicted from public housing in the midst of a health crisis. Governments should be leading private landlords by example, instead of making a mockery of the eviction moratorium.

While the National Cabinet has agreed to rent relief for commercial tenants and a Code of Conduct, this support has not been made available to residential renters trying to keep a roof over their heads. Mounting debts for renters are a recipe for disaster. This highlights the need for a real moratorium on evictions, and tangible relief for renters. Governments must take urgent action to prevent homelessness, destitution and promote individual and public health.

Recommendation: More support for renters

Anglicare Australia recommends:

- a further boost to funding for crisis accommodation services and community housing providers to procure additional safe, self-contained accommodation for residents to protect individual, staff and public health;
- a deferral of the expiry of homes under the National Rental Affordability Scheme, due to lapse this and next financial year; and
- a real moratorium on evictions, with clear parameters for implementation agreed by National Cabinet.

Stimulus through social housing

As winter approaches, homeless services are struggling to find suitable accommodation for people where they can keep a reasonable distance from others and avoid catching the virus. Some are being accommodated in hotels, but this is not sustainable over the long term.

Social and affordable housing is the most cost-effective solution to chronic homelessness. The affordable rents, security of tenure, and other supports available to financially vulnerable people in social housing reduces their risk of homelessness by more than half. Yet research shows there is a national shortage of 500,000 social and affordable rental homes for people who are homeless or living on the lowest incomes.^{xii} Some state governments, such as Western Australia, have already developed stimulus packages on social housing. Others such as Victoria, which has the highest per capita waiting list for social housing in the country, are focusing on upgrading their housing stock rather investing in a substantial number of new homes. No State or Territory government is proposing an investment large enough to close their shortfall.

Ending our affordable housing shortfall would be the most powerful way to tackle the rental crisis and boost regional economies. With the economy reeling from the recent bushfires and people struggling to pay rent in the wake of the Coronavirus, we need to invest in projects that are shovel-ready. There is no time to waste. Social housing projects can get off the ground much more quickly than road or rail infrastructure – and it brings greater long-term benefits. For every dollar invested, social housing is estimated to boost GDP by \$1.30.^{xiii}

Responding to landlords in financial distress could offer another approach to boosting social housing. A government buy-back scheme for landlords who need to sell their properties would allow governments to replenish their housing stock, while offering landlords a fair price in the midst of a downturn. The NSW Government is already considering a housing stimulus package along these lines.^{xiv}

The location and scale of social housing can be guided by expert advice from key research bodies such as the Australian Housing and Urban Research Institute, and by community co-design. This issue is explored in greater detail in Anglicare Australia's most recent Rental Affordability Snapshot.

Recommendation: Stimulus through social housing

Anglicare Australia recommends:

- another round of stimulus focused on building more social housing stock; and
- a buy-back scheme for private landlords wishing to sell their investment properties, facilitated and led by the Federal Government.

Support for aged care and disability support

In these unprecedented times, the aged care sector has been at the frontline of protecting the safety of older people, visitors and staff. The first priority of the aged care sector is to protect the older people in their care – who are among the most vulnerable to the virus – and the workforce who cares for them.

The stories from overseas have been shocking, with reports suggesting that aged care services have made up to half of all Coronavirus deaths across Europe.^{xv} Protecting vulnerable older people from the pandemic is vital to keeping Australia's death toll down. It's a relief to see the number of new cases within the community dropping, but outbreaks in an aged care facility can have potentially devastating consequences.

The cost of Personal Protective Equipment, along with the additional staff and resources needed to screen and test residents and visitors for the virus have proven to be exorbitant. The amounts provided by the Federal Government to date have been small, and much of the cost has been borne by the sector. Much of the support announced so far has been focused on responding to outbreaks, whereas in reality there is a cost in being prepared to respond – in simply running aged care in a covid world. Some funding has been made available for staff retention, but too little has been done to cover the broader costs of stronger infection controls and services to address increased social isolation.

Aged Care Rescue Package

Anglicare Australia notes that many aged care providers were struggling financially before the coronavirus hit. The current crisis is escalating the situation closer to breaking point. Many services are now also facing reduced revenue as people turn down community care and choose not to enter residential care. Despite numerous requests to the Government for this additional support, there has been no response to their rescue package, so a long-term funding resolution is needed.

In March, StewartBrown, a chartered accountancy firm, released the December 2019 Aged Care Financial Performance Survey results, which found that 56 percent of aged care homes recorded an operating loss for the December six month period and 29 percent of aged care homes recorded an [operating cash loss] for the December period. This number is likely to increase exponentially, with the Coronavirus pandemic putting an unprecedented strain on the sector.

Along with other peak bodies in the aged care sector, Anglicare Australia has been calling for an Aged Care Rescue Package. This package will be critical to ensuring the sector can continue to respond to the pandemic, and ensure high quality care for older Australians.

Recommendation: Aged Care Rescue Package

Anglicare Australia calls on the Federal Government to commit to an Aged Care Rescue Package, including:

- over \$250 million for home care (182 days at \$10 per day for up to 150,000 people);
- \$546 million for residential care (182 days at \$15 per day for 200,000 people);
- \$500 million pool of funds for information technology measures and training to reduce social isolation and loneliness;
- a workforce fund. The cost of this fund will depend on the number of workers who will be required to isolate; and
- securing Refundable Accommodation Deposits (RADs) and improvements to the Aged Care Funding Instrument (ACFI) to keep providers financially viable and available.

Reducing the home care waiting list

This pandemic has shown the need for governments to work together to strengthen care and support services for people who are vulnerable. Services such as mental health, aged care, disability services, support for domestic violence survivors, and for people who are homeless, are essential and continue to be critical during this crisis. The pandemic and associated lockdowns have exposed, and sometimes exacerbated, long-standing weaknesses in adequacy of resourcing of the services.

As the lockdowns are eased, the Federal Government must prioritise improving resourcing of these services. This would grow employment, as these services are much more jobs-rich than infrastructure projects.

In addition to the \$250 million short-term injection as part of the Aged Care Rescue Package, arrangements must be made for medium and long-term investment. Anglicare Australia supports the Australian Council of Social Service's call for a \$2.3 billion boost to home care packages. As at September 2019, there were 112,000 people needing home care who were waiting more than a year for a suitable package that meets their needs. An investment of \$2.3 billion would reduce the waiting list by three months and create thousands of jobs across Australia. With appropriate training, which can be delivered while social restrictions are still in place, home care packages can generate jobs quickly. As with public infrastructure projects, a share of these jobs should be earmarked for people who have been unemployed long-term or are most at risk.

Ensuring access to care for the vulnerable

Another impact of the pandemic has been that some people with disability and the elderly requiring care have become afraid to continue with their normal care in their home. Government directions for people who are vulnerable to self-isolate have contributed to this fear, resulting in some reaching the conclusion they should stop receiving their care services. However these services are vital to people's ongoing health and wellbeing. Little consideration has been given on how to check in with vulnerable people living alone, who might make decisions regarding their fear of the virus that then more broadly put their health at risk. A system of independent welfare checks for such people staffed by qualified counsellors and nurses would allow everyone from concerned community and family

members to professional care providers to raise an alert for people who might self-isolate to their determinant, and provide a means to positively intervene to ensure they continue to receive the care they need.

There must also be greater scrutiny of the protective equipment requirements for workers delivering care in the home. The close personal contact typically required for a great deal of personal care in the home means that this needs to be factored into equipment supplies availability, training for staff, and the cost of delivering care.

Recommendation: Investing in care

Anglicare Australia recommends:

- a \$2.3 billion boost to home care packages to reduce the waiting list and create jobs in the sector. Investment in home care packages will improve wellbeing by enabling people to remain at home, and ease pressure on aged care facilities which are struggling under high demand;
- resourcing of an independent welfare service for vulnerable people receiving care at home, or through similar services; and
- a review of the cost, training and availability of protective personal equipment and other needs for home care services.

Supporting jobs and reshaping the workforce

Unemployment, and underemployment, are likely to persist for years. While many businesses will re-open, record-high levels of unemployment could undermine the recovery. People without paid work, those at risk of losing their jobs, people facing high debt burdens, and those on lower incomes will be reluctant to spend.^{xvi} Businesses in debt and with fewer customers will be reluctant to invest.^{xvii}

The large number of workers who are ineligible for the JobKeeper subsidy has exposed a major weakness in Australia's labour force: The growing number of people who are in insecure work. At the time of Anglicare Australia's most recent Jobs Availability Snapshot, 1.16 million Australians were underemployed.^{xviii} Many more were thought to be in precarious work arrangements. This cohort has been overlooked for years, and now, they are particularly vulnerable to this downturn. Many are not eligible for the JobKeeper wage subsidy, have lost their connection to the workforce, and are facing poverty if the JobSeeker payment is cut as planned.

Urgent action is required to ensure that casual workers and those in precarious arrangements are not left out of the Government response to the pandemic. At the same time, longer-term consideration must be given to ensure work in Australia becomes more secure. This is critical to building resilience in the face of future downturns and crises.

The JobKeeper wage subsidy

The introduction of the JobKeeper subsidy, along with other measures to support workers, were necessary and welcome. Changes to these arrangements, particularly the JobKeeper subsidy, will need to be phased-in gradually to ensure the economic and social recovery is not compromised.

Support for people on low incomes has been shown to boost the economy by keeping people attached to the workforce, and by lifting the incomes of people who are the most likely to spend. For example following the March stimulus payments, spending by low income earners rose by 14 percent, while spending by high income earners fell by 29 percent.^{xix}

However, many people on low incomes have missed out on the JobKeeper payment altogether. Young people, casual employees, and others in insecure work arrangements have been denied eligibility to the scheme. News that the cost of the scheme was overestimated by \$60 billion has generated much discussion about those who were left behind by its design, and the fact that the Government has already allocated enough funding to include them. While some will be eligible for the JobSeeker payment, this is not a substitute for maintaining a connection with the workforce.

Recommendation: JobKeeper and wage subsidies

Anglicare Australia recommends:

- that temporary wage subsidies for households and businesses, such as the JobKeeper Payment and assistance with debts, be phased-out gradually along with the lockdowns. If this support is suddenly withdrawn, many people will struggle with their finances, health and wellbeing. The recovery will falter; and
- that support is provided to keep casual employees connected to the workforce, either through the JobKeeper scheme or through alternative measures.

Improving employment services

The Employment Services Expert Panel recently undertook a major review of Department of Employment programs, after collecting substantial evidence from service providers and users, peak bodies and labour market experts. Its report recommends major changes to Jobactive and other services when the current finding round ends in 2020.

The bushfires, followed by the Coronavirus pandemic and higher rates of unemployment, have disrupted these plans. However, they have also underscored the need for major reform of employment services along the lines proposed.

In consultation with service providers and users, peak bodies and experts, Anglicare Australia calls for elements of the New Employment Services model proposed by the Expert Panel to be brought forward in response to the major restructure of employment and higher employment we now face.

These changes include:

- ending excessive compliance and penalties to personal agency, both for people who are unemployed and providers;
- two streams of service, a digital service and an enhanced face-to-face service;
- purchasing arrangements that provide more funding in advance (as distinct from outcome payments), facilitate specialist and locally-based providers, and reduce caseloads; and
- an enhanced Employment Fund to assist with investments to overcome barriers to employment.

With unemployment and underemployment likely to persist in the coming years, these changes will be crucial to supporting people as they seek to re-enter the workforce.

Recommendation: New Employment Services model

In response to the major restructure of employment and higher employment we now face, Anglicare Australia recommends that key elements of the New Employment Services model be brought forward.

Shaping the future workforce

With so many Australians unemployed or underemployed, and rapid shifts in the structure of work (for example, due to partial recovery), the jobs available after the pandemic will be different to those prior to the lockdowns. As well as generating more jobs through economic stimulus measures, the government and its partners must carefully manage this adjustment in the labour market to smooth the necessary adjustments to jobs and skills.

Even before the pandemic struck, Anglicare Australia's research showed that the job market was not delivering for those facing the greatest barriers to work – for example people who may not have qualifications or experience to draw on, those trying to re-enter the workforce after a long break, or those living in regional or remote areas. Without action, this situation is likely to deteriorate further after the pandemic.

Our most recent Jobs Availability Snapshot, released in October, shows a grave situation for people facing these barriers to work. In our sample month, there were 704,700 people who were unemployed, including 99,942 jobseekers who may not have qualifications or experience.^{xx} But entry-level jobs (or ANZCO Level 5 jobs) comprised just 18,200 (10%) of the 174,662 jobs advertised.^{xxi} In other words, up to five of these jobseekers are competing for each entry-level role across Australia.

The Snapshot shows that people with barriers to work did not benefit from the recent boom in full-time employment – and that the market cannot be relied upon to fix these problems without intervention. The Snapshot shows why government intervention must move away from failed policies that force people onto an endless hamster wheel of job searching and training unlinked to real job prospects. Instead, we need to revisit job creation and drastically overhaul employment services.

We must also ensure that people already working regular hours in long-term positions are given the benefits of permanent employment, instead of being stuck in casual arrangements. Anglicare Australia notes that this principle was recently recognised by the Federal Court of Australia in its landmark ruling on casual entitlements. Reducing the number of people in insecure and precarious work will mean that Australians are better equipped to weather future downturns, and future crises.

Recommendations: Shaping the future workforce

Anglicare Australia recommends:

- an investment in supported work placements, especially those that include tangible training opportunities;
- a response to the recent Federal Court decision which explores pathways to permanent employment for casual workers in long-term positions with regular hours.
- the Committee investigates options for job creation beyond the pandemic. Anglicare Australia's 2017 Jobs Availability Snapshot had a particular focus on job creation and includes several examples of successful programs. It is attached as an appendix for reference.

Supporting the community sector

Australia's community sector is a vital part of society and the economy, working to alleviate poverty and disadvantage, reduce social and economic inequality, create opportunity and build a fairer country. The services, advocacy and support that our sector delivers make Australia a better place. The community and charities sector contribute \$128 billion to the national economy and accounts for more than 840,000 full-time equivalent workers.^{xxii}

During this health and economic crisis, our sector is critically important, particularly to the people who access essential services like aged care, childcare, domestic violence, mental health and homelessness services, but also to society as a whole, as we seek to maintain community health, safety and cohesion. As a Network and as a sector, we are at the frontline of the pandemic crisis and demands for support continue to grow in the face of the devastation of a doubling of unemployment and the severe economic and social shocks that have occurred across the Australian community.

Many organisations are seeing increases in demand for their services, and are working hard to meet that demand in a resource constrained environment. At the same time many organisations are facing a direct threat to their viability as a result of the funding models and the current restrictions on their work. Each of member agencies is adapting, delivering services in new and different ways and surging their capacity to meet demand.

Concessions made as part of the JobKeeper scheme, allowing charities and community organisations to exclude tied grants, have helped the sector to adapt and protect their workforce. Anglicare Australia is calling for more flexibility in funding arrangements, to further build on the support provided by the JobKeeper scheme.

Recommendations: Flexibility in funding arrangements

Anglicare Australia supports the Australian Council of Social Service's call for services to have maximum flexibility in the use of funds to respond and adapt, avoid job losses and service cuts. This will require the Federal Government to:

- urgently pay all outstanding late payments, for example, in the NDIS;
- authorise organisations to use government funds as they see fit across all their program and cost centre areas, for at least the next three months, with reporting backwards to account for use;
- delay or relax reporting obligations;
- freeze government reform and new tendering processes;
- suspend KPIs and outcomes to allow for adaptation to new conditions; and
- remove penalties for non-compliance with contracts arising from the pandemic emergency.

Funding for the community sector Equal Remuneration Order

Just as this pandemic has struck, many community organisations are facing major cuts to the funding they use to pay their staff. This is because supplemental funding to support wage increases in parts of the community sector is due to expire.

In 2012, the Fair Work Commission made a landmark pay equity decision that raised wages in community services. This was designed to tackle the gendered undervaluation of work across the sector. As a result, wages increases of up to 45 percent were ordered over a ten year period.

To date, most governments across Australia, including the Federal Government, have provided funding for community organisations to pay fair wages without cutting services to their communities. Organisations with grants that began before 2012 have been receiving additional funds from the Federal Government. This is helping them meet higher wage costs. Most services that began after 2012 have had higher wage costs factored in.

However, the Federal Government will stop paying supplemental funding on most grants from July 2021. The base rate of those grants will not increase to include the supplementation. If these base rates do not rise to reflect wage costs, it will lead to major funding cuts for community organisations with federally funded programs. This will lead to cuts in essential services that people across Australia rely on. It also means that gains in gender equity stemming from the order will be undermined by job cuts in the sector.

This issue affects all organisations who are receiving supplemental funding from the Federal Government. It also affects organisations that have contracts that are jointly funded by State and Federal governments.

To meet this need, particularly in the wake of the Coronavirus pandemic, the Commonwealth must work with its State and Territory counterparts to ensure that the base rate of affected grants is permanently increased to reflect higher wage costs. Alternatively, the Federal Government would need to ensure that supplementation for the Equal Remuneration Order continues.

Recommendations: Funding for the community sector Equal Remuneration Order

Anglicare Australia recommends:

- increasing the base rate of affected grants to reflect higher wage costs; or
- continuing the supplementation for the Equal Remuneration Order.

Conclusion

Anglicare Australia appreciates the opportunity to contribute to the work of the Select Committee on Covid-19. As in the lockdown phase of this pandemic, in the recovery phase will require Governments – in partnership with civil society – to play a much greater role than they have in the recent past. As well as stimulating recovery, they will need to help the community navigate our way to recovery.

In the past year, Australians have lived through two emergencies that have devastated livelihoods, health, communities and our environment – the unprecedented bushfires and now the Coronavirus pandemic. Each crisis has exposed weaknesses in our social, environmental and economic support systems. Now a third crisis, mass unemployment and a historic downturn, is unfolding. In changing much of the employment support and social security system, the Government has openly acknowledged that existing policies were no longer fit for purpose.

Governments, business, unions and the community sector are coming to realise that we can only overcome these emergencies by working together in partnership. These partnerships will be just as critical in recovery. We must plan for, and coordinate, a jobs-rich recovery as the economy and labour market undergo the second major restructure in less than a year – from a stay-at-home economy to one that's likely to be very different to business-as-usual.

Other goals must be front and centre as we plan the recovery, to make our workforce more resilient and more secure; to ensure every Australian has a roof over their head; to reduce poverty and inequality, and to ease the anxiety and financial stress that too many people have suffered during 2020. This is an opportunity to help people, communities and business not only to recover, but to build back better.

We hope that this Committee will judge all proposals and Government measures against this goal, to ensure that all of the actions we take leave us stronger and more resilient.

- ⁱ Coates, B., Cowgill, M., Chen, T., and Mackey, W. (2020) [Shutdown: Estimating the COVID-19 employment shock](#).
- ⁱⁱ The Treasury (2020) [JobKeeper payment supporting millions of jobs](#).
- ⁱⁱⁱ Ibid.
- ^{iv} Op cit Coates et al (2020).
- ^v The Treasury (2020) [JobKeeper payment extension to help business cashflow](#).
- ^{vi} Australian Council of Social Service (2020) [Post COVID 19 Economic Recovery: Briefing](#).
- ^{vii} Ibid.
- ^{viii} Anglicare Australia (2020) [Rental Affordability Snapshot](#).
- ^{ix} Deloitte Access Economics (2018) [Analysis of the impact of raising benefit rates](#).
- ^x Op cit Anglicare Australia (2020).
- ^{xi} Ibid.
- ^{xii} Yates, J. (2018) [Social and Affordable Housing Projections for Australia](#).
- ^{xiii} Australian Council of Social Service (2019) [How to reduce homelessness and boost incomes and jobs: Social housing as infrastructure](#).
- ^{xiv} Smith, A. (2020) [NSW government may buy up spare housing in \\$500 million stimulus plan. April 28. Sydney Morning Herald](#).
- ^{xv} World Health Organization (2020) [Statement to the press by Dr Hans Henri P. Kluge, WHO Regional Director for Europe](#).
- ^{xvi} Op cit Coates et al (2020).
- ^{xvii} Ibid.
- ^{xviii} Anglicare Australia (2019) [Jobs Availability Snapshot](#).
- ^{xix} Op cit Australian Council of Social Service (2020).
- ^{xx} Op cit Anglicare Australia (2019).
- ^{xxi} Ibid.
- ^{xxii} Australian Council of Social Service (2020) [COVID-19 Response and Recovery: Community Sector Issues](#).