

Senate Finance and Administration Committee
Inquiry into the Nation Building and Jobs Plan

Public Hearing

Canberra
9 February 2009

OPENING STATEMENT

Frank Quinlan
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On behalf of the Major Church Providers of Social Services in Australia

My name is Frank Quinlan. I am Executive Director of Catholic Social Services Australia. David Eldridge from The Salvation Army travelled to Canberra this morning to participate in the hearing which was scheduled for earlier today, but has had to return to Victoria where The Salvation Army is central to the relief work in communities affected by the bushfires.

I am appearing on behalf of the major church providers of social services in Australia – Anglicare Australia, Catholic Social Services Australia, The Salvation Army and UnitingCare Australia – who represent the overwhelming majority of social service provision across the country, delivering services to over 4 million people each year.

I would like to extend our thanks for the opportunity to appear before the Committee today.

The major church providers are gravely concerned that the deepening effect of the global financial crisis will impact most harshly on those Australians who are the least able to weather the changing economic times on their own. Many Australians who did not enjoy the prosperity of the recent boom, will bear the greatest impact of the bust.

Further, as organisations assisting some of Australia's most disadvantaged individuals, families and communities, our capacity to assist is also affected by factors beyond our control. Inefficient government funding processes, a downturn in investment returns or donations, and rising demand for services already operating beyond their capacity all conspire to deprive some people and communities from receiving the assistance that they deserve.

In November 2008, in response to the global financial crisis, we gathered some of our major social service providers at Parliament House in Canberra to participate in a Summit where we released a report by Access Economics on the Impact of the Global Financial Crisis on Social Services. Arising from that Summit, and from the deliberations that have followed, we prepared a report for the Deputy Prime Minister, which was distributed to all Federal parliamentarians last week.

Both these documents form the basis of our submission today.

It is our hope that through swift and cooperative action, many Australians will be spared some of the effects of the global financial crisis.

We believe the Government's second stimulus package, *Nation Building and Jobs Plan*, which promises an unprecedented investment in social housing, community education and a number of infrastructure projects such as home insulation, is an important first step.

We believe there is capacity for the direction of the overall stimulus package to focus on programs that used investment in infrastructure to underpin local employment opportunities for disadvantaged communities, and that spending should be skewed toward low income earners.

We welcome the additional emergency relief funding announced by Families Minister, Jenny Macklin last week. This additional funding will provide at least some small opportunity for our organisations to plan for imminent increased needs.

The Rudd Government's *Nation Building and Jobs Plan* is not designed as a rescue package for the community sector or for unemployed people. It is a

rescue package for the nation as a whole which focuses on creating and maintaining jobs.

The stimulus package can be leveraged to ensure physical infrastructure investments contribute to building social infrastructure including job readiness and opportunities for people who have been long term unemployed and improved capacity and amenity of social services facilities. Investment needs to be targeted to disadvantaged communities as well as disadvantaged individuals and families.

The recommendations in our submission provide a framework for improved partnerships between the government and social services. We think that any initiatives that form part of the final package should be implemented in a manner that demonstrates streamlined processes and stops the diversion of funds from service delivery to unnecessary administrative compliance.

We understand the *Nation Building and Jobs Strategy* will not be the last word from the government on issues affecting unemployed people and the chronically disadvantaged or on the capacity of social services more broadly to meet increased demand in the months and years to come, and we look forward to further measures that will assist the unemployed and measures that will assist the community sector to meet the increased demand for services.

There is no question that people on Newstart already find it difficult to make ends meet. Indeed these people are often the recipients of the sparse emergency relief funding available to some of our agencies for distribution at their discretion to needy people. The rising numbers of unemployed and underemployed Australians will find it very difficult to survive below the poverty line.

Unemployment benefits are inadequate, not because of the global financial crisis, but because of the historic injustices which have determined the setting of payments to date.

Successive Australian governments have avoided making judgements about what constitutes an acceptable living standard for Australians surviving on benefits.

Catholic Social Services Australia recently called for the establishment of an Australian Entitlements Commission which would set and index all Centrelink payments free from the injustices and ad hoc decisions that have plagued the system to date, where payments will be set according to need.

We support ACROSS's recent calls for an immediate increase of \$30 per week to the Newstart allowance, but we also believe this would only go part of the way toward a lasting solution for the unemployed and their families.

We will continue to work through the Deputy Prime Minister's Community Response Taskforce and other channels to put these issues firmly on the agenda.

The major church providers of social services endorse the measures announced last week in the *Nation Building and Jobs Plan* and look forward to working with the Government in the days and weeks ahead on the next stages of this package which must look to the detail of realistic income support for the rising tide of Australians who will lose their jobs in the next 12 months, despite the Government's best efforts.