



Budget Policy Division  
Department of the Treasury  
Australian Government

Submitted via [Treasury Consultation Hub](#)

24 August 2020

**Re: 2020-21 Pre-Budget Submissions**

Dear Budget Policy Division

Thank you for the opportunity to participate in the 2020-2021 Federal Government's Pre-Budget Submission process.

Anglicare WA is a leading not-for-profit organisation that helps people in times of need. We play an important role in building strong relationships, families and communities. We provide support, counselling and advocacy for people struggling with poverty, domestic violence, homelessness, grief, mental illness and other forms of crisis or trauma.

We are also the largest funded provider in WA of services that support separated families. 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 our communities. Just as this pandemic has struck, Anglicare WA is facing major cuts to the funding we use to pay our staff. This is because supplemental funding as part of the Social and Community Services (SaCS) Special Account are due to expire at the end of this financial year. This would have a devastating consequence on our ability to support families in times of crisis.

As part of our contract for the Families and Children Program, Anglicare WA provides early intervention and prevention activities to improve the wellbeing of families and children, including after separation, enhance family functioning and economic engagement and strengthen communities across the following programs:

- Family Relationship Centre's in the Kimberley, Mandurah and Joondalup.
- State-wide Family Dispute Resolution
- Children's Contact Services – Albany-Bunbury –Joondalup - East Perth
- Metro Parenting Orders Program and Supporting Children after Separation
- Family Law Counselling and Relationship Services – counselling and group education.

**Family Violence Homelessness Financial Stress Relationships Bereavement Disability Parenting Mental Health**

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As a member organisation of Family and Relationship Services Australia (FRSA), Anglicare WA supports FRSA's Pre-Budget Submission to the Department of Treasury. FRSA recently commissioned research on the impact of possible reduced funding levels to the FRSA membership base from 1 July 2021 due to the expiry of the Social and Community Services (SaCS) Special Account.

The SaCS Pay Equity Special Account was established by the Commonwealth Government in 2012 to assist the sector to afford the increase in wage costs that were handed down as part of Fair Work Australia's Equal Remuneration Order ruling in this landmark case.

SaCS supplementation is currently used to help employers meet their obligations to pay their staff at award wages. Programs established by Government since the ruling have the award wage costs built into baseline funding. For those programs, funding is commensurate with current market labour rates and not historical rates.

This year, independent research on this issue was undertaken by the Centre for International Economics, commissioned by FRSA. The main findings of the [research](#) are:

- The FRSA membership has invested heavily in efficiency measures over the past eight years and is at, or close to, the efficiency frontier. That is, there is limited, if any, scope for further efficiencies. Costs of service delivery continue to rise, and funding levels have not kept pace with these costs.
- The Family and Relationship Services (FRS) sector delivers substantial value to the Australian economy and to Australians. A sector-wide average benefit cost ratio (BCR) of 5.5:1 was estimated.
- On expiry of the SaCS Special Account:
  - There will be an effective annual funding cut of approximately \$45 million to the FRSA membership base, and \$260 million per year in flow on costs imposed on Australians, reflecting the BCR of 5.5.
  - FRS providers anticipate reducing operational employment (employees providing direct services to clients) by up to 22 per cent, with the greatest impact felt in regional and remote locations. In real terms, this equates to 1,100 jobs lost across Australia.
  - There will be a 16 per cent reduction in clients able to be served. In real terms this will equate to approximately 92 400 children and adults not able to access services from FRSA members.

Family and relationship services account for a proportion of support programs reliant on the SaCS Supplementation funding. The broader impact on organisations delivering social services – and on their clients – will be much greater.

The reverberations from COVID-19 will be felt for years to come. Practitioners who worked with families during the bush fires in Victoria were dealing with relationship stress and break down for several years after the event. The mental health and financial stress created by COVID-19 will have an immense impact on families, leading to relationship stress and breakdown. Now is not the time to be reducing

funding for these vital services. We need to apply an early intervention framework to supporting families through this pandemic and beyond if we are to prevent further family breakdown.

Within the context of the COVID-19 pandemic, it is critical that organisations are given certainty that they can continue – at the very least – to retain all staff and deliver services to vulnerable children, families and communities at current levels, come 1 July 2021.

Anglicare WA requests that Treasury gives this matter serious consideration in its deliberations. We support FRSA's recommendation that: ***The Government commits to increasing baseline funding to meet Family & Relationships Services Sector wage costs in line with the current SCHADS Award post-June 2021.***

Sincerely



Mark Glasson  
CEO  
Anglicare WA