



## WHAT AUSTRALIA'S COMMUNITY SECTOR WANTS AND DOESN'T WANT IN THE FEDERAL BUDGET

**Date: April 2016**

### *A joint community sector statement*

Community sector organisations, including CSSA, today issued a united call for this year's Federal Budget to put reducing poverty and inequality at the heart of its purpose. This should be done by prioritising revenue raising measures to fund essential services and jobs growth, rather than by focusing narrowly on cuts to spending and unaffordable tax cuts in an election year.

#### **Joint Statement**

“At a time when public budgets are under stress and key services such as health and education are underfunded, the first priority should be to make sure we have the revenue we need to fund our schools, our hospitals, the social safety net and vital community services to support vulnerable people in our community, including those newly arrived, as well as meeting our international obligations to those overseas.

The May Budget should realign spending priorities and strengthen the tax base rather than deliver further spending cuts. Tax cuts should be off the table until the Government can be confident it can fund essential services.

Ultimately, comprehensive reform of the tax system, not ad hoc increases in taxes, is needed to make sure Governments have the revenue they need. We must ensure revenue is raised in a way that is fair and avoids harming the economy.

We believe the best approach is to close or reform tax concessions that are not fit for purpose, including negative gearing, capital gains tax concessions, tax breaks for superannuation, and the use of private companies and trusts to avoid tax, including shifting profits offshore.

We stand together in the belief that the Government must not repeat the mistakes of the last two budgets, which focused almost exclusively on cutting community programs and services whilst doing little to secure the revenue required to fund essential services.

We cannot have another Budget that attempts to achieve repair on the backs of people doing it the toughest in our community. This Budget must correct those wrongs by taking off the budget books harmful proposals such as the planned cuts to family payments and the four week wait for income support for younger people.

This Budget cannot see any further retreat by the Federal Government or passing of responsibility to the states in areas of shared responsibility, such as health, education, housing and community services. The \$80 billion cuts to states' health and education budgets over the next decade should be fully reversed. A down-payment on an affordable housing growth fund should also be delivered.

Above all this Budget must support people in need, particularly those struggling to survive on the below poverty line allowance payments, such as Newstart and Youth Allowance. It should not try to make further cuts to income support for people who face barriers to paid employment, including people with disability and single parents. Instead, the Federal Government must get behind the efforts of people trying to get a job in a challenging labour market, providing better support, through greater targeted assistance, case management, paid work experience, training and wage subsidies, particularly for people out of paid work long term.”

### **What we want**

1. Action to strengthen the revenue base and ensure everyone pays their fair share of tax.
2. Reform of unfair tax concessions and loopholes that overwhelmingly benefit high incomes earners at the expense of low income earners, such as negative gearing, capital gains tax, personal and company trusts.
3. Reform of superannuation to guarantee everyone's retirement incomes by withdrawing unnecessary tax concessions for wealthier people, and directing tax concessions to low and modest income earners.
4. Support for people most in need, including action to address the inadequacy of Allowance payments, and increased community services in areas of high need.
5. Measures to support people not in paid work, especially those unemployed long term, through greater targeted assistance, case management, paid work experience, training and wage subsidies.
6. Reversal of the \$80 billion cuts to state health and education budgets and ongoing commitment to needs based schools funding.
7. Significant investment in affordable housing infrastructure and programs and funding security for homelessness services. We need to grow affordable rental housing stock for people on low incomes as a matter of urgency, to reduce homelessness and relieve rental stress.
8. Reform of the child care package to ensure that all kids get a good start in life through a minimum of two days of quality education in the early years, regardless of their parents' work status.
9. Removal of previous budget measures that will harm people on low incomes, especially people unemployed and single parents, such as the four week wait for income support and cuts to family payments.

## What we don't want

1. More cuts to income support payments for people on low incomes, or to essential community programs and services. Support and services for people on low incomes or vulnerable should be protected.
2. Income tax cuts – personal or corporate – at this time, recognising that we need to address the need for more revenue to secure access to essential services and invest in crucial public infrastructure.
3. Federal retreat from its shared responsibility to fund essential services – the Federal Government needs to play its role to ensure access to services, regardless of where people live.

## List of signatories

- Australian Council of Social Service
- ACT Council of Social Service
- Australian Catholic Social Justice Council
- Australian Youth Affairs Coalition (AYAC)
- Anglicare Australia
- Baptist Care Australia
- Carers Australia
- **Catholic Social Services Australia**
- Children and Young People with Disability Australia
- Early Childhood Australia
- Family & Relationship Services Australia
- Federation of Ethnic Communities' Councils of Australia (FECCA)
- Jobs Australia
- Mission Australia
- National Congress of Australia's First Peoples
- National Council of Single Mothers and their Children
- National Welfare Rights Network
- NSW Council of Social Service
- NT Council of Social Service
- People with Disability Australia
- Queensland Council of Social Service
- St Vincent de Paul Society National Council Australia
- South Australian Council of Social Service
- Tasmanian Council of Social Service
- The National Association of Community Legal Centres
- The Public Health Association of Australia
- The Salvation Army of Australia
- The Women's Services Network (WESNET)
- Victorian Council of Social Service
- West Australian Council of Social Service
- YWCA Australia