



Submission
No 70

SENATOR THE HON KAY PATTERSON

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Minister Assisting the Prime Minister for Women's Issues

The Committee Manager
Standing Committee on Public Works
Parliament House
Macquarie Street
SYDNEY NSW 2000

Dear Sir or Madam

**INQUIRY INTO INFRASTRUCTURE PROVISION IN COASTAL GROWTH
AREAS**

Thank you for your invitation to make a submission in relation to Australian Government policies and strategies to plan and manage the community services needs of growing ageing populations, as well as young families, who settle in coastal areas. Please find my department's submission attached.

Yours sincerely

Senator Kay Patterson

17 MAY 2005



Australian Government

Department of Family and Community Services

NSW Legislative Assembly

Standing Committee on Public Works

Inquiry into Infrastructure Provision in Coastal Areas

**Australian Government Department of Family and
Community Services Submission**

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INTRODUCTION

As the Australian Government's key social policy department, the Australian Government Department of Family and Community Services (FaCS) is responsible for over \$40 billion of funding, with policy responsibility for a broad range payments, programs and services that are aimed at supporting and improving the living standards of Australian families, communities and individuals. These include: age pension and related payments and programs; carer payments, housing policy; disability services; Commonwealth State Territory Disability Agreement; Commonwealth-State Housing Agreement; youth policy; early childhood support and child care services; family issues, including family payments and relationships; community support; Indigenous services; and women's issues.

FaCS provides substantial direct payments to many individuals and families with higher payments to those with limited private means. These payments follow people as they relocate and are of significance to the economic viability of regions. It also provides services to families and communities by harnessing the resources of non-government organisations to deliver social programs. FaCS does not provide human services infrastructure such as schools, hospitals and aged care facilities. Nor does it provide social services directly to the public. FaCS works with other Australian Government agencies and state and local government to ensure coordinated service delivery. In its policy development role FaCS monitors social trends, including in NSW coastal communities.

FaCS responds to the needs of growing communities in coastal areas through its program planning and funding allocation processes. There are three main methods through which FaCS provides funding for social services: a) specific purpose payments to state government; b) funding to non-government agencies to provide services to families and communities; and c) by direct payments to the purchasers of social services (for example Child Care Benefit paid to families to reduce their child care costs).

Payments to the non-government sector include most family and community programs. Generally speaking FaCS applies ABS population projections together with indicators of disadvantage to identify where funding should be targeted regionally, within the context of a competitive tendering process. Most FaCS programs are on a four-year funding cycle which provides an opportunity to review programs to be able to respond to changes in need, including population changes.

To inform decisions about areas of need, and to avoid overlap, FaCS also liaises with NSW government agencies responsible for social programs to determine where they are directing funding.

Information follows on the impact of an ageing population on service delivery, as well as how the Australian Government is responding to the community services needs of growing ageing populations and young families who settle in coastal areas.

IMPACT OF AN AGEING POPULATION ON SERVICE DELIVERY

The growing trend of ageing populations settling in coastal areas will have implications for service delivery, social participation, volunteering and caring, as well as important consequences for home ownership and the changing housing needs of older Australians.

Population ageing is likely to increase the number of older people wishing to participate in volunteering

Community and non-profit organisations often recognise and utilise the knowledge, skill and wisdom of older people. In 2000, around 528,100 people over the age of 65 undertook volunteer work. Older Australians have made important contributions to the community and welfare, religious and health sectors. In particular, education, training and youth mentoring may provide opportunities for fostering intergenerational linkages, where the life skills of older people can be shared with younger generations.

While people in all age groups are participating more often in volunteer services, the number of older volunteers will also increase due to the growth of older cohorts. Increased social participation among older Australians has the potential to strengthen communities and reduce the risk of isolation for older people.

Potential for Social Isolation

While most older Australians lead active, busy lives, however, population ageing may lead to an increased number (if not proportion) of older people experiencing social isolation and loneliness. This may be particularly pronounced in coastal areas with a high concentration of elderly people.

Major life events, such as retirement from paid work, moving house, a major illness or caring for an ill person, and bereavement may contribute to isolation or reduce an older person's ability to join social activities. Women may be more likely to experience isolation given their propensity to live longer than men.

Caring - Population ageing is likely to increase demands for informal care

Australia's ageing population has raised concerns about the sustainability of current patterns of informal care provision. An ageing population is likely to increase demand for informal carers due to increased rates of disability among the elderly. However, the supply of carers may also increase due to the growing pool of older people who can potentially provide care. Nevertheless, projections of carer supply and demand suggest that over the long-term – that is, in 20-30 years – demand may significantly exceed supply.

A shortfall in informal care is likely to result in greater demand for care services provided by the formal sector. This may place strains on the formal care sector in terms of quality of service and workforce shortages. Any shortfall in informal care is also likely to increase pressure on those prepared to undertake informal care giving, potentially leading to negative consequences for their wellbeing e.g. mental, physical and financial health. Those elderly people who choose to retire to coastal areas may also risk distancing themselves from available family support networks.

Direct payments to families, carers and the retired

FaCS provides significant cash payments to families, carers and people who are retired, via Centrelink, to the sum of over \$35 billion each year. These payments are provided directly to individuals and go with them wherever they live in Australia. If more young families and retired people are settling in NSW coastal areas, these individuals and families will more than likely use these Australian Government payments to purchase goods and services in their local environ, supporting growth and development in their local community.

Housing – Home ownership increases with age and reduces recurrent expenses for older people

The tenure of households is strongly related to lifecycle stages, generally following a pattern of renting in early adulthood, moving to home purchase and mortgages as partnerships are formed and children are born, and owning the home outright in older age. High levels of home ownership among older Australians provide low recurrent cost housing, resulting in better retirement incomes for the aged with relatively lower income support needs (1999 ABS Survey data).

However, some older people in private rental do have relatively high recurrent costs. According to FaCS research, 6.4% of elderly couple households, and 9.5% of elderly single households, pay more than 30% of their income in private rental costs.¹ Older people comprise a large share of public housing tenants with almost 152,000 older people in public rental housing in 1999. Government subsidisation of rental costs alleviates some of the financial pressures for people with lower incomes.

Analysis by Mudd et al (1999) suggests that home ownership rates of different age cohorts tend to converge as each cohort ages. In other words, at later ages the earlier apparent gaps in the rate of home ownership narrow as younger cohorts begin to 'catch up' with older cohorts. For these reasons, and the relatively simplistic nature of much of the modelling which suggests longer term declines in home ownership, FaCS considers that claims of a crisis in homeownership are not sustained, in particular in the light of the strong recent growth in first home buyers.

Nonetheless, it will remain important for policymakers to monitor these trends into the future, as this may have implications for future retirement security and demand for public and private rental housing.

Older people may find obstacles if they decide to move

Research by the Australian Institute of Family Studies (AIFS) highlights that older Australians have generally shown a strong preference to remain in their homes and to 'age in place'. While older Australians generally want to retain their housing, there are also factors which prevent older people who wish to move from doing so. These include:

- *Lack of flexibility*: especially at a State/local government level, with, for example, planning regulations that limit the type of housing that may be constructed.
- *Transactions costs*: such as stamp duty on property transfers which make moving to more suitable housing more expensive. Home buyers may pay between \$2,900 to \$15,000 in stamp duties on the purchase of a median priced house.

¹ In general terms, payment of 30% or more of income in housing costs has been regarded as indicating 'housing stress' for low income households. This though is very much a 'rule of thumb' and ignores many factors, such as trade-offs between housing and other costs, and should only be used as an indicative reference point and not as an absolute benchmark.

Structural ageing will drive changes in the housing market to better suit older people

The right type of housing may become an increasingly important element of maximising independence as people grow old. As noted by a range of commentators (eg Kendig and Neutze, 1999), the building and construction industry may find a growing market in supplying housing that can be adapted to support a person throughout the lifecycle.

There may also be increasing demands for the provision of innovative housing solutions such as 'cluster housing' which provides independent stand-alone units supported by a network of domiciliary services and shared communal facilities. This may be particularly so in coastal areas with a high proportion of elderly residents.

HOW THE AUSTRALIAN GOVERNMENT IS RESPONDING TO AN AGEING POPULATION

The Australian Government has taken a range of steps to identify and promote a wider consideration of the implications of an ageing population. The Government's Intergenerational Report, released with the 2002-03 Budget, provided an overview of the Commonwealth fiscal outlook for the next forty years and identified emerging issues associated with population ageing.

Following on from the Intergenerational Report, in February 2004 the Treasurer released a discussion paper – Australia's Demographic Challenges – to encourage community debate about Australia's future and the need to prepare for the impact of Australia's ageing population.

The paper identifies faster economic growth as a key priority in addressing ageing as that would provide Australia with higher incomes and better enable us to meet the costs associated with an ageing population.

Increases in labour force participation and productivity can generate faster economic growth. The discussion paper sets out three complementary policy areas in which there is potential to lift labour force participation and productivity:

- improvements in the capacity for work, through better education and health;
- better incentives for work; and
- improved flexibility in the workplace.

The Government also commissioned a research study by the Productivity Commission (PC) into the Economic Implications of an Ageing Australia, with the aim of examining the productivity, labour supply and fiscal implications of likely demographic trends over the next 40 years for all levels of government in Australia.

The PC's report, issued on 12 April 2005, builds on the Government's Intergenerational Report, updating assumptions, providing sensitivity analysis of different population and workforce scenarios and analysing impacts on state budgets. The findings are supportive of current policy directions.

Recent policy developments to better position Australia for an ageing population

Increasing workforce participation, particularly among people of workforce age, is critical, not only to maintaining a strong economy, but also to helping people save for their own retirement income.

This has been, and continues to be, a major focus of the Government's welfare reform measures. The Government has also taken major steps to encourage and reduce barriers facing senior Australians who wish to continue working, through:

- introduction of Commonwealth age discrimination legislation;
- the Pension Bonus Scheme;
- the proposed Mature Age Workers Tax Offset;
- increasing the age at which people can access superannuation as a lump sum from 55 to 60 (phased over a 10 year period ending in 2014);
- widening the choice of income streams available to people in retirement; and
- making it easier for seniors to continue working by introducing, from 1 July 2005, the option for people to access their superannuation as an income stream once they have reached their superannuation preservation age, without having to retire.

The Government has also introduced a number of initiatives aimed at improving the living standards of older Australians. The 1997 legislation to ensure the single rate of age pension is at least 25 per cent of Male Total Average Weekly Earnings (MTAWE) ensures pensioners are protected from increases in prices as measured by the Consumer Price Index, and also share in improvements in community living standards as measured by wages.

Significant benefits were provided to seniors as part of the Taxation Reform Package, for example, a permanent real increase of two per cent to pension rates, relaxation of the income test, increases in the income and assets test thresholds and tax free bouses for older Australians.

The Seniors Australian Tax Offset means many seniors now pay no tax or Medicare levy.

A range of initiatives aimed at assisting older Australians were included in the Government's 2004 election commitments. These included the Utilities Allowance payable to older Australians in receipt of income support to help them pay their utility bills, and the exemption of accommodation bonds payable in respect of residential aged care from the social security and Veteran's Affairs assets tests.

Since coming to office in 1996 the Government has also provided assistance for self-funded retirees who do not receive an Age Pension, through a number of incremental changes to the Commonwealth Seniors Health Card (CSHC). As a result, many more seniors now qualify for a CSHC. Telephone Allowance has been extended to CSHC holders (at an average of nearly \$20 per quarter). In March 2004 the Australian Government revised an earlier 2002 offer to state and territory governments for funding of around \$75 million per annum to assist with the cost of extending pensioner concessions on a range of state and local government charges to CSHC holders. The governments of most states, including NSW, rejected this offer. Following the 2004 election, the Australian Government implemented the Seniors Concession Allowance (of \$200 a year) which recognises that most CSHC holders do not receive state based concessions.

Current policy developments - Communities

In response to the social and economic effects of ageing, the Stronger Families and Communities Strategy (SFCS) seeks to:

- encourage older people to remain engaged in the community by funding projects such as community gardens and volunteering;
- ensure the provision of care between generations by funding projects that support grandparents who have caring responsibilities, including in Indigenous communities; and
- build social capital by supporting projects that bring community members together to identify local solutions to local issues, and by investing in leadership activities targeting non-traditional leaders such as older women.

Other community initiatives relevant to older people include:

- the Volunteer Management Program (VMP), funds 27 Volunteer Resource Centres to provide volunteer matching and referral services throughout Australia; and
- the Prime Minister's Community Business Partnership encourages businesses in local regions to generate opportunities for older workers and other groups.

Current policy developments - Caring

The 2004-05 Budget included a \$461 million package of measures to support carers. This included:

- A one-off Carers Bonus of \$1000 to eligible recipients of Carer Payment and \$600 to each recipient of Carer Allowance to be payable before the end of June 2004.
- An extension of Carer Allowance to carers who do not live with the people for whom they provide substantial levels of personal care on a daily basis. To qualify, the carer must provide a minimum of 20 hours a week of personal care and the receiver of the care must be assessed as needing that level of care. This is scheduled to be introduced from 1 April 2005.
- Providing young carers, who are at risk of leaving school early, with in-home respite services of up to five hours each school week to help them complete their secondary or vocational equivalent education; and giving at risk young carers one fortnight of respite care each year to undertake activities such as study for exams, training or recreation.
- A guarantee, when matched by the States and Territories, to provide up to four weeks a year respite for parents over 70 years of age who are caring for a son or daughter with a disability. Parents aged 65 to 69 who care for a son or daughter with a disability and need to spend time in hospital will be eligible for up to two weeks respite care.
- A proposal that the Australian Government will work with the States and Territories and the carer and disability sectors to develop options to help ageing carers plan for the future care of their sons and daughters with disabilities. The Australian Government will propose that the Community and Disability Services Ministerial Council establish an advisory body to develop options.

2004 Election Commitments

A range of commitments were made by the Coalition Government during the 2004 election to assist carers:

- Increasing the hours carers receiving the Carer Payment can participate in work, training or study from 20 to 25 hours per week.
- Providing a new utilities supplement to older Australians of Age Pension age receiving income support, including the Disability Support Pension and Carer Payment.
- Implementing initiatives to meet the specific needs of older carers and young carers.
- Assisting parents in future planning for their adult children with disabilities.

Current policy developments - Housing

- The Commonwealth-State Housing Agreement (CSHA) provides funding to assist those whose needs for appropriate housing cannot be met by the private market. The key areas of focus under the current CSHA include structural ageing.
- The Commonwealth Rental Assistance (CRA) program is a non-taxable income supplement payment added on to the pension, allowance or benefit of eligible income support customers, including older people who rent in the private rental market.
- The Commonwealth Government provides funding for the Supported Accommodation Assistance Program (SAAP), which provides support accommodation services to the homeless, including older Australians.
- Owner-occupied housing is treated favourably by the tax and social security systems.

FACS PAYMENTS, PROGRAMS AND SERVICES

Payments

The following payments and concessions are made to individuals and families

Age Pension

FaCS is responsible for the Age Pension program. Age Pension is a major provider of retirement income for the majority of Australians of age pension age (currently 65 years for men and 62.5 years for women). Expenditure on Age Pension is expected to be \$20 billion in 2004-05 (providing assistance to around 1.8 million people of age pension age - around 67 per cent of Australians over age pension age). A further 10% of people over age pension age receive a similar payment from the Department of Veterans' Affairs.

Pensions are adjusted twice yearly in line with increases in the cost of living as measured by the Consumer Price Index (CPI). The Government has also legislated that the single pension rate be set to at least 25 per cent of Male Total Average Weekly Earnings (MTAWE). Pensions are subject to an income and assets test. An exemption from the assets test applies for the principal home.

Concessions and allowances for pensioners and self-funded retirees

The Australian Government provides a range of benefits to individuals in addition to income support payments. Add-on payments for pensioners include Rent Assistance, Pharmaceutical Allowance, Telephone Allowance and Utilities Allowance. A wide range of concessions are available through the Pensioner Concession Card.

Changes in recent years have broadened the availability of assistance to self-funded retirees over age pension age who meet the eligibility criteria for the Commonwealth Seniors Health Card. These include concessions available through the card, the Seniors Concession Allowance and Telephone Allowance.

Family Assistance

The Australian Government provides Australian families with substantial assistance towards the costs of children, through the Family Tax Benefit. In 2004-05 the government will spend some \$13 billion on FTB, including Maternity Payment and Maternity Immunisation Allowance.

FTB is designed to assist families with the day-to-day costs of their children. Around 2 million families with 3.5 million children receive FTB. Eligibility for FTB is based on families' estimates of current year family income, with full reconciliation of entitlement against actual income at the end of the tax year.

- Recipients are entitled to a top-up if they have overestimated their income and have been underpaid.
- If they have underestimated their income, they are required repay the debt.

FTB consists of two parts, FTB Part A and FTB Part B.

FTB Part A

FTB Part A is designed to help families with the costs of children. Payment to a family is assessed on the combined income of the family, and is paid in respect of each child. If a family earns more than \$32,485, the maximum rate of assistance is reduced by 20 cents in the dollar until the base rate of payment is reached. Once a family's taxable income exceeds \$84,023 per annum (plus \$3,358 for each FTB child after the first) the base rate is reduced by 30 cents in the dollar until assistance is no longer available. Additional payments are available to large families, for multiple births and for assistance with private rent.

A Health Care Card, which helps with the costs of prescription medicines and provides some other concessions, is available to customers receiving the maximum rate of FTB Part A.

FTB Part B

FTB Part B provides extra help for those families with one main income, including sole parent families. Payment is assessed on the secondary income earner's taxable income and rates of payment depend on the age of the youngest child, rather than the number of children. The payment is not income tested for sole parents and they receive the maximum rate. For couples, the secondary earner can earn up to \$4,000 per annum before entitlement is reduced. Any earnings over this amount reduces FTB Part B by 20 cents in the dollar.

Other Family Payments

The Australian Government also provides payments to help offset costs associated with the birth of a child and provides assistance with immunisation costs.

Maternity Payment

Maternity Payment is a universal payment for families, which was introduced to provide financial assistance to families to offset the costs associated with the birth or adoption of a child. It is a new payment that was announced in the 2003-04 Budget and is paid for babies born or adopted on or after 1 July 2004. The payment is a one off lump sum amount of \$3,079 and this will increase to \$4,000 in July 2006 and to \$5,000 in July 2008. The payment is not income tested and in a multiple birth Maternity Payment is paid for each child.

Claims must be made within 26 weeks of the child's birth, or in the case of adoption, within 26 weeks of the child coming into care.

Maternity Immunisation Allowance (MIA)

MIA is a one-off payment of \$213.60 for children who have been fully immunised at 18 months, or after 18 months, but before their second birthday. The payment has been successful in boosting the immunisation rates among babies and young children. The payment is not income tested for a child born on or after 1 January 2003.

Family and Children's Services

The Australian Government recognises the need for coordination of policies and planning strategies between levels of government to maximise existing investment in supports and services for families and children in regions and to ensure new investment is evidence based and well targeted.

The Inquiry focus on the needs of young families as well as the ageing population in coastal regions is appropriate not only for the long-term sustainability of the communities but also for promoting positive family and child outcomes. The infrastructure provided in the community is an important factor for enabling social and economic participation of families, which in turn contributes to the ability of families to provide a stable and nurturing home environment for children to grow and learn.

The National Agenda for Early Childhood is being developed with state and territory governments to provide a framework for a national approach to prevention and early intervention for children. The National Agenda takes a holistic view of early childhood which recognises that issues for children cannot be addressed in isolation from the family, community and broader socio-economic environments in which children live. The four key action areas strongly supported during extensive consultation are: healthy young families, early learning and care, supporting families and parenting and child-friendly communities.

There is good international and Australian evidence available now about the risk and protective factors for early child development and the types of interventions that are proving effective in positively influencing the life pathways of children.

At the community level these include:

- opportunities for parental employment and education
- facilities and community events that foster social inclusion and the formation of social support networks
- community safety generally and safe places for family recreation and child play
- transportation
- access to affordable nutritious food
- affordable and stable housing and
- access to health, early education and care, and family support services, including through outreach.

With regard to services, a common complaint is that services have not kept pace with the rapid changes in society impacting on families over the last few decades, such as, increased maternal workforce participation, greater diversity in families, and fewer extended family supports. Due to different roles and responsibilities across levels of government and the non-government sector, services are not always well connected and there is overlap and gaps making it difficult for families to navigate the system or obtain consistent advice across service types.

The Communities for Children Initiative under the Stronger Families and Communities Strategy has a specific early childhood focus aligned with the four key action areas of the National Agenda for Early Childhood.

This Initiative provides up to \$4 million over four years per community in 45 disadvantaged communities national-wide. The funds will be distributed through a Non-Government 'Facilitating Partner' through the development of a community action plan with the child at the centre. One of the objectives of this model is to have an inclusive planning process that promotes a more coordinated approach to the delivery of services and supports to families at the community level.

The Australian Government is currently finalising the framework for the National Agenda with state and territory governments, including the identification of priorities where greater collaboration is important and needed. While formal written comments have yet to be received from all jurisdictions, one of the key messages has been the need for joint planning processes at the regional level. The Minister for Families and Communities, the Hon. Senator Kay Patterson, has recently written to the NSW Minister for Communities, the Hon. Carmel Tebbutt, in the context of the National Agenda, inviting NSW collaboration in the planning phase for the additional 10 Communities for Children sites announced during the 2004 Federal Election.

Child Care

The Australian Government supports child care primarily through Child Care Benefit (CCB), which is available for all approved service types. CCB subsidises the cost of child care for eligible families that use approved child care services.

There are no Australian Government controls on the number or location of long day care centres that can be approved for CCB. The number of all other kinds of child care (family day care, outside school hours care, in-home care and occasional care) places available to be allocated to services is set by the Government. Available places are allocated to services taking account of the relative need of different areas.

The Australian Government supports child care but it does not establish or run child care services. It can encourage, but not require, service provision in an area.

State and local governments can have a significant role in ensuring child care is available in an area. Assistance can take the form of capital or recurrent funding, the provision of land or buildings, sponsorship of services or effective land use planning.

Coastal communities that attract young families are likely to be faced with an increased demand for child care, in particular for centre based long day care, family day care and outside school hours care. A growing community would be well advised to make advance provision for these services. Service providers are more likely to establish in areas where there is clear evidence of community – including local government – support.

Long day care centres require land in a suitable location, family day care services need office space for their coordination units and access to playgroup space, preferably adjacent to other community facilities, and outside school hours care services should ideally be located at or close to primary school sites.

New long day care centres may be established by either private or community based operators. Private operators considering the establishment of a centre will be encouraged by the availability of suitable land. Factors that may make a site attractive to a potential operator may include:

- Proximity to other community services
- Proximity to employment centres
- Access by public transport
- Adequate parking space
- Suitable surroundings – absence of anything that may affect the health and safety of children and workers, such as contaminated soil, noise or air pollution.

State and local governments sometimes facilitate the establishment of centres by making suitable existing premises available to operators.

Most family day care is provided by not for profit bodies, often sponsored by local government. Such support may be vital for the establishment of new services.

The Minister of Family and Community Services has recently written to all local government and planning ministers regarding better arrangements and cooperation to facilitate improved access to child care. The role of the state government in the areas of planning, supply, regulation and policy is seen as critical in providing better outcomes for early childhood learning and children in care.

The role of local government is also seen as vital in supporting child care provision, and many councils are actively involved in responding to the specific needs of families for child care in their local areas. The Minister is keen to see further improvement in the encouragement of more child care places in areas of unmet need, for example by systematic review of local planning policies in order to maximise opportunities for child care centres to be developed.

The Minister is also keen to see states and territories improve the standards applying to child care and increase the consistency of standards across the country in the many different types of care, which includes a co-ordinated approach to the range of activities underway in the area of children's services.

There is an ongoing level of concern across the child care sector with respect to the non-regulation of care for school age children. Whilst some State/Territory governments have made progress in this area, NSW shows no signs of moving towards a regulatory framework. This is seen as having a negative impact on the consistency and quality of care offered across the state. Furthermore, it is anticipated that the demand for school aged care will grow over the next 5-10 years.

Preschool Services

It is the case that state and territory governments are responsible for providing educational and developmental opportunities such as preschool services. In 2002-03, the national participation rate of children of four years of age who attended funded and/or provided preschool in the year immediately before they commenced school was 83.5%.

Over the same period NSW had the lowest participation rate in the country at 61.9% (Report on Government Services, 2004). Figures from the Report on Government Services show the NSW Government spent less than any other state or territory per child in preschool in the 2002-03 financial year.

Housing and Homelessness

Supported Accommodation Assistance Program

The Supported Accommodation Assistance Program (SAAP) plays an important role in responding to homelessness in coastal growth areas in Australia.

SAAP is a Commonwealth/State shared program that provides crisis support to people who are homeless, or at risk of homelessness, and helps them to transition from crisis to independence. The program will spend a total of \$1.4 billion between 2000 and 2005, of which the Commonwealth's share is over \$833 million. The State and Territory Governments are responsible for the day-to-day administration of the program.

The aim of the program is to provide transitional accommodation and/or related support services (eg counselling, information and referral) to help people who are homeless or at risk of being homeless to achieve the maximum possible degree of self-reliance and independence.

Through the SAAP IV Agreement (2000-05), the program funds approximately 1,300 non-government, community-based agencies across Australia, of which it is estimated that some 36% are located in rural and regional centres. In New South Wales the program assists 394 agencies (30.3%) of which approximately 32% are located in, or in close proximity to, coastal regions. In addressing future needs of homeless people in coastal growth areas, it will be important to take cognisance of the changing profile of homeless people by ensuring policies and services are developed to meet this shift in the target population.

Most clients seeking SAAP services in regional coastal areas in NSW are women accompanied by children and single young people. The most common reasons for accessing services are domestic violence, financial difficulty, usual accommodation being unavailable, eviction or the ending of previous accommodation, and relationship or family breakdown. This pattern is similar across Australia. The broader social and economic trends such as declining job security and the casualisation of the workforce are also impacting upon homelessness rates and need to be factored into planning activities.

Although there are relatively few older homeless people (1.8% of NSW SAAP clients aged 65 years and over), they present special challenges as they are often at greater risk of being isolated, neglected and hidden from society. In addition, many elderly homeless have a disability or mental illness, are alcohol dependent and have difficulty accessing mainstream aged care.

While national leadership and strategic vision for SAAP is provided through a Commonwealth and State and Territory Government Memorandum of Understanding, priorities on location, management and infrastructure needs rests with individual State and Territory Governments.

Commonwealth State Housing Agreement (CSHA)

The Australian Government through the Commonwealth State Housing Agreement (CSHA) plays a key role in supporting affordable housing in coastal growth areas in NSW and in Australia.

The 2003 CSHA is a formal five year agreement between the Commonwealth and the States and Territories for the provision of housing assistance. Administration of housing programs under the CSHA is the responsibility of State and Territory governments while the Commonwealth is involved in setting strategic directions and priorities.

Under the 2003 CSHA for the 2005 -2006 financial year the Commonwealth will make available around \$297.310 million to NSW. This includes around \$243.594 million in general funding primarily for the provision of public rental housing, around \$18.164 million for the Aboriginal Rental Housing Program, around \$21.950 million for the Community Housing Program and \$13.602 million for the Crisis Accommodation Program.

The priority client group is people on low incomes who cannot access appropriate housing from the private sector, primarily those receiving social security payments. CSHA assistance is provided through public housing and identified programs for community housing, Indigenous housing and crisis accommodation. Some assistance is also provided by NSW to homeowners and private renters in the form of mortgage and rent relief, rental bond and relocation assistance.

One of the housing related challenges for jurisdictions is the changing demographics of communities. States and Territories have been attempting to reconfigure their public housing portfolios to address emerging demand.

NSW determines its individual priorities on public housing management including stock configuration, affordable rent setting, waiting lists, location and amounts of housing and infrastructure in urban, coastal and regional areas. In general, while there are relatively high levels of public housing in large non-capital locations there are relatively small proportions of public housing located in non-urban areas.

There is a relatively high proportion of older people in social housing and the ageing of the population presents special challenges for providing appropriate assistance for this tenure group. A key issue is the need to reconfigure and renovate public housing stock to cater for the increase in the number of older people, many of whom have special needs.

The CSHA aims to provide assistance that is better-tailored and responsive to emerging housing need. For example, many jurisdictions have, or are in the process of, increasing the number of stock designed according to adaptable and accessible principles, while community housing groups provide a range of innovative community housing schemes to support the varying requirements of people as they age. Strategies also exist to provide support services for the frail aged, in addition to the provision of housing.

Rent Assistance (RA)

RA is a supplementary payment to customers in recognition of the relatively higher costs faced in the private rental market. Private rent can include amounts paid for site fees, mooring fees, board and lodgings, some retirement village fees and fees paid to occupy a non-Commonwealth funded bed in an aged care facility such as a hostel or nursing home.

RA is part of the Australian Government's broad welfare housing policy agenda to assist low and moderate-income households to access appropriate affordable housing. The program is integral to this agenda as a means of reducing housing stress for individuals and families on low incomes, and represents the largest welfare housing investment by the Australian Government, with over one million individuals assisted. The payment is provided through both the social security and family assistance systems, and complements other Government housing support programs, such as the CSHA. RA is an important pathway to housing independence for homeless and other vulnerable customers.

To receive RA, a person needs to pay a minimum amount of rent, called the rent threshold. Rent thresholds and maximum rates of RA vary depending on the recipients' family circumstances, that is, whether they are single or partnered and the number of dependent children. Thresholds and the maximum rates of assistance are indexed every 20 March and 20 September in line with changes in the Consumer Price Index. This is designed to enable RA to keep pace with the cost of living and to ensure that assistance is directed to those in most need.

As at March 2004, data shows that RA makes a substantial difference to housing affordability outcomes for customers:

- it reduces the proportion of customers paying over 30 per cent of their income in rent from 69 per cent (before RA) to 36 per cent (after RA);
- those paying over 50 per cent of income in rent decreases from 28 per cent (before RA) to nine per cent (after RA); and
- in June 2000, 42 per cent of RA customers were paying more than 30 per cent of income in rent compared with an estimated 36 per cent in March 2004.

It is estimated that RA expenditure for income support recipients living in NSW will reach \$694.2 million in 2004-05. Nationally, the expected RA expenditure for 2004-05 is \$2.05 billion.

Family Relationship Services

The Australian Government has been funding the Family Relationships Services Program (FRSP) since the early 1960s. Although the FRSP initially focused on marriage guidance services, the Program's current aims are to:

- enable children, young people and adults in all their diversity to develop and sustain safe, supportive and nurturing family relationships; and
- minimise the emotional, social and economic costs associated with disruption to family relationships.

The intended benefits of the Program are that:

- people's capacity for achieving and sustaining valued family relationships is enhanced; and/or
- people's relationships are enhanced; and/or
- people's management of relationship difficulties is improved.

These aims and goals are very broadly expressed, but they make clear that:

- the focus of the FRSP is on Australians generally, rather than any particular part of the population;
- the FRSP is intended to be non-discriminatory, supporting children, young people and adults 'in all their diversity';
- the Program emphasises equity of access in terms of income, location, age and culture; and
- it focuses on enhancing family relationships and on improving people's capacity to achieve positive relationships and manage difficulties in relationships.

The FRSP has around 130 000 clients per annum who access a range of family relationship support services. Funding for the Program has doubled since 1996 in response to the Government's aim of keeping families out of the courts where possible and to assist with relationship skills training.

Family Relationship Services Program is jointly funded by FaCS and the Attorney-General's Department (A-G's).

Through non-government funded organisations, the following FRSP sub-programs are available to individuals and families to help support and strengthen their families and relationships:

- Family Relationships Counselling (FRC)
- Family Relationship Education (FRE)
- Family Relationship Skills Training (FRST)
- Family Relationship Mediation (FRM)
- Men and Family Relationships (MFR)
- Conciliation
- Adolescent Mediation and Family Therapy (AMFT)
- Children's Contact Services (CCS)
- Contact Orders Program (COP)
- Specialised Family Violence (SFV)
- Primary Dispute Resolution (PDR)
- Drought Counselling
- Sugar Industry Counselling

Approximately 100 community organisations currently receive funding under the FRSP to provide family relationships services through about 350 outlets across Australia. In 2004-05, these organisations will receive periodical payments totalling approximately \$73 million (including GST). A description of the FRSP sub-programs is at **Attachment A**.

FRSP services are provided in the following locations specific to coastal growth areas:

- Kiama
- Nowra
- Wollongong (City, Warilla, Dapto, Bulli)
- Gosford
- Newcastle (City, Maitland, Broadmeadow, Charlestown, Muswellbrook)
- Coffs Harbour
- Lismore
- Tweed Heads
- Grafton

Family Relationship Services Needs Based Planning Project

Through non-government funded organisations, a range of Family Relationships Services Program (FRSP) sub-programs are available to individuals and families to help support and strengthen their families and relationships.

The FRSP Needs Based Planning Project involves getting a more comprehensive understanding of potential demand factors from key organisations that collect data relevant to the program. By conducting the FRSP Needs Based Planning Project FaCS will be in a better position to respond to client need and demand through better targeting of our services.

One of the recommendations contained in the report of the recent inquiry into child custody arrangements in the event of family separation was that a review be conducted “with respect to the appropriate targeting and appropriate resources for the service types which will provide the most benefit to families’ positive family relationships, before during and after separation”. This was also supported by the review of the Family Relationships Services Program (FRSP) conducted by Urbis Keys Young and by the regional and national forums conducted by Morgan and Disney.

Specifically, the objectives of this project are to:

- Develop a measure of need in the population for FRSP and related FaCS services;
- Identify the current level of supply of FRSP and related FaCS services in a given area;
- Determine the areas with a gap between need and supply; and
- Identify solutions as to how the gaps between need and supply can best be met.

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FAMILY RELATIONSHIPS SERVICES PROGRAMS

SUB-PROGRAMS

Family Relationships Counselling (FRC)

Family Relationships Counselling assists with resolution of couples' disputes and with resolving relationship problems in the most appropriate and helpful way. It is available during the periods of pre-marriage, marriage, separation, divorce and re-marriage.

Family Relationships Mediation (FRM)

Family Relationships Mediation (FRM) provides problem resolution services on issues which could be matters for proceedings in the Family Court. The purpose is to assist separating/divorcing couples to reach agreement on matters including parenting, care and residence of children, finances and property.

Conciliation Services (CON)

Conciliation services deliver a voluntary (pre-filing) counselling service for Family Court clients in metropolitan areas in relation to disputes involving children. The goals of the conciliation services include early resolution of disputes, ensuring safety of parties where violence is disclosed, and that agreements are in the best interest of the child(ren).

Children's Contact Services (CCS)

Children's Contact Services help children of separated parents to re-establish and/or maintain a relationship with their non-resident parent in circumstances of high levels of conflict or concern for the safety of family members. The services offer a neutral location for changeover between residential and non-residential parents and for supervised contact. Attorney-General's Department provides funding for CCS.

Family Relationships Education (FRE)

Family Relationships Education assists men and women to develop skills to foster positive, stable relationships with their partner or family. FRE is administered in accordance with the *Marriage Act 1961* (sections 9B, 9C, 9D, 9E).

Family Relationships Skills Training (FRST)

Family Relationships Skills Training promotes positive parenting and non-violent problem solving by providing families with parenting and family functioning skills. The target groups include low income families, sole parents, locationally disadvantaged families and families with children with disabilities.

Adolescent Mediation and Family Therapy (AMFT)

Adolescent Mediation and Family Therapy works with adolescents and their families or caregivers who are experiencing various levels of conflict and complex family difficulties that may lead to family breakdown and possibly youth homelessness.

Specialised Family Violence Initiatives

Specialised Family Violence Services provide integrated, whole-of-family interventions for men, women and children affected by domestic violence.

Rural and Regional Primary Dispute Resolution (PDR)

PDR provides effective and inexpensive alternatives to litigious solutions to family law disputes. It describes processes, other than judicial determination, in which an impartial person (a PDR practitioner) assists those in a dispute to resolve the issues between them. It can also include approaches that enable parties to prevent or manage their own disputes without any outside assistance.

PDR can include a range of activities such as:

- Individual and/or joint counselling, mediation, or conciliation interventions;
- Group work;
- Information seminars/resources; and
- Community education.

Contact Orders Program (COP)

The Contact Orders Program (COP) assists separating parents in resolving and managing conflict over children's contact arrangements.

Men and Family Relationships (MFR)

The Men and Family Relationships program aims to:

- assist men to manage a range of relationship difficulties with partners and ex-partners, children and step-children — leading to reduced incidence of male suicide and family violence and contributing to increased child support compliance;
- help organisations develop more sensitive and responsive approaches to working with male clients.

Services include counselling, relationship education and parenting skills programs — but they are designed to take men's particular help seeking and problem solving strategies into account.

Commonwealth Financial Counselling Program (CFCP)

The CFCP funds community organisations to provide free financial counselling services to people in low-income groups, and small business operators, who are experiencing personal financial difficulties due to circumstances such as unemployment, sickness, credit over-commitment and family breakdown.