



care DIGNITY  
respect  
change HOPE

## **Pre-Budget Submission 2017-18**

Budget Policy Division  
Department of the Treasury

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## Anglicare Australia

Anglicare Australia is a network of 36 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. Our services are delivered to one in 26 Australians, in partnership with them, the communities in which they live, and other like-minded organisations in those areas. In all, over 13,000 staff and 9,000 volunteers work with over 940,000 vulnerable Australians every year delivering diverse services, in every region of Australia.

Anglicare Australia has as its Mission “to engage with all Australians to create communities of resilience, hope and justice”. Our first strategic goal charges us with reaching this by “influencing social and economic policy across Australia...informed by research and the practical experience of the Anglicare Australia network”.

## Contact Person

Roland Manderson  
Deputy Director  
Anglicare Australia  
PO Box 4093  
Ainslie ACT 2602  
T: 02 62301775  
roland.manderson@anglicare.asn.au

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# Pre-Budget Submission 2017 – 2018

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Anglicare Australia is pleased to make this submission to the Treasurer in regard to Australian Government's Budget for 2017-2018. It is based on the insight and expertise of Anglicare Australia's member organisations, and addresses the interests and experience of the people with whom they work.

## National and global context

In economic and cultural terms Australia is *not* an island. Rapidly developing technology and global communications are changing the shape of business, employment and community. International shifts in politics within and between countries are leading to profound but uncertain reorientations. Growth in income and wealth is skewed towards those who are already higher income earners. The impact of climate change is giving rise to health and social sustainability challenges, as well as environmental damage, and the new industries it is driving are both creating opportunities and generating further disruption and job losses around the globe.

It is in this context the Australian Government must frame its budget for the next four years.

At the very simplest level Anglicare Australia expects government to look to the future, to consider the wellbeing of all Australians, and to look the positive role we must play as global citizens.

That's not the big ask it might appear. Humans are social beings. We are happier and healthier when we care for others as Dunne et al argued in 2010 , and know that everyone has a fair go and when none among us are left too far behind or helped too much to stay in front (Wilkinson and Pickett 2009, Beck 2016).

So it doesn't do people, as a whole, any good if the interests of some are automatically pitched against others. While political parties may have to compete in that way, for the rest of us a zero sum game makes little sense economically, environmentally or socially. We are stronger together. That is true within communities, between states, and around the world.

Such an approach is not evident, however, in much of the political discourse, and the policies; particularly as they affect those people who are not a part of the economic and cultural mainstream. Rather it seems that the interests of citizens are being pitched against each other:

- Taxpayers versus welfare recipients (although most people one way or another are both).
- Older home owners in competition with first home buyers and renters, even though we need a housing market that can provide a home for everyone.
- Secure work in obsolete industries is being traded off for flexible contracting in new disruptive service industries, despite the fact that almost everyone benefits from some security in their lives.

Anglicare Australia calls on this government to recognise the volatility and significant changes that we face around the world and to use the 2017-2018 Budget to implement policies that address them in a just and open manner.

## IDEOLOGY AND TRANSPARENCY

Despite the abandonment of the Tax White Paper, the 2016-2017 Budget was framed in the light of projected taxation reform. However, that Budget and the subsequent Federal Election seem to have narrowed the focus of government.

Anglicare Australia recognises that some of the “budget repair” initiatives passed by Parliament this last year have directed support more to those who need it most and measures have been taken on the inequitable benefits of Australia’s superannuation scheme. But it would seem that invisible ideology, signified by the presumption that business tax cuts will – in and of themselves – deliver widespread economic benefits to everyone, still substitutes for a more deliberate and transparent approach to dealing with our complex social, economic and environmental challenges.

Another one of the currently popular presumptions that Anglicare Australia contests is that government expenditure needs to be pruned at every possible occasion, and that the wide range of public services need to be constrained as a matter of course. Furthermore, the continuing blanket assertion that the specific cost of welfare in Australia is problematic is misguided. An open discussion would also consider the distribution of income and wealth and look more thoughtfully at who is and isn’t supported by our public services. It is just an ideological interpretation of injustice as ‘common sense’.

Judging by public debate and commentary, there is an irrational resistance to any suggestion that a more detailed and collaborative approach to public policy development is needed despite the evidence over the past year that the national and global challenges we face as coherent communities are growing. It would be more honest, and transparent, to treat economic and social policy decisions – in all cases – on their merits.

At a time when the benefits of economic growth are accruing to those who already are the most well off, as OXFAM has just pointed out, Anglicare Australia argues for a default principle of investment in those who are *not* advantaged by these current circumstances, who are at the front line of the present challenges and disruptions.

## GOVERNMENT FOR ALL THE PEOPLE

The Christian basis of Anglicare Australia’s moral standpoint is of truly valuing everyone. There are resonances here with explicit commitments made by democratic leaders, including the new UK Prime Minister Theresa May and the recent Australian PM Tony Abbott, to govern for all, to look out for the most vulnerable, to not leave anyone behind.

However, the measure of that principle is found in the actions and investments a government makes, rather than what is said. It is now commonly agreed that governments – and social institutions more generally – are losing the public’s trust in this country and around the world because of the schism between word and action. Unfortunately it appears that people increasingly *expect* politicians to serve their own or sectional interests. This is both a symptom and a problem. Consequently, it is more important than ever for governments to both consider the needs and circumstances of everyone and everything its policies affect, and to be seen to do so.

## OUR GOAL

Our aim in this document is to link the challenges of local and international circumstances with decisions that government in Australia could make if it:

- seeks to support a society which is equitable
- sees innovation, risk and opportunity as a part of the everyday options for all
- looks to draw on the strength and richness and diversity of its people
- and recognises the benefits of taking action to improve global health and wellbeing.

In the context of a Budget submission, that might appear too expansive. However, it makes clear our view that the exercise of government – its funding and revenue-raising – ought not to be seen as the mere servant of the economy.

Firstly, the economy is not an entity in itself. It is a measure or description of the financial interactions of people (rich and poor, black and white, male and female) and the entities they have created.

Secondly, focusing on the idea of the economy and economic growth *per se* is a furphy. Australia's GDP is only growing in response to a growing population. The lives of most Australians are not improving in step with that growth. It's also, of course, a way of avoiding real goals, such as those we have identified above.

Finally, and perhaps most importantly, the budget is the skeleton of the government's moral purpose. Taking into account the discussion above, it is a four-year action plan that needs to reflect the first steps of an urgent journey.

## Budget initiatives

Anglicare Australia looks to the 2017-2018 Budget for clear signals that the Australian Government will invest in positive action, inclusive growth, just transitions, stronger focus on equity of outcomes and opportunity, and a respectful approach to working with the individuals and communities most affected by changing circumstances.

We offer some specific recommendations in the following areas

### WORKFORCE AND EMPLOYMENT

There are a number of challenges to be considered under the label of workforce and employment.

- There are a growing number of people who are excluded from the workforce due to their health, poor educational outcomes and/or a childhood of hardship, that we can describe as Disadvantaged Job Seekers.

- The changes to our industrial landscape is leading to widespread job losses, affecting many people who may be highly skilled and experienced in their specific industry, but are well advanced in their work life; and for whom fresh employment at the same level can be hard to find.
- The combination of demographic change, new social service expectations, and potentially inadequate funding arrangements is leading to a projected workforce shortage, particularly in aged and disability care.
- The deregulation of work generally and of the retail and service industries in particular is leading to structural exploitation of young people, new arrivals, international students and other vulnerable employees.

### **Disadvantaged Job Seekers**

Anglicare Australia released its first Jobs Availability Snapshot in October 2016. It found there were six disadvantaged job seekers for every suitable position advertised across Australia, with more than nine in South Australia and 10 and a half in Tasmania. Importantly, these figures do not take into account that people with higher skill levels and more work experience also apply for these positions. At a time when there is a near record level of under-employment, and many highly educated and skilled workers are taking whatever job or jobs they can find, the Snapshot provides evidence of structural exclusion from the workforce.

The common assertion then that there are jobs out there for everyone is ill founded.

The social and economic benefits of employment for individuals, their families and for the society as a whole is, however, not contested. There is both a need and an opportunity for investment in the training and employment of disadvantaged job seekers. We point to recent Anglicare network research and analysis on the most constructive ways to create pathways to real and long lasting jobs (*Beyond Supply and Demand*, 2014; *Positions Vacant? When the jobs aren't there*, 2016) as evidence of the kind of investment and programs that will deliver better employment, education and social outcomes.

### **Recommendations:**

- Move away from Work for the Dole and similar punitive approaches to Newstart and invest in partnership programs that deliver wrap-around support, education and on-the-job training for people facing long-term unemployment
- Restructure vocational education funding agreements to ensure outcomes for job seekers are the primary goal.

### **Industries in transition**

The closure of the automotive industry in Australia has and will hit areas of South Australia and Victoria very hard. Governments, local councils and the industry itself is taking action to provide training and employment opportunities in related fields as well as some support for workers and their families to explore new options. Nonetheless the cost to the people most affected will be high (*Positions Vacant? When The Jobs Aren't There*, 2016). As in all such industry closures and

transitions, here needs to be strong place-based components to these projects, which requires local involvement in their planning, as well as investment in community support to assist them, their schools, shops and social organisations, through the transition.

There is not any such a coordinated and responsible approach being taken by governments to the move away from coal fired power. The closure of the Hazelwood power station in the Latrobe Valley in Victoria is a case in point. Workers were promised many years of continuous operation before receiving text messages advising them that the power station would close within six months. Workers' representatives have proposed a pooled redundancy scheme (as established in other industries and other countries), allowing older workers across the industry in the valley to take voluntary redundancies and younger workers – with families – to continue their employment in other stations, at level. It seems that government and the power stations have yet not shown themselves to be willing to take that on. There is also a work cooperative that has been established with the aim of using the capacity of the workforce to develop renewable energy services.

It is both surprising and disappointing that there has not been more leadership shown by government and industry here, and one could be forgiven for thinking that the highly politicised nature of shift away from carbon intensive industry is punishing these workers and their communities.

#### Recommendations

- Adequate and prompt investment in place based community development and social enterprise initiatives.
- The establishment of a pooled redundancy schemes for industries in transition, starting with coal fired power industry

#### **Age and disability care**

The shift towards customer directed care in disability and aged care services allows for greater agency for the person at the centre of the care and – on many occasions – their family carers. The models of care and support reflect a desire to treat people with greater dignity, to recognise their capacity and support their ambitions.

As these new systems evolve and grow, however, Australia faces a critical workforce shortage. That is compounded by the increasing work complexity for people on low pay and pressures to further casualise the workforce.

A part of the solution is to reinforce the capacity of people through building on community connections available to them outside the care system. Another is to strengthen, rather than undermine, existing vital support for carers.

Unfortunately, we cannot be confident that the proposed integrated carer support scheme will attract sufficient government support given the inadequate funding of the high profile National Disability Insurance Scheme (NDIS) and the new aged care system: underfunding that is already impacting on the attractiveness of work in the sector.



Another component of an effective workforce strategy is high quality vocational education that ensures workers understand the complexity and sophistication of what is required of them. However recent experience with private training colleges points to the need for tighter regulation, closer relationships with employers and/or renewed investment in the publicly owned TAFE system. That is reinforced by the experience of Anglicare aged care providers who have provided evidence to a Senate inquiry into the future of the aged care sector workforce arguing that care work courses do not address the empathy, imagination and problem solving skills explicitly required in this contemporary model of care (Values Propositions, 2016).

The other point that the Anglicare members have made is that employees are both loyal and more satisfied if their work has strong intrinsic meaning: if they share values of the organisations they work with, if those values are explicit, and if the work itself is relational rather than based on low cost transactions, and the people they work with enjoy high quality of life. There is an important role for government in funding the development of robust wellbeing and quality of life indicators appropriate to these different domains of care.

### Recommendations

- Funding for disability support, aged care and respite and support for carers to be based on need. The pricing formulas must factor in realistic wage costs that reflect the complexity of the work, allow scope for career development, and give time for the development of meaningful relationships.
- Ensure higher standards for vocational education in care work and other human services, with competencies reviewed in partnership with high quality providers
- Wellbeing indicators to be developed and then adopted as outcome measures in disability and aged care, as a matter of priority.

### **Structural exploitation**

The growing informality and casualisation of employment, and the changing face of business over all, has opened the doors to structural exploitation of vulnerable workers including young people, new arrivals and (particularly) international students.

There are well-documented instances of horticulture, service and retail businesses relying on extreme underpayment of staff. On many occasions it is simply not credible that management of the business chain or franchise was not aware of that exploitation, but it would appear they are very rarely held to account.

As the sharing economy and flexible workplaces develop, this will become a growing problem. Along with the barriers faced by disadvantaged job seekers (above) this changing shape of employment that this exploitation reflects is evidence of a growing divide between comfortable and secure Australians and those who are trapped in precarious and erratic employment.

There is a particularly offensive tinge to this instance of inequity, as so much of the exploitation is linked to growth industries such as tourism and education that rely on income from the developing world. It also means that the additional cost will inevitably be borne by the taxpayer, which is both inefficient and unfair.

### Recommendation

- Review and amend industrial relations legislation to ensure adequate protection for employees and nominal subcontractors, and stronger accountability, and matching penalties, for owners and manager upstream.

## **ADEQUATE INCOME**

Government resources should be targeted to where they are most needed and effective in order to alleviate poverty and ensure economic, social and cultural participation. Maintaining Australia's social safety net is essential in ensuring that households living on low incomes can meet their needs and continue to participate in society, and so make a valuable contribution to it.

Anglicare Australia believes the social safety net needs to be strengthened. Research by the Australia Institute, 2016, indicates that there is an “unprecedented gap” between the amount of government assistance received by unemployed households and the Henderson poverty line.

Anglicare Australia's own research shows that:

- Households on Newstart allowance spend 122 percent of their income just to get by (Phillips and Nepal 2012),
- The living standards for people with lower socio-economic status is falling in real terms (Phillips 2015)
- Rental housing across Australia is simply not affordable for people living on income support (Rental Affordability Snapshot 2011-2016)

Income support payments are simply not enough for people to meet the basic necessities of life much less seek work or sustain themselves – and often a family – through prolonged education or training.

### Recommendation

- Anglicare Australia has long argued for the need to establish an arms-length commission or tribunal – much like the Fair Pay or Remuneration commissions – that could independently assess the cost of living and determine or advise on an adequate income accordingly.

In regard to adequate income, people who have spent significant time out of the workforce face compounding difficulties in retirement. A Per Capita report this year found that almost a third of the 1.5 million Australians who rely on the Age Pension are living in poverty. It found that, in particular, single Age Pensioners who are renting are the worst off, many of whom are women with little or no superannuation.

### Recommendation

- Superannuation payments should be made with government allowances. In particular superannuation contributions should be paid on the allowances that are effectively remuneration for “informal” caring responsibilities, the great majority of which are currently borne by women, and which contribute in excess of \$60 billion to the Australian economy.

On the other hand, despite welcome changes to legislation governing superannuation which have taken away some of the wealth management advantages of the system, government still allows wealthy people to live and earn tax free once they reach a certain age. When the embedded wealth that comes with home ownership is taken into account, there are many affluent Australians in their later years who are in effect supported by people who are struggling to get by.

#### Recommendation

- Anglicare Australia supports the call by the Council on the Ageing (COTA), among others, for a full and detailed review of retirement income in Australia.

These recommendations come from the principle that Australia should be a country where all who live here can have a decent quality of life regardless of their level of income.

Anglicare Australia notes there are trials in parts of Europe and Canada of a Universal Income to test if the social benefits of a less judgemental and more inclusive approach to income support outweigh the additional costs, if any, of such an approach. Anglicare Australia urges the Government to build links with those other provinces and countries to learn from their experiences and then to trial such an approach in Australia.

### **PARTNERSHIP WITH ABORIGINAL AND TORRES STRAIT ISLANDER PEOPLE**

The status and wellbeing of Aboriginal and Torres Strait Islander people in this country are fundamental indicators of the success of Australia as a nation. The growing proportion of Aboriginal and Torres Strait Islander children in Out of Home Care, young people in detention and adults in gaol, and the high level of chronic health conditions are indicators that at a national level, the ongoing discrimination and disadvantage that so many Aboriginal and Torres Strait Islander people experience shows that as a country, we are moving in the wrong direction.

Anglicare Australia is committed to an Australia that celebrates, values and respects the ongoing contribution Aboriginal and Torres Strait Islander people make to our culture and identity. The Anglicare Australia network is a gold sponsor of the Family Matters campaign which aims to ensure all Aboriginal and Torres Strait Islander children and young people grow up safe and cared for in family, community and culture.

The underlying principle here, which successive governments have failed to embrace, is for partners, including governments, to be led by and work with Aboriginal and Torres Strait Islander people.

We joined with our partners to support the Redfern Statement, a call for urgent Government action, which was launched by an alliance of Aboriginal and Torres Strait Islander peak representative groups during the 2016 Federal Election.

#### Recommendation

- We urge the government to adopt that plan of action as a matter of urgency.

*The REDFERN STATEMENT Plan of action:*

- Commit to resource Aboriginal and Torres Strait Islander led-solutions, by:

- Restoring, over the forward estimates, the \$534 million cut from the Indigenous Affairs portfolio in the 2014 Budget to invest in priority areas outlined in this statement; and
- Reforming the Indigenous Advancement Strategy and other Federal funding programs with greater emphasis on service/need mapping (through better engagement) and local Aboriginal and Torres Strait Islander organisations as preferred providers.
- Commit to better engagement with Aboriginal and Torres Strait Islander peoples through their representative national peaks, by:
  - Funding the National Congress of Australia's First Peoples (Congress) and all relevant Aboriginal and Torres Strait Islander peak organisations and forums; and or Convening regular high level ministerial and departmental meetings and forums with the Congress and the relevant peak organisations and forums.
  - Recommit to Closing the Gap in this generation, by and in partnership with COAG and Aboriginal and Torres Strait Islander people:
  - Setting targets and developing evidence-based, prevention and early intervention oriented national strategies which will drive activity and outcomes addressing:
    - family violence (with a focus on women and children);
    - incarceration and access to justice;
    - child safety and wellbeing, and the over-representation of Aboriginal and Torres Strait Islander children in Out of Home Care; and
    - increasing Aboriginal and Torres Strait Islander access to disability services;
  - Secure national funding agreements between the Commonwealth and States and Territories (like the former National Partnership Agreements), which emphasise accountability to Aboriginal and Torres Strait Islander peoples and drive the implementation of national strategies.
- Commit to working with Aboriginal and Torres Strait Islander leaders to establish a Department of Aboriginal and Torres Strait Islander Affairs in the future, that:
  - Is managed and run by senior Aboriginal and Torres Strait Islander public servants; or brings together the policy and service delivery components of Aboriginal and Torres Strait Islander affairs and ensures a central department of expertise.
  - Strengthens the engagement for governments and the broader public service with Aboriginal and Torres Strait Islander people in the management of their own services.
- Commit to addressing the unfinished business of reconciliation, by:
  - Addressing and implementing the recommendations of the Council for Aboriginal Reconciliation, which includes an agreement making framework (treaty) and constitutional reform in consultation with Aboriginal and Torres Strait Islander peoples and communities.

## **EDUCATION - OPPORTUNITIES**

Education plays an essential role in opening doors for people during key transitions such as from early childhood into school, graduation from secondary school and when establishing or changing a career.

Anglicare Australia made formal submissions to the Senate Inquiry into the Family Assistance Legislation Amendment (Jobs for Families Child Care Package) Bill 2016, and the Social Services

Legislation Amendment (Family Payments Structural Reform and Participation Measures) Bill 2016; and appeared at public hearings.

In regards to the proposed Child Care package we note that the application of a strict activities test for parents out of work is likely to result in less early childhood education for the very children it would benefit most. Changes to the activities and means tests will also create real barriers for parents who have access erratic or inconsistent casual work. While the package would assist many low to middle income families, particularly those in fairly stable circumstances, the impact of the changes on people living with the greatest disadvantage would be negative, has not been thought through.

Many of the proposed amendments to the Family Payments are also inequitable and unhelpful. Families on the lowest incomes, such as those on income support, are living well below the poverty line. Measures that take more of that income away, for the nominal purpose of driving people into work, simply further entrenches the disadvantage such families live with and works against the ongoing engagement of those affected.

Governments need to create pathways into employment and belonging. The discriminatory edge of these two bills is creating a sharper division between those who are welcome at the centre of our society and others who are trapped on the edges.

#### Recommendation

- De-couple the passage of these two bills. Increase the guaranteed access to childcare for families on low incomes and find a more appropriate way to link childcare subsidy and access to contemporary experience of insecure work. Amend the Family Payments Bill to ensure payments to low income families are not cut back.

## **HOUSING**

Each year since 2010 Anglicare Australia has conducted a national Rental Affordability Snapshot. Despite the changing shape of the Australian economy the shortage of rental housing that is affordable for households on low incomes has remained dire in metropolitan and regional locations alike. Over the first weekend in April 2016 the Anglicare Australia network surveyed 75,410 rental properties across country. We found just 21 properties that were affordable for single adults living on Newstart, anywhere in Australia, and only one for young people living on Youth Allowance.

Many people in Australia live in housing stress. It is a growing problem for young people, new arrivals, older women, people living with disability and mental ill health, people escaping domestic violence, families living in hardship, and those who are simply out of work. Of course this puts pressure on homelessness services and is a factor in the high visibility of people with nowhere to sleep on the streets of cities such as Melbourne. More subtly perhaps, it also makes it increasingly difficult for people to find and keep work, for children to stay engaged with education, for people to manage or improve their health. A safe and secure home underpins the capacity of most of us to play an active and positive role in our society.

Anglicare Australia welcomes the recommendations of the Australian government's Affordable Housing Working Group to establish funding instruments that can help grow the supply of affordable housing and to investigate increased public investment through housing trusts. But the scale of the

problem here is colossal. Investors and wealthy home owners are still driving up the price of housing rather than supply.

It is time for the Australian Government to take a principled, rather than an ideological, approach to housing affordability and look openly at links between capital gains tax concessions, negative gearing rules and the supply of low cost housing. It also needs to acknowledge the inadequacy of Commonwealth Rent Assistance (CRA) which, despite the substantial cost to the federal Budget, does not provide the support people renting in the private market require.

Australia doesn't need a property market that specifically services the interest of affluent older Australians and property investors. It needs a market that caters for the reasonable needs of the whole population, and especially ensures there is secure and affordable housing – publicly and privately owned – available for people on low incomes and with special needs.

### Recommendations

- The Australian Government develops a national plan with industry, state governments and community providers to increase the supply of affordable housing.
- A thorough, transparent, examination of the impact of capital gains tax and negative gearing rules on the housing market and that they be amended to bolster the supply of secure and affordable housing.
- That the level of CRA be raised, taking into account both income levels and market rents across Australia.

## **SOCIAL SERVICES AND CONTESTABILITY**

The Government is running a number of projects aimed at increasing contestability and user choice in human services in aged care and disability. Inadequate funding, as network member the Samaritans Foundation found last year, and poor implementation are compromising accessibility and quality. There are substantial service gaps emerging as existing block-funded programs are replaced by individually-focussed services.

Anglicare Australia is particularly concerned with the emphasis on choice and control. People enjoy a better quality of life when the services and care they receive are relational and their dignity and agency, rather than their consumer choice, is respected. As consumers, we choose cheaper services in the first instance, leading care workers similarly to focus on deliverables. There is no shortage of evidence in the UK, for example, that this can become a race to the bottom. People who require greater individualised support may well miss out. And the community fabric which is so much a part of block-funded place-based services, along with the links to informal family care and support, wears thin.

It is clear that Government has an agenda to roll out similar reforms in other service areas. As Anglicare Australia has argued in its submissions to the Productivity Commission inquiry into Human Services, and to Government on the fifth National Mental Health Plan, it makes no sense to push ahead on new initiatives until a proper review of the existing reforms is conducted, looking carefully to see who is and is not advantaged by the new approach.

We note the Productivity Commission's earlier report on the contribution of the Not-For-Profit sector picked up on Anglicare Australia's recommendation to explore the possibilities of intelligent commissioning rather than to simply explore contestability and user choice.

### Recommendations

- That Government evaluate the delivery of existing aged and disability services in terms of equity of access and outcomes, and that a part of that process be the development of wellbeing and quality of life indicators that reflect the experience of the people at the centre of the services.
- That major reform of other social services not proceed until that comprehensive evaluation has been conducted and that it is clear who is best served by the new systems, what the quality of care and support is, who and where people are missing out, and the additional cost of that system failure.
- That Government work with reputable locally connected community service organisations to commission, intelligently, the services and support that will meet the needs and grow the capacity of the communities they serve.

## The long term

The Federal Budget is a four-year plan, and the recommendations above address immediate issues that connect to the national and global context already discussed, and are informed by our network expertise.

It is important that the Budget articulates and is a part of a long-term vision for the country that is inclusive, not pitched to sectional interests. Given the current drivers in our society and economy and across the globe, it particularly needs to offer a future for people without wealth and advantage who are vulnerable to social and economic exclusion.

Government policies in general, and the Budget in particular, need to be transparently informed by a response to the high level forces of change.

### **CLIMATE CHANGE**

A coherent and serious response climate change is important. We are now seeing its impact in terms of weather events, climate and consequently rural economies, personal safety and health, tourism income, international trade and security, and of course ecological health and sustainability.

This is not a question of politics or choice. Over 90 percent of Australian farmers, in a recent survey, take the view that they are already experiencing the deleterious effects of climate change. There is no doubt that one of the key causes of permanent damage to the Great Barrier Reef is the warming of the ocean. In just this last year the New Zealand government has identified climate change impacts on water supply, human health and the economy as high risks. Australia has signed onto global temperature targets that are far more ambitious than anything achieved to date.

Government then needs to articulate policies across all the domains that will support the economic and industrial changes that make up a positive response to this challenge, that will meet these targets and address the needs to prepare for and adapt to the inevitable changes. There is no real advantage to farmers, power industry workers or consumers in resisting the incoming tide. As the closure of the Hazelwood power station on the one hand and the adoption of household solar energy on the other have shown, the changes are coming anyway. The most ethical and positive response is to ensure the cost of these changes don't continue to be borne by those with the fewest resources.

Anglicare Australia's member organisations are involved as they provide emergency and natural disaster relief, social housing, financial counselling, family services, and mental health support and work alongside people who will be most affected by these events.

The international dimension of this moral challenge is obvious. However we choose to count it, Australia is a relatively wealthy country. We must play our part, and be seen to play our part in doing more than merely cut back on the damage we are doing to the environment. We need to be an active part of the solution.

It is worth reflecting that Australia has been one of the leaders in the scientific development of solar over many decades, but not its industrial development or commercialisation.

## **WEALTH**

The inflated value of Australian property values, and the legislation, development and infrastructure constraints that support it, is the structural accumulation of wealth by those who are already wealthy. It is an unconscionable subsidy of the well-off (and their children) by those with less.

Australia has evolved as a country with relatively high social mobility. The treatment of Aboriginal and Torres Strait Islander people has always been discriminatory, but waves of new arrivals have generally found opportunities to work, and make a contribution to our society in many different ways. Property values are both a cause and symptom of an increasingly entrenched social immobility.

There are many takes on who is being left behind by contemporary economics and how important that is to the growing political and social volatility in Australia as around the world. The focus of urban wealth in the centre of our major cities gives some veracity to the notion of alienated voters living on the edges of our big cities or seemingly ignored in rural and regional Australia. A narrative for Australian governments that doesn't address this growing divide in one way or another is self-serving and patently inadequate.

## **INFRASTRUCTURE**

In addition to taking a holistic approach to housing and retirement income, as indicated above, infrastructure could play an important role in building a more inclusive society.

There is no shortage of plans and positions for fast rail projects that would deliver economic sustainability to outer urban and regional centres of Australia, offering to take pressure off the metropolitan centres. If Australia's governments are to work with each other in the national interest, infrastructure on this scale, and with these benefits, needs to be delivered. The partisanship of



contemporary democracy works against such progress and reinforces the disillusion that appears to be endemic.

The National Broadband Network similarly has been touted as an infrastructure investment that can connect us socially and economically, no matter where we are. The fact that it is available on one side of a street and not the other; that the cost to the consumer is higher than expected and the roll out much slower; that there is no universal guarantee of service; and that it is a site for partisan political dispute is not comforting or helpful.

Finally, by way of example, we should consider urban and building design. This is not so much a question of expenditure but one of shared vision and regulation. As the population ages and the shape of work evolves we will need publicly accessible services, support and facilities. The privatisation of public spaces adds another layer of exclusion to the way we live together and urban design needs to work against it.

Similarly, a mix of housing types and prices enriches local communities, and ensures more equitable access to services and amenities. Universal building design will ensure will add an important layer of accessibility that people can age in place. Adding cable access as a matter of course, particularly to multiunit properties, would seem to be a logical extra step.

## **RESPECT**

There are longer lasting outcomes when people engage with each other positively and respectfully with each other. That is as true for governments engaging with and working alongside community partners and constituents as it is for members of the public engaging with government.

As much as governments are expected to be model litigants, they also need to be model partners. Social service organisations involved in chaotic re-tendering processes (most recently in 2014) are only too aware of the impact on their capacity to deliver services and the downstream effects on the people they work with of a rushed, ill-considered and disrespectful process. Since then the Department of Social Services has worked quite closely with sector representatives to put in place more open and collaborative ways of developing and funding programs. It is clear, however, that political exigencies can still ride roughshod over the best intentions on that kind of collaborative work.

It is particularly destructive when individuals in our communities are the target of that disrespect. Often that is most obvious when public officials and political leaders are talking to another audience on subjects such as welfare payments, workplace issues, and environmental protection.

Anglicare Australia, for example, is very supportive of the notion of priority investment. We see real possibilities in using available data to identify who is most vulnerable to ongoing exclusions and what support and incentives are likely to lead to the best long-term outcomes. The problem comes when that argument is blurred, more or less deliberately, with the implication that young carers, say, are a million dollar drain on the public purse and ought to be pushed out into work as soon as possible, regardless of the real costs individually and economically, of doing so.

The messaging that occurs through targeted media (and increasingly through social media) is never accidental. If government is to work respectfully and constructively with people then it can't abuse them or allow such abuse to be unchallenged, in public debate.

Centrelink's automated debt recovery process is another case in point. Government Ministers have argued that the outcomes of the exercise are consistent with the information they have collected through data matching processes and that any uncertainties or inaccuracies can easily be addressed. It is very clear from the response of people who have been affected that this is not the experience of people dealing with enquires from Centrelink. The public response of government would seem to suggest that 'collateral damage' was expected and even accepted; that everyone is assumed to have easy access to and competence with online services; that people have no issue accessing payment records from diverse employers over many years; and that no apology for distress, confusion or unhelpfulness is appropriate or likely.

When the messaging and the processes described above are combined with inadequate income support, the message appears to be that people with insecure work and low incomes have little or no value and warrant minimal respect.

It is no surprise that Aboriginal and Torres Strait Islander people along with new arrivals face the biggest challenges on this front. As a nation, we can learn so much from the principles and approaches expressed in the Redfern Statement above, about how governments can and should work respectfully with the citizens they serve.

## Conclusion

The impact of growing inequity and inequality is increased social division, as *Anticipatory Governance*, a New Zealand study, found last year and as the World Economic Forum appears to be acknowledging at its meeting this month.

Anglicare Australia has long argued that there is nothing to be gained by prioritising economic growth over wellbeing. The changing metrics of economic, security and environmental outcomes over the past decade make that obvious. Measures of diminishing wellbeing against increasing GDP make that explicit (see the Canadian Index of Wellbeing for example).

At a deeper level we have seen that those being left behind are paying for advance of others.

It is simply not acceptable that the interests of those who are enjoying a growing living standard and a high level of social protection come first in this Government's budget process. Australians need to be assured that economic growth, if it exists, and public policy is delivering improved wellbeing particularly – and essentially – for those at risk of alienation, exclusion and deprivation. That is the test of the efficacy of the Budget upon which the Government's moral authority rests.

END

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