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2 June 2023

The Treasury
Measuring What Matters Team
Via email: MeasuringWhatMatters@Treasury.gov.au

Dear Measuring What Matters Team,

Anglicare Australia thanks Treasury for the opportunity to provide comment on the Measuring What Matters second consultation phase. We commend the Government for taking this important step towards becoming a wellbeing economy. A wellbeing economy values indicators of wealth beyond gross domestic product, such as equity, happiness, social inclusion and environmental outcomes.

Anglicare Australia believes that the five policy themes outlined in the Measuring What Matters consultation pack serve as a solid foundation for designing Australia's Wellbeing Framework. We commend the inclusion of indicators such as Closing the Gap, valuing the contributions of all individuals, and ensuring universal access to life essentials, which strongly align with our organisation's values and advocacy.

To further strengthen the Framework, we propose including the following indicators:

Poverty

Anglicare Australia believes that freedom from poverty is crucial for promoting overall wellbeing. Poverty undermines multiple aspects of life, including access to secure housing, nutritious food, and healthcare. Yet over three million Australians live in poverty, with many of them coming from households that rely on government payments.

For a short time in 2020, income support payments were increased. Almost immediately, hundreds of thousands of people, were lifted out of poverty, many for the first time. Research by ACOSS has documented the profound impact this had on poverty levels and on people's wellbeing. 80.8 percent of income support recipients surveyed reported improved eating habits and more regular meals.[i] Additionally, almost 60 percent of individuals were able to secure better and safer accommodation or afford rent, while 67.8 percent could access necessary medicines or health treatments.[ii]

Unfortunately, Australia lacks an official method for measuring poverty, nor does it have a comprehensive plan to address poverty. To rectify this gap, we strongly advocate for the development of a national definition of poverty through a collaborative process. It is crucial that the voices of individuals directly impacted by poverty, community organisations, and academic experts are included in shaping this definition. Only by accurately reflecting the experiences of poverty specific to the Australian context can we effectively address its challenges.

Australia can draw from existing Australian-specific measures of poverty, such as the Henderson poverty line, as a starting point. This measure should consider not only income thresholds but also factors such as the impact of location and geography on living cost. Additionally, it should be disaggregated to identify groups that are disproportionately affected by poverty.

Beyond defining and measuring poverty, it is crucial to establish goals for poverty reduction and hold the Government accountable for their contributions towards achieving these goals. Having clear indicators and goals will enable progress monitoring, identification of effective strategies, and alignment of policies and initiatives to effectively address poverty in Australia.

If poverty rates do not improve, or if they worsen, the Budget's Measuring What Matters should include a government response outlining strategies for improving outcomes over time.

Income and wealth inequality

Anglicare Australia's believes that everyone should have a stake in our prosperity, and no one should be left behind. Australia has never been more prosperous, yet we are facing growing inequality. Wealth inequality is now the worst it has been in seventy-five years.[iii] The wealthiest 20 percent of the population account for 80 percent of wealth in investment properties and shares, 70 percent of wealth in superannuation balances, and 54 percent of wealth in primary residences.[iv]

When wealth and income are concentrated in the hands of a small portion of people, it hampers social mobility and perpetuates disadvantage. Social mobility in Australia has declined, with the bottom 20 percent of households experiencing no real increase in average net worth from 2003-04 to 2017-18, while the middle and top 20 percent have experienced increases.[v]

Social mobility is further hindered by the clustering of advantaged students in more privileged schools, creating a tiered education system. Government schools in low socioeconomic areas often face resource constraints such as limited funding, outdated infrastructure, and a shortage of qualified teachers.[vi] These resource gaps directly impact the quality of education provided and limit career prospects, exacerbating social inequality.

Tackling inequality is essential for establishing a society where everyone can fulfil their potential and improve their lives. It is particularly important to incorporate measures of wealth inequality alongside income inequality considering the unaffordability of homeownership for younger generations and the preferential tax treatment of wealth compared to income.

Inequality has been commonly measured through income indicators, such as those found in frameworks like the OECD Framework and the ACT Wellbeing Framework. For instance, the Australian Capital Territory utilises the P20/P50 ratio to gauge inequality, comparing the disposable income of the bottom 20 percent of households to the median disposable income.[vii] However, it is important to incorporate measures of wealth inequality alongside income inequality. Focusing solely on income disregards the significance of non-income financial assets, such as superannuation, shares, and home ownership.

Access to a safe and secure home

Safe and secure housing is fundamental to wellbeing. Without a secure and affordable home, Australians cannot provide a stable life for their families, overcome financial difficulties, recover from alcohol and other drug issues, or prioritise their mental health. People who experience housing stress and homelessness are at much higher risk of violence and victimisation, food insecurity and are more likely to struggle finding employment. They also suffer from significantly higher rates of death, disability and chronic illness than the general population.

Yet the cost of housing is forcing many families into insecure housing or homelessness. Average rents have risen by 11 percent in the last year and as much 30 percent over the last two years.[viii] Anglicare Australia's Rental Affordability Snapshot shows that no rentals were affordable for a single person on JobSeeker Payment. Our Snapshot also shows that affordability has plummeted for working people, with a person on the minimum wage able to afford less than one percent of rental listings.[ix] All of this helps to explain why record numbers of Australians are in housing stress.

This means that many families are forced into homelessness or to make choices about residing in substandard housing that is either too cramped, inadequately insulated, damp, rundown, or situated in less desirable neighbourhoods to make ends meet.

Traditional measures of housing primarily focus on home ownership. However, as the landscape of Australia's housing market evolves and more people find themselves renting for longer, it is crucial that Australia's goals shift towards ensuring safe, affordable, and secure homes for all, regardless of tenure.

To achieve this, Anglicare Australia urges the Government to incorporate key indicators from the ACT Wellbeing Framework, such as homelessness rates, housing affordability and availability, housing suitability, and rental stress. By including these indicators, policymakers can gain a comprehensive understanding of the housing challenges faced by Australians and develop targeted strategies and policies to address these pressing issues.

Digital inclusion

Access to the internet is an essential service that enables people to participate in work or school, access health services online and connect with friends and family. The pandemic has driven more people online for more of the time. Remote working and schooling requires a good quality internet connection and a device to access it on.

The Government is also increasingly moving service provision online. Under the Workforce Australia employment services program, many people engage exclusively online. Without reliable internet, they will struggle to meet their obligations and find job opportunities or supports.

Alarmingly, 28 percent of Australians are "digitally excluded," lacking either the skills, money or equipment to regularly access the internet.[x] People in low-income households, older people, public housing tenants and single people are more likely to be excluded.

The Wellbeing Framework should adopt the Australian Digital Inclusion Index to measure and track the state of digital inclusion. This index serves as a comprehensive measurement tool, evaluating Australians' access to the internet, digital devices, and technologies, as well as the affordability of these resources and their digital literacy skills. By utilising this index, policymakers can gain valuable insights into the current state of digital inclusion in Australia, understand the specific challenges faced by various population segments, and identify areas in need of targeted interventions so that all Australians can participate in our increasingly digital world.

Include lived experience in design and consultation

While Anglicare Australia welcomes this process, we remain concerned that the consultation on the Framework is limited to written submissions and only advertised on the Treasury website. This approach may not elicit a diverse range of opinions beyond traditional stakeholders such as think tanks, community service organisations, unions, and academics. In order to truly understand the wellbeing needs of all Australians, the consultation process must include meaningful engagement with different communities, who will have unique priorities, values, and needs. People are experts in their own lives, and their direct lived experiences must be taken into account.

To gather these perspectives, the consultation process must be accessible, easy to understand, tailored and delivered through appropriate channels. An example of this is the Australian Capital Territory's wellbeing framework consultation, where nearly 3,000 Canberrans were engaged through various strategies, including morning teas with seniors, pizza parties with young people, and surveys at food pantries.[xi] These tailored approaches allowed for the voices of those who may not be adequately represented in conventional consultation processes to be heard.

Anglicare Australia looks forward to working with Treasury on developing a Wellbeing Framework. If the Measuring What Matters Team would like to discuss anything raised in this submission, please do not hesitate to contact us at anglicare@anglicare.asn.au

Yours sincerely,

Kasy Chambers
Executive Director

[i] ACOSS (2020) 'If it wasn't for the supplement, I've no idea where I'd be''.
[ii] Ibid.
[iii] UNSW and ACOSS (2022) The wealth inequality pandemic: COVID and wealth inequality.
[iv] ACOSS and UNSW (2023) Research and Insights into Poverty and Inequality in Australia.
[v] Australian Institute of Health and Welfare (2019) Intergenerational transmission of disadvantage in Australia.
[vi] Centre for Policy Development (2016) Uneven Playing Field: The State of Australia's Schools.
[vii] ACT Government (2020) ACT Wellbeing Framework.
[viii] SQM Research (2023) Weekly Rents: National.
[ix] Anglicare Australia (2023) Rental Availability Snapshot 2023.
[x] J Thomas et al. (2021) Australian Digital Inclusion Index.
[xi] ACT Government (2020) ACT Wellbeing Framework: Consultation Report.