25 July 2025

Economic Reform Roundtable consultation
The Treasury
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Submission to the Economic Reform Roundtable consultation

Anglicare Australia welcomes the opportunity to provide input to the Australian Government's Economic Reform Roundtable process (the Roundtable). Informed by the work of the Government's five pillar productivity agenda, this Roundtable presents an opportunity to reset thinking about what a strong and healthy economy actually looks like.

Creating a productive economy for its own sake is futile if the benefits are not shared by every Australian. Representing Australians through the experiences of nearly 24,000 frontline staff, Anglicare Australia hears every day how more and more people are falling through the cracks. Financial counsellors tell us how demand for food support has risen, and homelessness support staff report that the average client is now someone with a job but is unable to afford rent. The impacts of real economic failure face our Network every day.

The best way to achieve the goals of this Roundtable is by making real investments in every Australian's ability to make a meaningful and fulfilling contribution. In the previous term, the Government began exploring measuring economic performance through indicators beyond gross domestic product and the inflation rate, such as equity, happiness and social inclusion. Anglicare Australia believes it is imperative we do not lose sight of this work. It is in Australia's national interest to ensure that the everyone gets a fair go and every person is able to live up to their full potential.

Anglicare Australia calls on Government to pursue the following priority reforms as mechanisms to improve productivity, build economic resilience and strengthen budget sustainability.

Tax reform for fairer housing

Anglicare Australia has long advocated for reform to the bloated tax settings that redistribute wealth back into the pockets of wealthy investors, lock first time buyers out of the market, and punish renters. It is expensive and cumbersome on the Budget to continue these tax breaks, with the Parliamentary Budget Office projecting that negative gearing deductions and the Capital Gains Tax discount will cost $165.6 billion in foregone revenue between 2024-25 and 2033-34.[i] Phasing out these concessions and instead directing investment in building social and affordable housing would be a much more efficient use of government resources.

Promote fairness in retirement

Generous tax handouts to the wealthy are not just stymieing fair access to housing, it is entrenching intergenerational inequity across the entire tax system. For example, the tax treatment of superannuation is disproportionately generous for those with higher incomes and larger balances, and inequitable for those with lower. One's capacity to save is determined by their earnings, and larger balances are treated more favourably by tax concessions, rewarding high-income earners with far more than they'll need and penalising low-income earners.

Anglicare Australia believes that all tax concessions for superannuation contributions, including the 15 percent employer contributions tax rate, deductions for contributions, and rebates for contributions by low-income earners and for spouses, should be replaced by an annual refundable rebate paid, capped at a contribution level sufficient to support an acceptable retirement income for a typical worker.

Reform employment services and create a better system

As Australia's economy continues to transition, ensuring that no person is left behind and without meaningful work will continue to be a greater focus of government policy. Achieving this will be impossible without addressing the current failings of Australia's job market. As Anglicare's *Jobs Availability Snapshot* demonstrates, entry-level jobs are drying up. An adaptable workforce can only exist if there is genuine commitment to ensuring every Australian is able to find meaningful and fulfilling work, rather than pushing people into inappropriate roles for the sake of welfare reduction.

Anglicare Australia recommends replacing the existing employment services system and investing in vocational education pathways for JobSeeker recipients to gain more advanced skills and qualifications. The highly competitive nature of Australia's job market has made post-secondary qualifications essential. The Government spends $7 billion on the employment services system, despite constant evidence that the system is ineffective, failing to achieve its stated aims, and actively harming people seeking genuine employment.

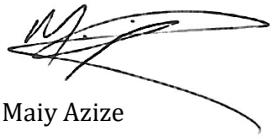
Raise the rate of working age payments

Australia's social security system is premised on the idea that most people will be able to find work, that unemployment is temporary, and that payments are meant to help people bridge the gap between losing their job and finding the next. Entry-level jobs have evaporated and the reality for more and more people on JobSeeker is that the payment is trapping them in poverty, not lifting them out of it.

Anglicare Australia has modelled the cost of raising working age payments such as JobSeeker, Carer Payment and Parenting Payment Single to the Henderson Poverty Line. Our analysis suggests this would cost around $111 billion.[ii] This is substantially less than tax concessions for housing investors over the same time frame. By lifting people out of poverty, there will be long-term reduction in other cost pressures.

Prior to the Federal Election, Anglicare Australia released *Investing In People*, laying out a suite of reform proposals that go to the nature of the Roundtable's objectives. Building a resilient and sustainable Australia begins with ensuring that every Australian is treated fairly and given the chance to thrive. This Roundtable can, and must, mark the beginning of a new direction in building a fairer Australia. Anglicare Australia urges the Government to seize this moment to embed fairness at the heart of economic reform. By taking genuine action on housing, income support, and tax reform, the Government can begin to repair a system that is failing too many Australians.

There is widespread agreement about the challenges Australia faces and the solutions we need. This Roundtable is an opportunity to bring together that consensus and drive forward policies that will build the fair and prosperous Australia that we all wish to see.



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[i] Parliamentary Budget Office (2024) Cost of Negative Gearing and Capital Gains Tax Discount.
[ii] Estimates generated using the Parliamentary Budget Office's Build Your Own Budget tool