

2004 federal election

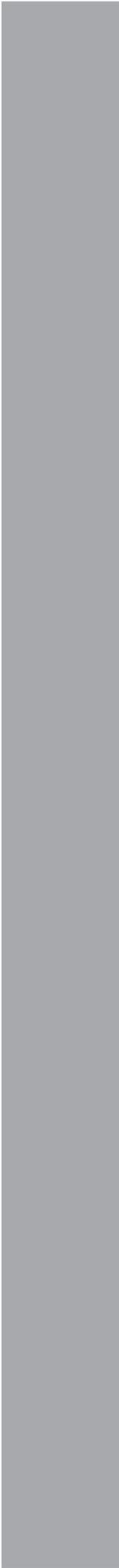
Brotherhood of St Laurence call to the parties



Brotherhood of St Laurence

Working for an Australia free of poverty

July 2004



Authorised and printed by
John Wilson
Executive Director
Brotherhood of St Laurence
67 Brunswick Street
Fitzroy Vic. 3065

ABN 24 603 467 024

Ph: (03) 9483 1183
Internet: www.bsl.org.au

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A social policy election

A two-decade subordination of social policy to the economy appears to be ending. As yet the social futures our political parties have in mind remain unclear. The Brotherhood believes a new social policy architecture is urgently required to match an already restructured economy. But what should it look like?

The first requirement of the new social policy, we believe, is a reinstatement of social investment in sustainable economies as a function of good governance. We need a more prudent fiscal policy allowing for systematic investment in the social and environmental infrastructure as a basis of sustainable economic development. There is popular support for this position: several polls in the first half of 2004 have shown majority public support for government spending on services as a higher priority than tax cuts.

Second a new social policy would end the politics of denial currently surrounding poverty in Australia and commit to creating an inclusive Australia free of poverty. Economic globalisation may have brought wealth to the fortunate 'global classes', but for others it has been more like dispossession. We need to recommit to the Australian dream of an egalitarian social infrastructure guaranteeing fair and reasonable opportunities for all. In particular we argue that this infrastructure must address the life cycle of risk and opportunity which is very different from that upon which our old welfare state was based.

The idea of 'social exclusion' is an alternative framework for the analysis of disadvantage. It acknowledges the importance of people's right to income support as citizens of this country, but argues that people also have a right to services which create the capacity to fully realise their potentials both individually and socially. Social inclusion means access to (at least) an adequate income, a decent job, affordable education, housing and health services, regardless of a person's background, age, gender or social status.

The third element of our proposed social policy architecture would be new technologies of democratic governance. Among the important developments in welfare politics of the last five years has been the growth of the ethical business movement and the take-off of community as a key organising policy concept. Their significance as an antidote to that 'democratic deficit' which has been so disempowering for people concerned with action on social issues is not to be ignored. This issue raises specific concerns relating to socially ethical business practice and to government-NGO relations in the production of welfare. In particular we deplore the reduction of welfare NGOs to 'little fingers of the state' and call for a genuine partnership model.

In summary, we at the Brotherhood believe that this may well be a 'social policy election' of historic significance. We call on all parties to make this election the occasion of a definitive break with the narrow economic perspectives which have characterised Australian politics over the last two decades. Creating an inclusive Australia through social investment will make good economic as much as social sense.

Employment

Employment policy has been one of the greatest public policy failings of the past two decades. Full employment, once viewed as a core objective of public policy, has been replaced by full-employability, and economic management under successive governments has failed to produce sufficient work to meet the capacity and needs of the labour force.

This can be seen in the chronic lack of work from which Australia has been suffering for the last 25 years. In addition to the 574,000 Australians currently registered as officially unemployed, ABS figures identify an additional 580,000 people as underemployed and around 80,000 as discouraged job seekers (ABS 2004a). For this group of over 1.2 million people there are currently only 100,000 vacancies (ABS 2004b). This level of sustained unemployment and underemployment is associated with immense and far-reaching costs to individuals, society and the economy.

The Commonwealth government must restore a commitment to full employment through the creation of employment opportunities in areas of social value such as education, health and community services and the environment. This strategy has the potential to deliver significant benefits such as increased employment, a healthier environment, and an improved quality of life for all Australians (Perkins & Angley 2003). It will also facilitate Australia's move towards a sustainable knowledge-based economy.

Fragmented labour market

A further concern is the current move toward a US-style deregulated labour market, which will lead to a polarisation of employment opportunities and deepening of disadvantage for those at the lower end of the labour market. This can be seen in the growing numbers of working poor, increasing precariousness of employment, increased incidence of over-work and growth in low wage/low productivity sectors.

The rise of precarious employment in the global economy can be partly attributed to transnational supply chain management practices and the use of contract labour. This is often characterised by low wages, long hours, excessive overtime, short term contracts, job insecurity, excessive production targets and lack of access to standard entitlements. Greater protection of vulnerable workers to ensure access to secure and decent jobs is required.

To put a halt to these trends government must ensure that there is an effective framework of labour market regulation and institutions that allow for the achievement of both economic and social goals. Greater protection of vulnerable workers is required to ensure access to secure and decent jobs.

This must involve a model of employment policy that can enhance social cohesion and balance work-life demands, while also providing a flexible, highly skilled workforce. Such policy would recognise the potential for regulation to act as a productive intervention in preventing market failure and to facilitate employment relations that enhance long-term efficiency.

Better employment assistance

Long-term unemployed and highly disadvantaged job seekers have not been well served, in terms of both employment outcomes achieved and quality of assistance, by the current 'welfare to work' infrastructure, of which the Job Network is a major part.

Evidence suggests a decline in the quality of support provided, a move away from holistic assistance and a reduced focus on the broader welfare and personal needs of clients. The Productivity Commission's independent review found that in most cases the (then) Intensive Assistance program was neither intensive nor of assistance and that in general little was being done to address underlying employment barriers (Productivity Commission 2002). While some changes have been made, there is no evidence that outcomes have improved. A fundamental problem is the funding structure of the Job Network, which encourages providers to pursue rapid minimum-cost outcomes, rather than investing in services to address underlying barriers.

Work done by the Brotherhood of St Laurence with long-term unemployed people demonstrates clearly that positive outcomes can be achieved. Key components of our work include a long-term engagement with local communities, a genuinely personal approach, pre-vocational support (including building self-esteem and understanding of work requirements), concurrent training and work experience, a clear strategy for placement into ongoing positions at the end of training, and intensive post-placement support. Substantial assistance and ongoing support are required, but our results suggest that this investment is rewarded by greater uptake of opportunities and retention in paid work.

Recommendations

The Brotherhood of St Laurence calls on the incoming Commonwealth government to commit itself to:

- Make the achievement and maintenance of full employment a policy priority and set targets for the reduction of unemployment and underemployment
- Legislate to ensure equal rights to, and increased portability of, standard entitlements (such as annual leave, sick leave, maternity leave, long-service leave and superannuation) for casual and part-time workers, as well as permanent full-time staff
- Introduce stronger substantive rights to study leave and income support to allow people to combine work with training
- Significantly increase funding for labour market programs as a proportion of GDP, bringing Australia back into line with the OECD average
- Restructure the Job Network model to better target long-term unemployed and highly disadvantaged job seekers and to provide them with access to meaningful work experience and training
- Reverse the trend toward labour market deregulation and put in place a framework of regulation and institutions that encourage the development of a flexible skilled workforce, whilst also improving living and working conditions for all workers.

Social security

Inadequate payment levels

The main aim of the social security system is the prevention of poverty, but it is failing for many people. In December 2003, young adults between 18 and 20 years of age received about \$203 per week (including maximum rent assistance), 33 per cent below the then Henderson poverty line of \$302 per week. The payment for an adult unemployed person was about \$240 per week (including maximum rent assistance), 21 per cent below the poverty line of \$302.

The Australian social security system distinguishes between pensions (such as Disability Support Pension and Age Pension), which have been traditionally viewed as long-term payments, and allowances (such as Newstart Allowance for job seekers), which have been seen as short-term payments. Single allowees receive around \$193 per week, 16 per cent less than the pension rate of \$229, but this gap is growing since allowances are indexed to the Consumer Price Index (CPI), while pensions are indexed to male total average weekly wages which increase faster than the CPI.

The argument that people receive allowances for only a short period is no longer tenable: the casualised labour market and the incidence of long-term unemployment mean that many people must rely on allowances for an extended period. Young people must attempt to survive on particularly low rates of payment and this means many students are forced to work long hours, compromising their ability to study.

The Brotherhood sees no rationale for the continued difference in payment rates, and believes that income support payments should all be set at the level of Age Pensions—that is, 25 per cent of male total average weekly earnings.

Poverty traps

Poverty traps mean that some people on social security payments can lose 60 to 80 per cent of additional earned income due to the combined effect of tax and withdrawal of benefits. For example, someone receiving Newstart who finds work in a part-time job on the minimum wage of around \$25,000 per year (pro rata) will gain only about \$23 if they increase their hours from two days to three days work per week—of the \$100 extra dollars they earn, they lose \$77.

This problem could be diminished by raising the earnings threshold (the 'free area') at which people begin to lose some of their benefits and introducing a standard withdrawal rate of 60 per cent instead of the current two-tier rates of 50 and 70 per cent.

Disability Support Pension

Recent policy attention around the Disability Support Pension (DSP) has emphasised the increasing number of people receiving this payment over the last decade. However, much of the growth in DSP over the 1990s was due to two factors: the increase in the number of people assessed with a disability (partly due to the ageing of the population) and reduced access to other payments such as Age Pension for women 60–65 years, and the restriction of Sickness Allowance to short-term illnesses (ACOSS 2002).

Many people receiving DSP would like to find paid employment but can often only work part time. Some may be able to work full-time for a period but then have to stop work if they have a relapse (as can occur with psychiatric disabilities). Attempts to change eligibility would move many people with capacity only for part-time work onto Newstart. This would mean they would lose more of their income due to the higher withdrawal rate—a disincentive to take up some jobs. This makes little sense and it would be more effective to support people on DSP to work part-time and receive a part pension. A substantial group of people receiving DSP are mature age workers who face substantial employer resistance to employing older workers. This group could take up more employment if they were not discriminated against, and if they had access to re-training opportunities.

Reducing breach penalties

While recent changes have reduced the incidence of breach penalties, the actual amounts of penalty incurred remain too high. For a person in receipt of Newstart (on \$389.20 per fortnight) these can be from \$400 to \$1500. We support the recommendations of the Pearce report (Pearce, Disney & Ridout 2002) that breach penalties should be no longer than 8 weeks in duration and no greater than 25 per cent of income.

Recommendations

The Brotherhood of St Laurence calls on the incoming Commonwealth government to commit itself to:

- Increase all income support payments to the aged pension level of 25 per cent of male total average weekly earnings by 2010
- Raise the earnings threshold for Newstart and introduce a withdrawal rate of 60 per cent instead of the current two-tier rates of 50 and 70 per cent
- Instead of altering eligibility criteria for the Disability Support Pension, invest more resources in employment and training programs for mature age workers
- Ensure that breach penalties apply for no longer than 8 weeks, do not exceed 25 per cent of the base payment and are recoverable upon compliance or reasonable steps.

Housing

The shortage of affordable housing

There is a serious shortage of affordable housing in Australia. Around three-quarters of a million low-income households are in 'housing stress': their housing costs so great that they are not left with a sufficient income to meet other basic needs. The majority of these households—more than 400,000—rent privately (Allen Consulting Group 2004).

The shortage of affordable rental housing represents a major barrier to the economic and social participation of individuals and families, and an increasingly visible constraint on economic growth in Australia. Furthermore, this shortage impacts directly not only on low-income households, but increasingly also on households on moderate incomes.

Addressing this shortage—estimated at 150,000 dwellings (Yates & Wulff with Burke 2001)—will require investment from the public, private and community sectors. The scale of the challenge implies that private sector finance to expand the housing stock will be an important element of any long-term solution (Allen Consulting Group 2004).

Poorly targeted policies

Federal housing policies in Australia are poorly targeted. In the year 2000, federal and state governments spent around \$28.3 billion per year on housing, either directly through payments or indirectly through tax subsidies or exemptions. The bulk of this housing assistance (\$21.0 billion or 74 per cent)—in the form of indirect tax incentives—flowed to higher income owner occupiers. Another \$1.8 billion (6.2 per cent) went to first home buyers and \$860 million (3 per cent) went to owners of rented properties in the form of negative gearing (Apelt, Hall & Young 2003).

Housing assistance to those in housing need—primarily through public housing and rent assistance—was modest in comparison (\$4.6b or 16.4 per cent of total housing expenditure).

The shortage of affordable rental housing and its impact on Australian households are a shared responsibility. Accordingly, the BSL calls for a new national partnership, one that draws on the resources and expertise of the three levels of government, the private sector and the community sector. A national housing policy should be developed to use the available resources much more effectively.

The way forward

Part of the solution is an increased investment in social and community housing, as for many people, this is the only type of accommodation they can afford. Another part of the answer lies in stimulating private institutional investment in affordable rental housing targeted to low and moderate-income households.

The essential policy challenge is to give institutional investors a reasonable return for their perceived risks. The Allen Consulting Group presented and analysed three viable policy options to increase private sector investment in affordable housing:

- **Bonds Model**—government investment in affordable housing financed by government bonds supplemented by a recurrent government subsidy
- **Partnerships Model**—private sector investment in affordable housing financed by private equity and/or debt investment, supplemented by a flexible government capital grant or recurrent subsidy
- **Tax Credits Model**—private sector investment in affordable housing financed by private equity and/or debt investment, supplemented by a fixed recurrent subsidy delivered through a tax credit.

A program based on one or more of these options, with an initial cost to government of \$100 million per annum, growing to \$1 billion per annum, would generate new housing investment of around \$2.67 billion per annum. Such a program would ultimately assist up to 150,000 households each year and make a significant dent in the affordable housing shortage (Allen Consulting Group 2004).

Recommendations

The Brotherhood of St Laurence calls on the incoming Commonwealth government to commit itself to:

- **Develop a national housing policy in conjunction with state and territory governments, community housing providers, the construction industry and the finance sector to ensure affordable housing for all Australians**
- **Increase funds for more social and community housing and upgrading of existing stock**
- **Introduce policy instruments to redirect private sector property investment into affordable housing.**

Education

Universal access to education is a key means of reducing the risks of social exclusion and poverty, and improving the situation of vulnerable groups in society. Education also plays an increasingly important role in providing the skills and abilities necessary for full participation in a knowledge-based society. This participation is critical in supporting economic growth, generating higher standards of living and fostering socially cohesive communities.

Secondary school funding

Access to well-resourced, high quality public education is vital for children and young people from low-income families. However, current allocation of Commonwealth government funding to schools compromises the fairness of our education system by providing significantly increased funding to some of the wealthiest private schools at the expense of public schools.

In 1995–96 government schools were receiving 42.2 per cent of Commonwealth school funding and non-government schools 57.8 per cent; however by 2004–05 government schools will receive only 32.7 per cent while the share going to non-government schools will increase to 67.3 per cent (Harrington 2004). The upshot of this is that Commonwealth funding to non-government schools will reach a record \$4.7 billion in the coming financial year and will for the first time exceed its funding of higher education, which is around \$4.6 billion in 2003–04 (Commonwealth of Australia 2003).

The result of this is an extremely inequitable situation where government schools, educating around 70 per cent of Australia's children, will receive less than one-third of Commonwealth funding. It signals a move toward a two-tier system of education, reinforces divisions based on wealth, and displays little commitment to building equitable educational outcomes for all young Australians.

Inadequate funding of government primary and secondary schools, combined with a greater range of fees and charges, is placing increasing pressure on low-income families and leading to poorer educational outcomes and the exclusion of children from many activities

The Brotherhood's longitudinal Life Chances Study (Taylor & Fraser 2003) showed that 28 per cent of children from low-income families in the study had been unable to take part in some school activities over the past year, because of costs (particularly of uniforms, excursions and camps, fees and books):

*[It is] sometimes hard buying the uniform, [with] pants \$50 each. (What do you do?)
Save money for the uniform. Otherwise they won't go to school if they don't match.*

*Camp? They've never been with the school; we have never been able to afford it.
They can't take part in everything. It makes them and me feel bad.*

School to work transitions

While Australia performs well in terms of the number of young people going on to tertiary study, we have a poor record in the retention of young people to year 12 (or equivalent) and this rate (currently just over 75 per cent) has shown little improvement over the last decade (ABS 2002).

It is of particular concern that those who leave school early are more likely to come from disadvantaged backgrounds. There is a strong relationship between school completion and socioeconomic status, and early school leavers are more likely to have parents in low-skilled jobs or with little education (Mitchell, Cowling & Watts 2003). In turn, early school leavers face higher levels of unemployment and lower incomes and are more likely to end up in low-skilled jobs with poor conditions (McIntyre et al. 1999). Such young people are also more likely to experience poorer health, rely considerably on welfare services and be involved in crime. In addition to such social effects the economic cost of early school leaving has been estimated at \$2.6 billion per year (Spierings 2001).

Effective transition support structures involving schools, young people, families and support agencies are a crucial step in improving this situation. Government must facilitate the process by providing an appropriate policy framework that brings these groups together.

Key requirements for a more effective transitions system include increased funding, better integration between schools and transitions programs, earlier intervention (i.e. from age 12 rather than waiting until 15), closer connections with parents and more support for employers to work with young people.

Tertiary education

At the tertiary level the move toward a full fee paying system will have severe social consequences. Increased fees will provide a significant disincentive for students from low-income families to undertake study, will place large financial pressure on students finishing study and will act as a barrier to participation for those without adequate resources.

UK research shows that for students and parents from financially disadvantaged backgrounds, the costs of higher education, particularly the prospect of large debts through student loans, are a major disincentive (Forsyth & Furlong 2000). These young people are more likely to feel restricted because of a lack of financial support, a reluctance to take on debt and worries about securing a job at the end of their study.

We believe that allowing fees to be increased in the tertiary education sector is inequitable and economically harmful. The short-sightedness of the view of education as a cost rather than an investment is highlighted by University of Melbourne research which confirms the economic benefit of investing in higher education, estimating a return of 10.9 per cent on the funds invested in each cohort of students—higher than almost any other investment (Johnson & Wilkins 2002).

Recommendations

The Brotherhood of St Laurence calls on the incoming Commonwealth government to commit itself to:

- Revise the current Commonwealth schools funding mechanism to ensure that a greater proportion goes to public schools
- Provide increased transition support funding
- Reverse moves towards a full fee paying higher education system.

Health

The decline in bulk-billing, the lack of access to dental care, and for some, the costs of medication and of eye care, are major concerns for people living in poverty and are placing increasing pressure on household budgets. Some of the changes suggested below could be funded by abolishing the inequitable private health insurance rebate or by excluding ancillary services from coverage. This would also improve the fairness of the health system.

Medicare and bulk-billing

The role of Medicare in providing free or reduced-cost hospital and medical services is of great value to all Australians. It is particularly important for people on low incomes who cannot afford private health insurance and for whom even relatively small costs can be a serious obstacle to health services.

The Brotherhood's work with households on low incomes shows that they rely on bulk-billing by general practitioners for access to affordable medical services. From the introduction of Medicare in 1983-84, bulk-billing had expanded by 1996 to cover 80 per cent of GP services (but only one-third of specialist services), but declined to 68.5 per cent of GP services in June 2003 (AMA 2003). This results in uneven access to health services for people on low incomes, especially in country areas where there is little choice of GP.

The decline in bulk-billing is partly caused by rebates for GPs falling behind cost increases, placing them in the position where they cannot afford to bulk-bill. The recent introduction of Medicare Plus has been a step in the right direction, increasing rebates to GPs for consultations with concession card holders or children under 16. However, these changes risk creating a two-tier system, and we believe that it is important that Medicare remain a universal system for all Australians. Increasing the rebate for consultations would encourage GPs to continue or return to bulk-billing, particularly if they had to meet a target rate in order to receive the higher payments.

Dental care

The deep inequalities in access to dental care are well documented. People living on low incomes visit dentists less frequently than the rest of the community, are likely to have teeth extracted rather than filled, and are less likely to get preventive care. Some people who have all their teeth removed have to wait months to receive dentures.

A check-up, scale and clean at a private dentist costs around \$115, with another \$32 for X-rays and \$86–\$194 for each filling (ADAVB 2004). Most people on low incomes cannot afford such fees and turn to the public sector, but inadequate funding means that waiting times are unacceptably long—up to three or four years in some areas. About 500,000 people are on waiting lists around Australia and only about 11 per cent of those eligible for treatment receive it each year (Spencer 2001). In Victoria in 2003 the average waiting time was 25 months (ADAVB 2003), which means people on the list have to be treated by doctors or even admitted to hospitals.

It is unfortunate that the Commonwealth government cut the \$100 million National Dental Health Program, yet spends over \$300 million subsidising private dental treatment through the private health insurance rebate, largely benefiting the wealthy (Spencer 2001).

Eye care

Two major studies of vision impairment in Australia have identified a link between visual impairment and low socio-economic status (Livingston et al. 1997; Thiagalingam et al. 2002). Moreover, experts state that half the vision loss could be corrected and one-quarter could be prevented through early detection (Vision 2020). Access to regular eye examinations is crucial in preventing avoidable blindness in Australia.

A recent study by the Brotherhood of St Laurence has identified significant barriers for low income earners accessing eye care services in Victoria, which may account for the higher incidence of visual impairment in this group.

The study identified that people living on low incomes found both the perceived and actual cost of eyewear to be significant barriers. Respondents stated that they believed they could not afford the cost of glasses so they saw no point in having regular eye examinations. Many low-income earners and service providers were unaware that Medicare provides benefits for eye tests performed by an optometrist, and that 96 per cent of optometrists bulk-bill. Consumers often had no prior knowledge of subsidised eyecare services such as the Victorian Eyecare Service (VES) and believed that they could only access glasses through private optometrists. For vulnerable groups (for example, people living in boarding houses or supported residential services) the cost of VES glasses (\$28.50 for standard glasses and \$42 dollars for bifocals) was still seen as unaffordable.

Recommendations

The Brotherhood of St Laurence calls on the incoming Commonwealth government to commit itself to:

- Increase the bulk-billing rebate for GP consultations not covered by Medicare Plus, to ensure that bulk-billing is available to most Australians
- Establish a jointly funded Commonwealth–State National Dental Health Scheme to improve access to dental services for people on low incomes
- Play a national leadership role in ensuring that eyecare services in every state are accessible to all people living on low incomes.

Indigenous Australians

Poverty and disadvantage among Indigenous Australians

As a group, Indigenous Australians remain the most disadvantaged people in Australia. Their life expectancy is 20 years less than for the rest of the population, and infant mortality is 3–5 times higher. The unemployment rate of Indigenous Australians is 38 per cent, and average incomes are only 65 per cent of the general population (Aboriginal and Torres Strait Islander Social Justice Commissioner 2003). Overcoming these and other barriers to equal opportunities for Indigenous Australians is an urgent task.

The 2004 Budget provides an increase in funding for Indigenous programs of about \$110 million over four years. However, it appears that all of this money comes from abolishing ATSIC and ATSIIS, and does not represent additional investment at all.

Genuine reconciliation

Genuine reconciliation is crucial for the well-being of all Australians but will be achieved only after the continuing injustices affecting Indigenous Australians are remedied. This requires acknowledgment of past wrongs and recognition of the rights of Aboriginal and Torres Strait Islander people flowing from their unique status as Australia's traditional owners as well as their rights as Australian citizens. It involves not only intellectual assent, but also appropriate legislation addressing fundamental issues such as land rights and effective participation in decisions affecting their lives.

A national treaty framework

Australian governments have never formally recognised the Aboriginal and Torres Strait Islander people by way of a formal agreement or treaty. This has left Aboriginal people without a legal basis to remedy injustices as of right or to define their position and their rights as traditional owners and as a people with an established social and cultural structure. 'Practical reconciliation', an agenda devised by government without any consultation with Indigenous people, has failed. By contrast, efforts to support, give voice and respect to Indigenous people through symbolic reconciliation actions appear to have been making a positive difference to practical outcomes for Indigenous people (Altman & Hunter, 2003).

The Brotherhood of St Laurence supports the call by Australians for Native Title and Reconciliation (ANTaR) for a treaty or agreement to be negotiated with Aboriginal and Torres Strait Islander people at all levels of government and with the active participation of the community.

Recommendations

The Brotherhood of St Laurence calls on the incoming Commonwealth government to commit itself to:

- Reaffirm the principles of Indigenous self-determination in the development of policy, program design and service delivery
- Conduct a comprehensive, adequately resourced consultation with Indigenous people in order to develop a representative structure that is culturally appropriate and can deal effectively with Governments and relevant NGOs
- Maintain the existing elected representative structures until a new structure is put in place
- Support the preservation and teaching of Indigenous languages and cultural practices throughout the education system (for example, through the use of Indigenous place names and the celebration of Indigenous achievements and culture)
- Set targets in the areas of health, housing, education and employment, adhering to principles of participation and self-determination, and provide regular public reporting on progress towards targets
- Amend the Native Title Act to ensure that just legal settlements of native title claims can occur and that where transfer of title is not possible, adequate compensation is provided
- Devise a national treaties framework to commence the process by which treaties or agreements will be negotiated with Aboriginal or Torres Strait Islander people at national, state and local levels.

Refugees and asylum seekers

Australia's current refugee policy is a knee-jerk response to the increase in asylum seekers fleeing in terror from Afghanistan and Iraq. The policy criminalises asylum seekers who arrive without a visa, detaining them indefinitely, whilst those arriving with a visa are allowed to live in the community as their claims are processed, although with very limited support. This is an indiscriminate and punitive policy which breaches our moral and legal obligations to protect refugees, as a signatory to the UN Refugees Convention, and is inconsistent with a sense of compassion.

Mandatory detention of asylum seekers

People arriving in Australia seeking protection, but without travel documentation, are locked up in remote, high-security detention centres for the entire duration of processing, which is often years, even if they are considered vulnerable by the government's own definition (for example, children and pregnant women). This is extremely detrimental to people's well-being and particularly harmful to children's social, emotional and psychological development. Shamefully, our policy still requires that children live in high-security detention settings. The system contradicts our principles of just treatment and has proven to be incredibly costly. Funds would be better spent on improved claims processing and support services, as well as cooperative international efforts to find long-term solutions for conflict.

Bridging visas without support and temporary protection visas

People arriving with travel documentation who subsequently claim asylum are allowed to live in the community on bridging visas without support; they cannot access government-funded welfare agencies and must rely on charity. If they exercise their right to appeal beyond the Refugee Review Tribunal, or fail to apply for protection within 45 days of arrival (a requirement of which they may be unaware), they are placed on a Bridging Visa E. Bridging Visa E holders are denied work rights, income support and Medicare, forcing them to live at risk of homelessness and destitution. Nonetheless, their existence in the community demonstrates that they pose little threat of absconding, despite being treated as second-class citizens facing deliberate social exclusion and often pushed to despair.

Once detained asylum seekers are recognised as Convention refugees, they are released on Temporary Protection Visas (TPVs). Logically, they need the specialist support services that the Australian government itself states (in its Settlement Program) that refugees require. However, these refugees are further punished and excluded by policies that bar them from the essential support services provided to other refugees. This creates an under-class of refugees, further damaging their well-being and increasing the long-term costs of settlement. It also denies the contribution that refugees can make to Australian society (as seen, for example, in rural Australia). Suffering is increased by policies preventing reunification with spouses and children (who remain in precarious situations), and the requirement to prove again that they are refugees after just 36 months—something that no other country asks of refugees.

Targeted resettlement programs

Economic participation is central to a person's ability to contribute and thus integrate into Australian life. Many refugees were highly skilled professionals in their home countries, yet 75 per cent are unemployed 18 months after arrival (DIMIA 2002). The government's Review on Settlement Services for Migrants and Humanitarian Entrants (DIMIA 2002) notes that central to employment outcomes for new arrivals are work experience and the ability to combine this with job search, English language acquisition and other training elements. However, few Australian employment and education programs specifically target refugees. The Brotherhood's Given the Chance Program demonstrates that targeted programs are a more effective option to enable refugees to gain meaningful employment.

Recommendations

The Brotherhood of St Laurence calls on the incoming Commonwealth government to commit itself to:

- Implement the alternative system developed by the Brotherhood of St Laurence and other welfare agencies, which unifies the management of asylum seekers without compromising security concerns, features different levels of accommodation options, early risk assessment and case management by social workers and is 18 per cent cheaper than the current system
- Ensure that asylum seekers living in community settings, regardless of how they arrived in Australia, can access appropriate support systems, including the right to work or income support and Medicare, enabling them to receive adequate care whilst meeting compliance requirements
- Replace Temporary Protection Visas (TPVs) with permanent visas, providing a permanent solution for refugees and ensuring full access to the services available to other refugees
- Introduce a Complementary Protection Visa, to grant permanency to TPV holders and others who cannot return to their country of origin for compelling humanitarian reasons
- Establish targeted educational and labour market programs for refugees based on the Given the Chance Program.

Children and families

Children and youth are central to concerns about the impact of living in poverty. Social policy needs to be formulated to facilitate children's rights and their participation in society. This is especially necessary where children are experiencing poverty in terms of inadequate income or where their parents experience mental illness, unemployment or disability.

Children living in poverty

Many families with children in Australia are struggling to provide for their children's basic needs, while others are able to provide their children with 'every opportunity'. Families with children constitute more than half the people living below the poverty line (Harding et al. 2001).

Two major changes in Australian families have influenced poverty and inequality over recent years. First, employment has become more concentrated in some households. There are both more households with two wage-earners and more with no-one in the paid workforce. Seventeen per cent of children are living in families with no parent in paid employment (ABS 2004a). Second, higher rates of separation and divorce have led to more one-parent families. Sole parents face greater barriers in getting paid employment since they do not have a partner to share child-care and must rely much more on paid child-care. Sole-parent families have almost twice the poverty rate of two-parent families (Harding et al. 2001).

One in five children are living in families with an inadequate income (McClelland 2000). These children may: not be receiving a balanced diet; have unstable housing; not be able to participate in all school activities; be more likely to suffer from health problems; experience stigma; and develop low self-esteem. While some families move in or out of poverty over time, for many it is a long-term experience. The Life Chances Study found three-quarters of the children in the study whose families were on low incomes when they were born were still living on low incomes 12 years later (Taylor & Fraser 2003).

The 2004 Budget initiatives to increase the rate of Family Tax Benefit (FTB) A by \$600 per year per child, the easing of FTB withdrawal rates and the introduction of the maternity payment are very welcome, and will help families meet the costs of raising children. The relatively modest increase of \$12 per week per child, though, will mean many low-income families will continue to struggle.

Family payments can go only part of the way to addressing child poverty. The Commonwealth government must take a leadership role in addressing childhood poverty by implementing policies for more affordable housing, better access to employment and adequate income support payments mentioned elsewhere in this document.

Early childhood programs

Recent research confirms the fact that early childhood is a crucial period in human development, during which the foundations for future well-being are established. Early stress, particularly associated with poverty, family discord, abuse or neglect, can disrupt learning and social and emotional development, often with long-term adverse consequences. It is vital that children are protected against such risk factors in these critical early years and instead experience supportive environments.

In recognition of this, increasing attention is needed to support parents and families in the care of their children and to create the education and care environments necessary for positive development.

Investments in prevention and early intervention activities should receive renewed emphasis. These activities can provide greater benefits than more costly and less effective interventions later in life, particularly for children growing up in socially excluded circumstances. In line with this evidence, the Commonwealth should prioritise the needs of young children, in particular those who are more vulnerable.

Child-care is essential if parents with young children are to take up opportunities for employment, education and training—some of the pathways out of poverty. The Brotherhood's work with low-income families shows that child-care costs are still a significant obstacle, especially for families with more than one child and with parents involved in casual and contract work. Better funding of and access to child-care services may have additional benefits by allowing more parents to work and reduce their reliance on income support payments. The budget announcement of 40,000 extra after-school care places is welcome, but this will do little to improve the affordability of child care which remains a problem for low-income families.

Early childhood education programs are vital for building children's abilities and capacities. They enable children from disadvantaged backgrounds to start school with the skills and self-confidence to succeed in learning. They also make a major positive difference in the lives of children with disabilities. The cost of pre-school has increased considerably and means that some children in low-income families miss out.

Recommendations

The Brotherhood of St Laurence calls on the incoming Commonwealth government to commit itself to:

- Ensure that sufficient child-care is available at a cost which low-income families can afford, by increasing Child Care Benefit
- Develop a national policy in conjunction with the states and territories to guarantee a year of preschool education for every child
- Ensure that equal educational opportunities are available at all stages, including early childhood, school/work transitions, and post-secondary education and training
- Address needs of children with particular disadvantage, including Indigenous children living in poverty, children and youth with mental illness or with a parent with a mental illness, and homeless young people
- Ensuring parents in employment have adequate carer's leave entitlements and control over working hours to facilitate work-family balance
- Appoint a Commissioner for Children to protect and facilitate the rights of children.

Aged and community care

Australians have a right to expect that the government will ensure the provision of a universal standard of care as they age, in a manner that is flexible enough to take account of their culture, ethnicity and location as well as their specific care needs. Unfortunately, inadequate funding of the aged and community care system is threatening the quality of care and support that can be provided.

Funding shortfalls in aged care

Providers of both residential aged care and community care services are facing increased care costs and falling real incomes. The Victorian Association for Health and Extended Care (VAHEC) reports that a survey of aged care services in Victoria showed that 56 per cent of respondents were in deficit in the last financial year. Small facilities (with less than 40 beds) are losing, on average, about \$129,000 per year, resulting in concerns about viability for many providers. Reduced quality and amount of care is the result, as providers spread their services more thinly and decrease the time that can be spent with clients. Difficulty attracting and retaining skilled staff, which also impacts the quality of care provided, is a consequence of the relatively low wage rates paid to residential and community care workers.

Given these concerns, the 2004 Budget announcement of an extra \$2.2 billion to be spent over four years is good news. The increase to funding for daily care subsidies, capital works, concessional and transitional residents and investment in staff training is very welcome and much needed. However, the funding provided will not be enough to ensure a sustainable industry, and further investment is still required: community care services received very little attention in the Budget, and remain very under-funded.

A key target group for the Brotherhood's residential aged care services is older people on low incomes, who may also be socially isolated and have complex care needs and challenging behaviours that result from mental health problems, substance abuse or cognitive impairment. Providing care for this group of older people can be more costly than for other residents as extra staff may be required to help them adjust to community living, and to develop acceptable social and personal hygiene behaviours. The increase in the payment (from \$13.50 to \$16.25 per day) for the actual care of these older people will help, but we fear is still inadequate; and it does not provide for the cost of capital works. The BSL estimates it needs to spend \$12 million to upgrade its residential aged care services.

Funding available through Community Aged Care Packages (CACPs) is inadequate to provide an appropriate level of care for many of the older people with complex needs who wish to remain living at home. Providing physical care becomes a priority, with the isolation and exclusion being experienced by many people on Packages not being addressed.

Young people in nursing homes

Many young people, often with neurological conditions or acquired brain injury, are inappropriately placed in aged care nursing homes. In most areas of Australia, nursing homes are the only option that can provide the physical care they require, but the facilities are not equipped to assist people lead the lifestyle they desire. More appropriate options must be found.

Recommendations

The Brotherhood of St Laurence calls on the incoming Commonwealth government to commit itself to:

- Adequately fund capital works for aged care facilities with a large proportion of concessional residents
- Implement strategies to address the shortage of qualified staff in residential and community care
- Increase the daily resident subsidy to \$20 for concessional residents, and increase funding for Community Aged Care Packages by 10 per cent
- Provide greater access to respite services and day programs to meet the identified need for overnight, short and medium stay options and emergency respite
- Implement the 5-point plan developed by the National Advocacy Alliance for Young People in Nursing Homes to create choices for young people who are currently living in nursing homes.

Taxation

The need for government revenue and expenditure

Over the coming years, Australia will require greater public spending to meet community needs such as health, education, job creation, social security and aged care. Population ageing will place greater demands on health spending, and increase the need for aged care services.

In order to remain competitive in the knowledge economy, Australia needs a highly skilled and educated workforce. Greater investment in education, including secondary, tertiary and vocational sectors, will be necessary to meet future demand for higher skilled workers. Already, there are some signs that employers are unable to find staff in some skilled trades occupations. At the same time, there is a pool of underutilised workers who are willing and able to work but need more training in order to fit into the new economy. For example, many mature age workers have worked in lower-skilled manufacturing jobs but need retraining before they have any reasonable chance of remaining in employment or moving into another industry.

Loopholes weaken the tax structure

Australia's level of taxation is too low to meet these growing needs. Australia is the fifth lowest of 27 OECD countries in terms of overall tax rates. A particular problem is the major loopholes being used by high-income earners to avoid their tax responsibilities, including the widespread use of family trusts in a manner for which they were never intended (Buddelmeyer, Dawkins, Freebairn & Kalb 2004). At the same time, 'bracket creep' pushes low and middle income earners into higher tax brackets as their incomes increase, since the tax thresholds are not indexed to inflation.

While there is a case for reviewing tax thresholds, the changes announced in the 2004 Federal budget are arbitrary and regressive since they benefit only the wealthiest 20 per cent of wage earners. Rather than the current ad hoc tinkering with the tax system, we believe an incoming government should conduct a review of the adequacy and fairness of the current tax mix in light of future revenue needs. This review should explore ways to broaden the base of the tax system by plugging loopholes which benefit mainly the well-off, and consider indexing tax thresholds to eliminate bracket creep. Funding for changes to income tax thresholds to deal with bracket creep should come from base-broadening measures.

Recommendations

The Brotherhood of St Laurence calls on the incoming Commonwealth government to commit itself to:

- **Conduct a review of the income tax system aimed at broadening the tax base system by plugging loopholes which benefit mainly the well-off.**

Government and civil society

The BSL wants to see social and environmental sustainability added to expectations of good government. It is quite another issue to find the governance arrangements which can make this happen. This is very much an emerging policy issue but one which we believe is of crucial importance. There are a range of areas where new governance issues have been emerging. The private sector, for example, has been assuming a greater role in terms of social responsibilities in recent years. Volunteers are being called on to assume greater responsibilities for social outcomes. The community sector has also undergone immense change as a result of the contracting out of many services. These changes in roles have occurred in a context where there is growing concern about what are seen as declines in the stocks of the nation's social capital, or loss of a sense of community.

Social governance is concerned with how citizens are involved in policy and decision-making processes. Its importance is recognised in many countries, especially in the European Union. This concept is being recognised in Australia, although we are still in the early stages. It denotes a shift in social administration to include the private sector and civil society as co-producers with government of social, environmental and economic outcomes.

A great paradox over the last decade has been the disregard of the contributions the community sector in Australia can make to the democratic process at the very time when the virtues of civil society have been trumpeted. This disregard has surely been a key ingredient in the 'democratic deficit' currently afflicting our society. It is also now a key driver in the policy push to 'community' renewal and strengthening.

These issues have received great prominence in other countries such as the United Kingdom where there have been massive policy responses to area-based disadvantage through programs of regional development and neighbourhood renewal. The Australian states have also followed this trend with the Victorian Government, for example, setting up a Department for Communities and a similar agency created in Queensland. Interest at the Commonwealth level has been more limited and to date there has been little sign of the parties intending to take a lead role in re-engaging with communities, coordinating a national response to area and community-based disadvantage.

Recommendations

The Brotherhood of St Laurence calls on the incoming Commonwealth government to commit itself to:

- Establish a summit of government and community agencies to develop a common understanding about the relationship between the government and non-government sectors
- Develop a new 'social compact' to replace the competitive tendering model
- Set up a national information, resource and training centre to promote the adoption of good governance principles.

Conclusion

Australia has enjoyed a long period of economic prosperity since the early 1990s. This has been a substantial achievement but some Australians have enjoyed the benefits to a far greater extent than others. In fact, many continue to be excluded from decent employment, affordable housing, an adequate income and accessible health, and early childhood and aged care services. Some groups, particularly Indigenous Australians and asylum seekers, continue to be grossly marginalised. Our strong economy and federal fiscal position provide the opportunity to invest in creating a more equitable and cohesive society. We call on all those who will be seeking to represent the Australian people at the next federal election to take up this challenge.

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