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## Submission to Australia 2020 Summit

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*\*\*\* This submission addresses Topics 1-9 \*\*\**

## **1. The future of the Australian economy**

### PRIORITISING SOCIAL INCLUSION

Our “2008-09 Pre-Budget submission to Commonwealth Government”  
(<http://catholicsocialservices.org.au/publications/submissions>):

“First, social inclusion pays dividends in economic terms. This is so for reasons eloquently explained in the [ALP's] November 2007 social inclusion policy. Many of the pay-offs of social inclusion expenditure will emerge only in the longer term, such as those arising from early childhood initiatives commenced now. But social inclusion, like climate change, is an area where the costs of not acting are higher than the cost of acting.

Secondly, social inclusion expenditure would provide better insurance against future economic bad times than would a marginally higher 2008-09 Budget surplus. This is because such expenditure is an investment in the future productivity and capacity of the Australian economy and should reduce future outlays in a range of social policy areas, including income support.

Thirdly, a moral imperative calls for social inclusion measures even – or especially – in cases where social inclusion does not ‘pay’ in an obvious economic sense...

Fourthly, balancing the budget and attaining any specific target for a Budget surplus is essentially a matter of prioritising. ... [W]hatever dollar figure is targeted for the budget surplus, it is incumbent on government to ensure that all citizens have access to essential services and infrastructure...

Finally, if as a society we cannot fund social inclusion at a time of huge surpluses and economic prosperity with a Government firmly committed to promoting social inclusion, what future will our society's most vulnerable people face when economic conditions are less than favourable?”

### CONCENTRATED DISADVANTAGE

Our major recent study by Professor Vinson mapped disadvantage across Australia (“Dropping Off the Edge”, 2007). It found that 1.7 per cent of communities across Australia accounted for over seven times their share of top-

ranking positions of major factors causing or demonstrating intergenerational poverty.

## INFRASTRUCTURE

Access to affordable transport, energy, communications and water should be essential criteria of any work regarding infrastructure.

Infrastructure Australia should have at least one dedicated place for the community sector. Our sector has unique expertise regarding the needs, circumstances and constraints of low-income earners – which must be taken into account in planning infrastructure and the terms upon which it is provided (e.g. nature/extent of community service obligations).

## SUGGESTIONS

- (a) Policy development should be targeted to communities in greatest need, with empirical work on the distribution of disadvantage informing policy-making across governments.
- (b) “The promotion of social inclusion” should be an explicit objective of COAG’s Infrastructure Working Group.
- (c) There should be at least one dedicated place for the community sector on the new body called Infrastructure Australia.
- (d) On climate change, see recommendations made in our 2007 Joint Submission, with BSL and NWRN, to Prime Ministerial Task Group on Emissions Trading (<http://catholicsocialservices.org.au/publications/submissions>).
- (e) Regulatory reform should address problems affecting the community sector (e.g. by the establishment of a single body across Australia for checking NGOs’ financial and governance credentials).

## **2. The productivity agenda – education, skills, training, science and innovation**

Our comments here are confined to Job Network.

Job Network's performance management system is stifling innovation and limiting effectiveness.

Job Network's star ratings system attempts to drive improvements in effectiveness by ranking providers and reallocating business from low performers to high performers. This process discourages providers from sharing information on best practices and encourages increased effort rather than innovation.

The star ratings system is similar to the forced ranking systems many companies use to manage employee performance — systems sometimes described as 'rank and yank'. Over time, the system is meant to drive poor performing Job Network providers out of the market and replace them with more able providers.

When applied to individual employees 'rank and yank' systems can significantly improve organisational performance — but only in the short term. After a few iterations, new applicants are no more able than the employees who have been culled.

In the Job Network system the number of providers tends to contract as poorer performers give up business to higher performing providers. Often these providers hire staff from those whose business they have taken over.

Because providers must compete with each other for survival there is little incentive to publicise information about best practice. And the constant threat of losing business discourages the kind of risk taking that might lead to innovation (especially innovations that might lead the department to alter its performance criteria).

To encourage greater innovation the Department of Education, Employment and Workplace Relations should consider:

(a) Working with poorly ranked providers to find ways of improving their performance rather than automatically reallocating business. This would help reduce fear and encourage providers to trial new approaches.

(b) Making information about Job Network performance more readily available to outside researchers. This would encourage better informed debate within the policy community.

(c) Encouraging experimentation by funding demonstration projects based on promising practices. Ideally these would include randomised control trials.

(d) Identifying and publicising examples of successful innovation.

While the current performance management system may have removed some poor performing providers from the market and encouraged increased effort, it has also removed good providers not scoring well under the current system, and is doing a poor job of encouraging providers to innovate. Future improvements in performance depend on this.

### **3. Population, sustainability, climate change and water**

See our 2007 Joint Submission, with BSL and NWRN, to the Prime Ministerial Task Group on Emissions Trading

(<http://catholicsocialservices.org.au/publications/submissions>):

#### SUMMARY

“This joint submission focuses on the need for appropriate measures to ensure that neither climate change itself, nor measures taken to address it, have in practice an adverse and unfair impact on low income or otherwise disadvantaged households.

Climate change itself will have a disproportionate impact on low income and disadvantaged people and communities, as is apparent from the evidence cited in this submission. For this reason, and because of the growing scientific evidence regarding the broader challenges posed by global warming, we endorse the need for urgent and significant action to reduce greenhouse gas emissions, one significant component of which is an Emissions Trading System (ETS), along with substantial reductions targets, in order to reduce greenhouse gas emissions....

Carbon pricing in whatever form is regressive and will have a disproportionate impact on low income and disadvantaged households unless it is accompanied by comprehensive, well-targeted and well-funded policies and programs designed to ensure that these households do not suffer financially and do not miss out on the opportunities created by moving to a lower emissions, sustainable future.

Funding must be committed, whether sourced from a dedicated ETS-derived national fund or from general Government revenue, to implement widespread programs across Australia to assist low income and disadvantaged people to improve the sustainability and efficiency of their households (private, public and rental) and to help them meet ETS-caused price increases in a wide range of goods and services, including, but not limited to, energy and transport.”

#### RECOMMENDATIONS (ABRIDGED)

(1-2) An Australian negotiating objective for relevant international instrument/s should be a provision permitting domestic action by any country to ensure that low income and disadvantaged households are not disproportionately affected.

(4) Policy making/implementation on measures addressing climate change should:

(a) Incorporate equity issues as an integral element, ensuring disadvantaged households don't bear a disproportionate share; and (b) Facilitate input by stakeholders (e.g. community sector).

(5) Transparent evaluation of overseas experience of programs designed to minimise inequities in climate change response policies.

(6) Usage of the climate change equity principles (responsibility, capacity and vulnerability) to assess ETS models – especially:

(i) Capacity and vulnerability of low income and disadvantaged households, and  
(ii) Ways to compensate such households for disproportionately adverse impacts of emissions trading.

(7) Governments' acceptance of responsibility for ensuring adequately-funded and effective programs to minimise adverse impacts on low income and otherwise disadvantaged people of any ETS:

(a) Financial compensation programs to compensate relevant households for both direct increases in energy/transport costs and other price increases (as business passes ETS-related costs to consumers); and

(b) Energy efficiency assistance programs (business involvement would also be welcome here).

(8) Commonwealth Government commitment to funding programs suggested at (7) above.

(9) For equity and revenue reasons, there should be no provision for free initial emissions permits for existing businesses.

#### **4. Future directions for rural industries and rural communities**

##### ADDITIONAL QUESTIONS FOR SUMMIT

Specific focus is needed on addressing challenges to the provision of social services in rural areas.

##### DELIVERY OF SOCIAL SERVICES IN RURAL AREAS

The costing of rural and regional service delivery by non-government agencies deserves priority attention. For sustainable rural and remote service delivery, realistic costings – incorporating establishment and infrastructure – should be used, rather than simply reacting to drought or natural disaster. Rural servicing is different to metropolitan servicing. The same formulae with at best a small rural loading do not work. Recruitment, retention, travel and professional development all come with high financial, time and people costs – cost which are currently not factored in when target numbers are set.

A second issue is how to build and sustain rural communities. The current dilemma is whether tendering criteria for service delivery in rural and regional areas should accord any weight to the fact that a tendering organisation is already providing services in rural and regional areas. This factor should carry substantial weight. Rural areas are suffering because contracts are awarded to organisations with no local knowledge and no (or token) infrastructure. Such organisations then take enormous amounts of time to establish any service, much less real links with the community. Just as financial and governance credentials are important, so too is evidence that the agency can function well in demanding rural or regional environments.

##### SOME PRACTICAL SUGGESTIONS FOR THE SUMMIT

(a) Medium- to long-term place-based initiatives should be established in rural locations affected by concentrated disadvantage (as mapped by e.g. Tony Vinson, *Dropping off the edge: the distribution of disadvantage in Australia*, CSSA & JSS, 2007).

(b) More realistic costing mechanisms should be maintained for calculating funding for government programs delivered by non-government agencies in rural areas.

(c) Tendering criteria for the delivery of social services in rural areas should include whether successful current or past experience of rural or regional service delivery.

(d) Wider efforts to address challenges facing the community sector workforce should place special priority on addressing skills shortages in rural and regional areas.

(e) Policies ensuring fast, affordable internet access in rural areas should be prioritised (on an ongoing basis).

(f) Wider efforts to guard against any inequitable consequences of climate change action should be especially prioritised in the rural context.

(g) The impact of drought on entire rural communities must be borne in mind. For example, farm workers should not be excluded from the benefit of increases in the minimum wage (as happened in 2007).

(h) A concern with social inclusion must be “mainstreamed” into all governments’ policies on rural issues (through such means as the ideas suggested above).

## **5. A long-term national health strategy**

We welcome the recent focus on a long-term national health strategy.

It will be important that this strategy:

- (a) Addresses current shameful inequities in access to dental care,
- (b) Places special priority on mental health issues,
- (c) Includes special provision for locations of concentrated disadvantage (as mapped by e.g. Tony Vinson, *Dropping off the edge: the distribution of disadvantage in Australia*, Catholic Social Services Australia and Jesuit Social Services, 2007), and
- (d) Is appropriately integrated with a wide range of other policy/program areas.

This brief comment focuses on point (d) above by drawing attention to just three examples of other relevant policy areas:

- (1) EMPLOYMENT PARTICIPATION POLICIES must be formulated and implemented with sensitivity to the high incidence of mental illness among some categories of jobseekers – or else “non-health” policies will be acting to undermine the mental health of some of the most vulnerable members of our community.
- (2) Fresh food and vegetables unfortunately cost more than less healthy alternatives – and may be viewed as a luxury by those “living on the edge”. As we have argued elsewhere, the adequacy and indexation of INCOME SUPPORT payments should be urgently reviewed.
- (3) WORK AND FAMILY policies are important to any health policy which focuses on illness prevention and the avoidance of poor lifestyle habits. Effective work and family policies promote a healthy work-life balance, enable time to care for sick family members, and help to build strong family relationships and minimise family breakdown.

## **6. Strengthening communities and supporting working families**

The Executive Director of Catholic Social Services Australia, Mr Frank Quinlan, will participate in his personal capacity in Australia 2020 Summit discussions on this topic.

### **SOCIAL INCLUSION**

Catholic Social Services Australia and Jesuit Social Services have commissioned and published the following significant research on social inclusion:

Tony Vinson, "Dropping off the Edge: the distribution of disadvantage in Australia", Catholic Social Services Australia and Jesuit Social Services, 2007 (<http://www.australiandisadvantage.org.au/>)

"Leading Nationally - Responding Locally, Building social inclusion in localities on the edge. A policy paper to guide response to Dropping off the Edge", March 2008 (Policy framework commissioned by Catholic Social Services Australia and Jesuit Social Services) ([http://www.catholicsocialservices.org.au/system/files/Annex\\_C\\_COAG\\_\\_Final.pdf](http://www.catholicsocialservices.org.au/system/files/Annex_C_COAG__Final.pdf))

"A Snapshot - Leading Nationally - Responding Locally, Building social inclusion in localities on the edge", March 2008 ([http://www.catholicsocialservices.org.au/system/files/Annex\\_D\\_Snapshot\\_Final.pdf](http://www.catholicsocialservices.org.au/system/files/Annex_D_Snapshot_Final.pdf))

## ***7. Options for the future of Indigenous Australia***

We warmly welcomed the historic apology to Indigenous Australians made by the Commonwealth Parliament on 13 February 2008.

As stated in our media release of 13 February 2008:

"It is our hope that today will mark the beginning of a more constructive era in which reconciliation can move forward in a way that brings some healing as well as measurable improvements in the life experiences of Indigenous people. We cannot rest until all Australians enjoy equality of health outcomes and equality of opportunity.

Catholic Social Services Australia and its member organisations look forward to participating in this new era, as part of a concerted national effort to 'close the gap' between Indigenous and other Australians without denying the impact of past policies."

Our concerns about some policy measures were detailed in our January 2008 submission to DFAT on Australia's compliance with the UN Convention on the Elimination of Racial Discrimination (available at <http://catholicocialservices.org.au/publications/submissions>), where we expressed particular concern about statutory measures regarding:

- (a) The application on the basis of race of welfare "quarantining";
- (b) The associated removal of social security appeal rights;
- (c) An approach to sentencing for Commonwealth and Northern Territory offences which produces racial discrimination; and
- (d) An unwarranted exclusion of the operation of the Racial Discrimination Act 1975 (Cth) from significant Commonwealth legislation having a racially discriminatory effect.

## **8. Towards a creative Australia: the future of the arts, film and design**

It's true "some Australians experience barriers, both practical and social, to engagement" (Background Paper, p.7). This applies to engagement as consumers or creators.

How do we realise the right of EVERYONE in Australia to take part in cultural life – whether as audience or, if relevant, creators?

### OPPORTUNITIES FOR CREATIVE EXPRESSION

Music, drama and the visual and other arts can enable some of the most marginalised people in our community to express themselves.

This expression matters.

It can help empower and raise the self-esteem of people facing major life difficulties.

It may give rise to a confidence and a voice impossible through other avenues because of lasting consequences of disadvantage experienced earlier in life.

The art of disadvantaged people can communicate to others, more meaningfully than statistics or reports, some understanding of the life experiences of those not faring well in our society.

The broadest possible access to artistic expression will not just enhance equity but make it less likely for talent to go unnoticed for want of opportunity. It will enrich us all.

Especially important is internet access (Background Paper, p.3 re increase in people employed in "software and digital content industries"; see also Tony Vinson, "Dropping off the edge: the distribution of disadvantage in Australia", 2007, p.97).

Under Article 15 of the International Covenant on Economic Social and Cultural Rights, Australia recognizes "the right of everyone...to take part in cultural life"; and agrees that its steps towards the full realization of this right "shall include those necessary for the conservation, the development and the diffusion of science and culture".

### OPPORTUNITY TO APPRECIATE ART

We welcome the focus on this issue in the Background Paper. Australia must increase the opportunities for those on low incomes, and those in rural and regional areas, to have meaningful access to a wide range of cultural activity.

#### SOME PRACTICAL SUGGESTIONS

(a) As an integral component of arts funding, ensure dedicated resources to enable creative work by disadvantaged people (be this in music, film, literature, the visual arts or any other field).

(b) Concerted effort to raise the profile of the arts in schools in disadvantaged and remote areas, backed by the appropriate teaching and other resources.

(c) Ensure that government-funded arts projects promote affordable access to their output to disadvantaged Australians (with associated revenue shortfalls compensated by additional government funding).

(d) Dedicated pool of funding for arts-based projects in localities of concentrated disadvantage (as identified e.g. in Vinson, "Dropping off the edge").

(e) Offset disadvantage accruing to those without internet access by dedicated place-based programs; and by expanding to all income support recipients the special internet allowance now payable to aged pensioners and carers.

(f) As part of a broader review of Commonwealth Government working-age workforce participation programs, provide that well-evidenced efforts to produce creative work can in appropriate cases substitute for jobseeking efforts.

(g) Ensure that implications for Indigenous artists are appropriately considered in reviewing the Community Development Employment Projects scheme.

## **9. The future of Australian governance**

### HUMAN RIGHTS AND DISADVANTAGE

Discussions of statutory human rights charters in Australia should encompass not only civil and political rights but also economic and social rights.

As the U.S. Catholic Bishops have noted, in explaining the Catholic Social Teaching tradition favouring the “option for the poor”:

“The ‘option for the poor’, therefore, is not an adversarial slogan that pits one group or class against another. Rather it states that the deprivation and powerlessness of the poor wounds the whole community. The extent of their suffering is a measure of how far we are from being a true community of persons” (U.S. Catholic Bishops, “Economic Justice for All”, 1986, #88).

The Summit’s discussion of governance issues should be informed by this awareness that powerlessness or deprivation among any of us diminishes us all.

### ROLE OF NON-GOVERNMENT ORGANISATIONS

We welcome indications of the new Commonwealth Government’s commitment to forge a new partnership with non-government organisations.

For some time, government has sought greater involvement by community organisations in providing social services formerly provided by government. This is because the community sector has distinct advantages which neither the private sector nor government can match. Those advantages include flexibility, innovativeness and community links. Regrettably, the models of accountability and compliance which increasingly accompany government funding are eroding the distinctiveness of the community sector. More discretion needs to be delegated through block funding and untied grants to enable local creativity and ownership to be generated. And the red tape and excessive regulation constricting the community sector requires urgent review.

### COUNCIL OF AUSTRALIAN GOVERNMENTS (COAG)

It is crucial that all COAG bodies engage in extensive and adequately resourced community consultation.

Our Open Letters to COAG Participants (of 19 December 2007 and 20 March 2008) are available at [www.catholicsocialservices.org.au](http://www.catholicsocialservices.org.au).