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Towards a fairer Australia

ACOSS 2007 Election Statement

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Summary

As Australians prepare to vote in 2007, they face important choices over the future fairness of their country. Australia's headline figures of economic growth and low official unemployment stand in stark contrast to the daily reality of two million Australians who live in poverty.¹

Despite economic prosperity, one in ten Australians struggle to pay for the bare basics such as housing, food, utilities and health care and often cannot access other essentials such as work, education, aged care, child care, counselling and legal services. The social and economic cost of this disadvantage can be seen in 'poverty postcodes', typically on the outer edges of metropolitan cities and in rural areas, where many people are unemployed, have minimal levels of education, live on low incomes and often have disabilities and illness.

With decades of experience providing services and support to Australians from all States and Territories, ACOSS and its members know what works in giving all Australians a fair go. Australia needs a coordinated, well-resourced approach which provides solutions to the problems disadvantaged Australians face in daily life and provides them with skills, resources and opportunities to take the next step forward.

This year, Australia's elected leaders and politicians have a unique opportunity to use the resources from economic growth to lower joblessness, disadvantage and social exclusion. It is time for all political parties in Australia to support national action with targets to reduce poverty and disadvantage in areas such as health, education, welfare, housing, services, work and wages.²

Twenty-two of the 30 OECD nations have approached the challenge of disadvantage by adopting action plans, involving cross-departmental work, targets and deadlines.

This paper sets out the principles and policy directions that would serve the needs of low income and disadvantaged Australians. Every year, ACOSS prepares a detailed and costed set of policy calls for the Federal Budget. *Towards a Fairer Australia* is intended to provide a framework for ongoing assessment of all political parties' proposals and policies.

ACOSS and its members call on all political parties to:

- Address the needs of disadvantaged Australians in this year's election in their political and economic commitments to voters.
- Support greater investment in services to deliver benefits through social spending to all Australians.
- Endorse the creation of a national anti-poverty plan to reduce the causes and levels of poverty and disadvantage in Australia.
- Address specific needs for reform and funding for community services, health, housing, law and justice, Indigenous disadvantage, work and welfare.

Now is the time for politicians to take a pledge to ensure a fair go for all Australians.

¹ New research from the Social Policy Research Centre at the University of New South Wales indicates that in 2004, 1,935,000 or 9.9% of Australians including 365,000 children lived below the most austere poverty line widely used in international research.

² For details of other countries which have undertaken poverty targets and plans see report *A Fair Go For All Australians* on <http://www.australiafair.org.au/public/Publications.aspx?ArticleID=1646>.

Community Services

Issues

The strength of individuals, families and communities is dependant on the ready availability of good quality services that assist families, for example child care and community aged care, and services for people who are homeless, experiencing domestic violence or dealing with drug and alcohol problems.

Although there is strong public support for greater investment in services to support people in their communities, there is a deep well of unmet need in Australia's community services system. Ideally, greater investment and better planning of community services should be accompanied by, and fit within, a program to address structural contributors to disadvantage and inequality - including employment, housing and tax and welfare policy - which help drive unsustainable demand for some community services.

Overall, demand for services is high - the *Australian Community Sector Survey 2007* found that 1 person was turned away from a service they needed for every 16 people who received a service from agencies last year. Services particularly under strain included housing services and disability support accommodation (1 person was turned away for every 4 people who received a service), community legal centres (1 in every 5), child care (1 in every 12), and emergency relief services (1 in every 14).³

Other unmet demands include:

- In 2005, unmet demand for disability accommodation and respite services was estimated at 23,800 people. There is also a shortage of appropriate services for younger people with a disability.⁴
- More than 400,000 older Australians living at home have unmet needs for community care services. Less than half of all Home and Community Care (HACC) service providers received a score of 'high' in the most recent HACC National Standards Appraisal and about one quarter of providers received a score of 'basic' or 'poor.'⁵
- At present, unpaid family and informal care accounts for 74% of the support provided to older people and people with disability. There are 57 primary carers for every 100 older persons needing care. By 2031 the availability of carers is expected to have fallen to 35 carers per 100 older persons needing care – a reduction of 39% - significantly increasing the demand for formal care.
- Child care costs have increased by 40% from 2000 to 2004 and many parents report difficulties getting places in their area.⁶

Recent attention to the disadvantage experienced by Indigenous communities also highlights the requirement for substantive and sustained investment to improve opportunities for the most disadvantaged Australians, as discussed further in the *Indigenous Communities* section.

³ See report and media release on <http://www.acoss.org.au/News.aspx?displayID=99&articleID=2102>

⁴ Allen Consulting Group, Report to Community Care Coalition, *The Future of Community Care*, March 2007, page vii.

⁵ Allen Consulting Group, Report to Community Care Coalition, *The Future of Community Care*, March 2007, page vii.

⁶ See ACOSS report *Fair Start: 10 point plan for early childhood education and care* on www.acoss.org.au

Call to the Parties

ACOSS and its members call on all political parties to endorse:

Improved access and quality of community services

- A review of Commonwealth/State responsibilities in funding and delivering community services, with a view to agreeing a Commonwealth/State community service guarantee designed to ensure that all Australian residents enjoy affordable access to good quality community services no matter where they live.
- Services funded according to population need and the costs of delivery, with greater use of fund pooling at the local or regional level so that the mix and type of services can be adapted to local and regional needs.
- Ensuring that services provided for Indigenous people are Indigenous-owned and controlled. Where this is not possible, then ensuring that mainstream services are provided in a manner which is culturally appropriate for Indigenous people.
- Services being culturally-appropriate, including language translation and other supports, to ensure people from non-English speaking backgrounds are not disadvantaged in their access to and use of services.
- Commitments to fund research into the effects of policy and program interventions and to use this research to inform the development of more effective policy and programs.
- Reform of the child care / preschools systems to create an integrated system of high quality early childhood education and care which is accessible and affordable.
- Investment in trials of high impact early childhood development programs for disadvantaged children and commitment to expand programs that are shown to be effective.
- Increased base funding for aged and disability community care and improved linkages between aged and disability care and the health care system, in particular primary care.
- The development of universally available youth development programs.
- A renewed national disability strategy to coordinate the objectives of the Commonwealth Disability Strategy and the disability policy frameworks which have been developed by many of the States and Territories, so that policies, programs, legislation and standards across Governments enable effective responses to the complex issues which people with disabilities face.
- An emergency relief sector that is well resourced and coordinated to ensure timely and effective assistance for people urgently needing financial and material assistance.

A stronger community sector to better support the community

- Triennial funding contracts which meet the full cost of delivering community services, including wage levels that are sufficient to attract and maintain qualified staff.
- A seed and capital funding program for non-profit community services to assist in the establishment of new, or development of existing, non-profit community services.
- Open and transparent mechanisms for community sector organisations to contribute to policy and program development.
- Modernisation of charity law to enable charities to engage in the full range of activities which further their charitable purpose.
- Establishing a Charities Commission to register charities, monitor the relevance of the definition of charity, harmonise the accountability requirements placed on charities, and provide advice and support for the charitable and related sectors.

Education, Welfare and Work

Issues

Despite lowering official unemployment and rising average incomes, many Australians continue to live on welfare payments as low as \$250 a week for a single adult or wages as low as \$550 for a full time minimum wage worker. As unemployment falls, it is the most disadvantaged people of working age who remain out of work:

- Around 60% of disadvantaged Australians on welfare payments have a Year 10 education or less and few can afford to improve their chances of employment through further education and training.
- Many recipients have disabilities, health problems, or have been affected by domestic violence.

Without assistance to overcome these and other problems, and more encouragement of employers to give them a chance, it will be difficult for these people to secure a job. When they do obtain work, it is often casual or insecure so they have to cycle between welfare and work. Unless they are provided with assistance to raise their skills and work capacity, many will experience a lifetime of financial insecurity.

The prospect of prolonged labour shortages associated with population ageing presents us with an opportunity and an imperative to assist more people on income support to overcome these barriers to work. Improving their access to further education and training, so that their skills are up to date in a rapidly changing labour market, will be critical.

Among more deeply disadvantaged families, social exclusion extends across generations as children of parents with low levels of education are less likely to complete school or undertake further education.

The education system should play a key role in breaking this cycle of disadvantage. Although Australia's schools perform relatively well overall in imparting basic skills such as literacy, and in preparing people for tertiary education, they perform relatively poorly compared with most OECD countries in raising the educational standards of the most disadvantaged children. Schools with poorer students have found it more difficult to improve their facilities and attract the best teachers, as the flow of Australian Government funds has shifted from more disadvantaged to less disadvantaged schools.

Reducing poverty requires a coordinated strategy that includes an adequate safety net of welfare payments that meet basic costs (such as the costs of raising children) and strong investment in education and employment opportunities that create lasting change in people's lives.

The welfare system is more complex and unfair due to recent policy changes. People in similar circumstances can be on lower level unemployment payments or higher level pension payments. Welfare to Work changes introduced last year divert many single parents and people with disabilities from higher pension payments to lower unemployment payments with more stringent income tests, further entrenching poverty among these recipients. There is little help provided with the costs of looking for jobs or training, or the extra costs faced by people with disabilities. The system also discourages many people with disabilities from looking for jobs for fear they may end up on lower payments.

The complexity of the welfare system, including new penalties such as the 8-week payment suspensions and the quarantining of portions of welfare payments for families in crisis, acts as a significant impediment to positive change in people's lives. Also, as a result of recent

changes to payments for Indigenous people in the Northern Territory, and for all parents on income support, many people will lose part of their cash payments and receive assistance in-kind instead. There is no evidence that these changes will reduce child abuse or neglect or encourage children to attend school, but they will make budgeting more difficult for vulnerable families.

Minimum wages remain an important protection against further poverty, but disadvantaged Australians are less likely to have the skills and information to negotiate better wages and conditions under the new industrial relations system with its increased focus on individual contracts between employer and employee.

Call to the Parties

ACOSS and its members call on all political parties to endorse:

- Well-designed and properly resourced employment assistance and training for the most disadvantaged unemployed people, including parents and people with disabilities.
- More encouragement and support for those with limited education to upgrade their basic education and vocational skills, including removal of barriers in the welfare system to participation in education and training by jobless people.
- Sustained investment in the most disadvantaged schools to improve the quality of teaching and their capacity to respond to individual barriers to learning including language, unstable home environments, and the exclusion of children from poor families from school activities.
- Family and youth payments that reflect the costs of raising children for low income families, including the higher costs as they grow older.
- Reform of the payments system to make it simpler and fairer, giving priority to increases in the base rates of payment for those on allowances, help with the cost of disabilities and job search and training.
- Initiatives to encourage employers to hire long term unemployed and other disadvantaged Australians, including people with disabilities and mature age people.
- Realistic activity requirements that recognise individual circumstances of people receiving payments and reductions in excessive financial penalties.
- Minimum wages which keep pace with the increased cost of living and average wage rises.
- Greater security in employment and better career opportunities for disadvantaged and low skilled Australians, including flexible and supportive employment conditions for those with caring responsibilities.

Health

Issues

Although Australia has life expectancy that is high by international standards and health services that can be of good quality, too many people are missing out on the health care they need because of where they live, their ability to pay or because they are disabled or mentally ill.

Australia's health care system could be vastly improved by increasing its accessibility and equity. If all Australians enjoyed the health of the richest 20% of Australians then premature death rates in Australia would reduce by 19% for men and 12% for women.⁷ The gap in health between disadvantaged Australians and others is most dramatically illustrated by the 17-year life expectancy gap between Indigenous and non-Indigenous Australians.

Lack of coordination and waste between levels of Government also increases costs, waiting times and other problems in the health care system. Australia wastes \$14 billion in tax each year due to the combined effects of incentives for private health insurance, lack of coordination of responsibilities between Commonwealth and State/Territory Governments, poor workforce productivity and avoidable mistakes and accidents in the health system.⁸

Some of the resulting gaps in the health system include:

- 40% of adults cannot get the dental care they need due to the cost.⁹
- Only one in five people who need rehabilitation services receive them.
- Many people face high and increasing patient out of pocket costs for health aids, appliances and pharmaceuticals. Average out-of-pocket recurrent spending per person in 2004-05 for aids and appliances was \$144 and \$227 for pharmaceuticals.¹⁰ From 1997-98 to 2004-05, the real growth in individuals' out-of-pocket funding for aids and appliances was 12.5%.¹¹
- Many people who would benefit from community based mental health support services do not get access. In 2005 only 38% of people with a mental illness were provided with care in the preceding 12 months.¹²

While up to 40% of Australians fail to receive the care they need, others receive care that is either not needed or harmful to their health. Some 10% of people admitted to hospital suffer avoidable harm directly related to the health care they receive.¹³

Reform is urgently needed to improve outcomes from the health system and ensure health funding from States, Territory and Federal Governments is spent efficiently to provide fair and effective health services for all Australians.

⁷ Australian Institute of Health and Welfare, *Australia's Health 2006*, p. 154

⁸ Menadue A. *Obstacles To Health Reform*, Australian Health Care Reform Alliance Summit, Canberra 31 July 2007, <http://cpd.org.au/article/obstacles-to-health-reform>

⁹ See ACOSS, *Fair Dental Care for Low Income Earners* on <http://www.acoss.org.au/Publications.aspx?displayID=1&subjectID=11>

¹⁰ AIHW, *Health Expenditure Australia 2004-05*, Canberra, Table 23

¹¹ AIHW, *Health Expenditure Australia 2004-05*, Canberra, p42.

¹² Mental Health Council of Australia, *Submission to the Senate Select Committee on Mental Health*, May 2005, p2. <http://www.mhca.org.au/Publications/documents/MHCASub-SenateInquiryintoMentalHealth.pdf>

¹³ Richardson and McKie, *Reducing the Incidence of Adverse Events in Australian Hospitals: An Expert Panel Evaluation of Some Proposals*, Centre for Health Economics Research Paper 2007(19), Monash University, p 1.

Call to the parties

ACOSS and its members call on all political parties to endorse:

- Establishing a National Health Reform Council to undertake a national review of the health system as the first step to establishing a national health policy and a program for reform. A critical focus for the review should be the entitlements to health services that Australian Governments will fund for all Australians whether public or privately insured and the maximum time that people should have to wait for core services (regardless of whether privately insured) and the additional benefits, entitlements or privileges that are available to privately insured persons. The review should include a dialogue with citizens to ensure that the overall directions of a reformed health system are grounded in and measured against community values and priorities. The National Health Reform Council could then be responsible for overseeing the implementation of health reform and monitoring progress towards agreed targets and outcomes.
- Additional funding on a sustained basis to address the health of Indigenous Australians to help meet the target of equal health for Aboriginal and Torres Strait Islander Australians within a generation.
- Additional funding to provide access to dental care for low income Australians, including a free course of preventative treatment every two years.
- Development of community-based primary health centres or networks to ensure all communities have access to primary health services.
- Strategic investment in preventative and primary health to improve the health of the general population and address health risks.

Housing

Issues

While housing is a significant and personal concern for many Australians, lack of affordable and safe housing shapes the lives of disadvantaged people by constraining their options for employment, education, health, services, transport and utilities.

Currently at least 100,000 Australians are homeless and 1.4 million low income households have insufficient income to maintain a 'frugal standard of living' after paying for housing.¹⁴ Many of these households are still under strain, even with the payment of Rent Assistance, which often cannot keep up with increased rental costs in high employment areas such as major cities and towns. The lack of planning across levels of Government to provide low cost housing has also contributed to the creation of 'poverty postcodes' as disadvantaged Australians move to outer-metropolitan and rural areas where rents tend to be lower.

Funding for most housing services to help disadvantaged Australians is inadequate or declining. Overall, expenditure on Commonwealth State Housing Agreements, which provides public and community housing assistance, was reduced by 25.1% between 1996-97 and 2005-06.¹⁵ Similarly, homelessness services are strained - just over half of all people in need of immediate accommodation are turned away because emergency accommodation services are not funded to meet demand.¹⁶

The oversight and neglect of housing planning and services and resulting high numbers of people living in housing insecurity has economic and social costs both now and for Australia's future.

Call to the parties

ACOSS has long collaborated with other peak community groups, industry and union organisations to call for political action to fix the housing affordability crisis. ACOSS and its members call on all political parties to endorse:

- Appointment of a Federal Cabinet Minister for Housing to drive forward the policies across all levels of Government to increase housing affordability.
- Introduction of a national affordable rental incentive scheme to provide incentives to increase private and public investment in affordable housing.
- Increased funding that progressively raises the availability of public and community housing stock.
- Strengthening Rent Assistance to ensure it meets the needs of struggling renters and including low income people who currently do not receive any assistance.
- Adoption of a national affordable housing agreement that coordinates a range of Australian Government policies and subsidies that affect housing affordability, including the Commonwealth State Housing Agreement, Rent Assistance, the First Homeowners grant, and tax policies that impact on housing affordability to boost investment in and access to affordable housing.

¹⁴ Australian Housing and Urban Research Institute, *Housing Affordability in Australia*, Feb 2006. p. viii.

¹⁵ Productivity Commission, *Report on Government Services 2007*, p. 16.5

¹⁶ Australian Federation of Homelessness Organisations, *Factsheets*, 2006.

Indigenous Communities

Issues

Indigenous people are more likely than other Australians to have no job, poor health and substandard housing. Many Indigenous Australians also experience substance abuse, mental illness, violence and imprisonment. Increasing education and work lowers Indigenous people's chances of experiencing this extreme disadvantage but many communities have few opportunities for education, employment and community development.

Services to address this pervasive disadvantage have been under-resourced for many years. For instance, a report by Combined Aboriginal Organisations and community organisations in 2007 pointed out that 99% of all Aboriginal communities in the Northern Territory have no substance abuse service and 99% have no dental service. Only 54% have State Government funded primary care services and 47% have an Aboriginal primary health care service more than 50km distance away.¹⁷

Initiatives that have achieved positive outcomes for Indigenous people are those that have involved the community in decision-making and the creation of culturally appropriate programs that increase life skills and life chances. Examples of this include the success of Indigenous-controlled early childhood services in improving infant and maternal health, the higher than average levels of employment and involvement of Indigenous people in Indigenous community health centres, increased retention rates at schools with community involvement in curriculum and activities and the positive role of Indigenous community leaders in early intervention to stop youth violence.

The recent intervention of the Federal Government into Aboriginal communities in the Northern Territory has highlighted the extreme disadvantage that exists in Aboriginal communities. However, this intervention and its accompanying legislation has been strongly criticised due to its threats to land rights and the rights of Aboriginal people to be consulted and involved in service delivery.¹⁸ There is no evidence that change to the land rights system is needed as a response to disadvantage and violence in Indigenous communities.

¹⁷ See CAO, *A proposed Emergency Response and Development Plan to protect Aboriginal children in the Northern Territory* on <http://www.acoss.org.au/Publications.aspx?displayID=1&subjectID=13>. This report also details a development plan for the Northern Territory that goes beyond the existing emergency response.

¹⁸ See Civil Society Organisations Statement on: <http://www.acoss.org.au/News.aspx?displayID=99&articleID=2999>

Call to the parties

ACOSS works in partnership with Indigenous organisations to call on all levels of Government and political parties to reduce disadvantage in Indigenous communities.¹⁹ ACOSS and its members call on all political parties to endorse:

- The Federal Government's respect for the Racial Discrimination Act and Land Rights Act and full consultation with Indigenous communities over new policy changes and programs.
- A specific plan to improve Indigenous life chances in all States and Territories. Such a plan must go beyond 6 months, address the underlying issues within specific timeframes and have bi-partisan political support. This plan should be developed and negotiated under a partnership approach with Indigenous communities.
- Consultation, cultural appropriateness and awareness in the provision of services to Indigenous communities.
- Responsiveness to local needs, as identified by communities, to pressing issues.
- Development and sustainable funding of programs that build skills and resources of families and communities to develop and implement solutions to disadvantage.
- Long term commitment to address and resolve the causes of violence including joblessness, poor housing, low levels of education, and provision of the necessary resources to do this.
- Additional funding on a sustained basis to address the health of Indigenous Australians to help meet the target of equal health for Aboriginal and Torres Strait Islander Australians within a generation.
- The development of a stable, paid workforce in rural and remote Indigenous communities should be supported through adequate and sustained funding of community services including:
 - management of traditional lands and employment of local Aboriginal people to improve housing in the communities
 - support for local business and employment development initiatives
 - obligations and support for mainstream employers such as mining companies to employ local Aboriginal people, and
 - by assisting community members to live in areas where jobs exist but return regularly to their communities.
- The CDEP or a similar program being available in communities to provide purposeful work on useful community projects for people who otherwise lack it. However, the program should be reformed so that it encourages and supports people to progress towards mainstream employment.

¹⁹ See joint ACOSS letter signed by organisational representatives on <http://www.acoss.org.au/News.aspx?displayID=99&articleID=2683>

Law and Justice

Issues

Law and justice are about protecting the basic human rights of all people in Australia. Unfortunately, there are many elements of Australia's legal and justice systems that are failing to protect these rights or have been actively used to undermine human rights. In recent times, Australia's commitment to the human rights of asylum seekers has come under attack and there is widespread and growing concern that Australia's anti-terrorism provisions pose threats to individual freedoms and the rule of law.

Access to legal services and advice is often costly, creating a significant divide between rights and justice for disadvantaged Australians and those able to afford such services. One example of this increasing divide is the rise in the number of people representing themselves before courts and tribunals. Legal services help ensure that people's rights are protected in matters of separation and family breakdown, in seeking protection from violence, when facing civil or criminal action or when disputing Government administrative decisions. In addition, people from non-English speaking backgrounds and Indigenous Australians are often not given adequate assistance to navigate the legal system. Amidst reports of discrimination and vilification of people from Middle Eastern and Asian backgrounds by the Human Rights and Equal Opportunity Commission, the Federation of Ethnic Community Councils and others, it is important that migrants and refugees have information on their rights and access to legal assistance when required. Over 100 Community Legal Centres provided services to a quarter of a million Australians in 2002-03, mostly to people who have little or no experience of the legal system. The *Australian Community Sector Survey 2007* indicates they have one of the highest levels of unmet demand of all services; unable to meet 19% of requests for help.²⁰

Call to the parties

ACOSS and its members call on all political parties to endorse:

- The nurturing of inclusive and fair communities which promote, enhance and respect human rights and diversity of race, gender, religion, sexual preference and culture.
- Ensuring that Australia fully meets its obligations to asylum seekers under the 1951 United Nations Convention Relating to the Status of Refugees (including fair refugee status determination processes) and providing complementary protection to those that might not fall within the scope of the 1951 Convention but require international protection.
- The expansion of translating and interpreting services to ensure people from culturally and linguistically diverse backgrounds have access to legal services.
- Expanding legal services, including through Legal Aid Commissions and Community Legal Centres for matters involving children, women, migrants and refugees, ex-prisoners, family law and housing.
- A review of Australia's anti-terror laws.
- Working with the States and Territories to ensure Aboriginal children, women and men have access to legal advice and representation in criminal and civil matters according to need. Ideally these services should be provided through Indigenous community controlled legal services, or when not possible, through other service providers who are properly trained to work with Indigenous people. This requires an urgent increase in the level of funding to factor issues of language, culture, literacy, remoteness and incarceration rates into the cost of service delivery.

²⁰ Australian Council of Social Service, *Australian Community Sector Survey 2007*, p. 11.

Taxation and Economic Policy

Issues

Australia has now had 14 years of strong economic growth. Ensuring that growth is sustainable both economically and environmentally, and that all Australians are able to share in this prosperity, remains a challenge for policy makers.

Despite the current and sustained economic growth, many Australians still experience poverty and disadvantage. This disadvantage shows itself across a range of social indicators such as health, education and housing and through demands on community service organisations. Indigenous communities continue to suffer higher rates of unemployment, overcrowded housing, and poor health. Over 1.3 million Australians on income support are jobless due to disabilities, caring responsibilities, or low levels of education and skills. Disadvantage has become increasingly concentrated in outer-metropolitan regions and in rural and regional Australia.

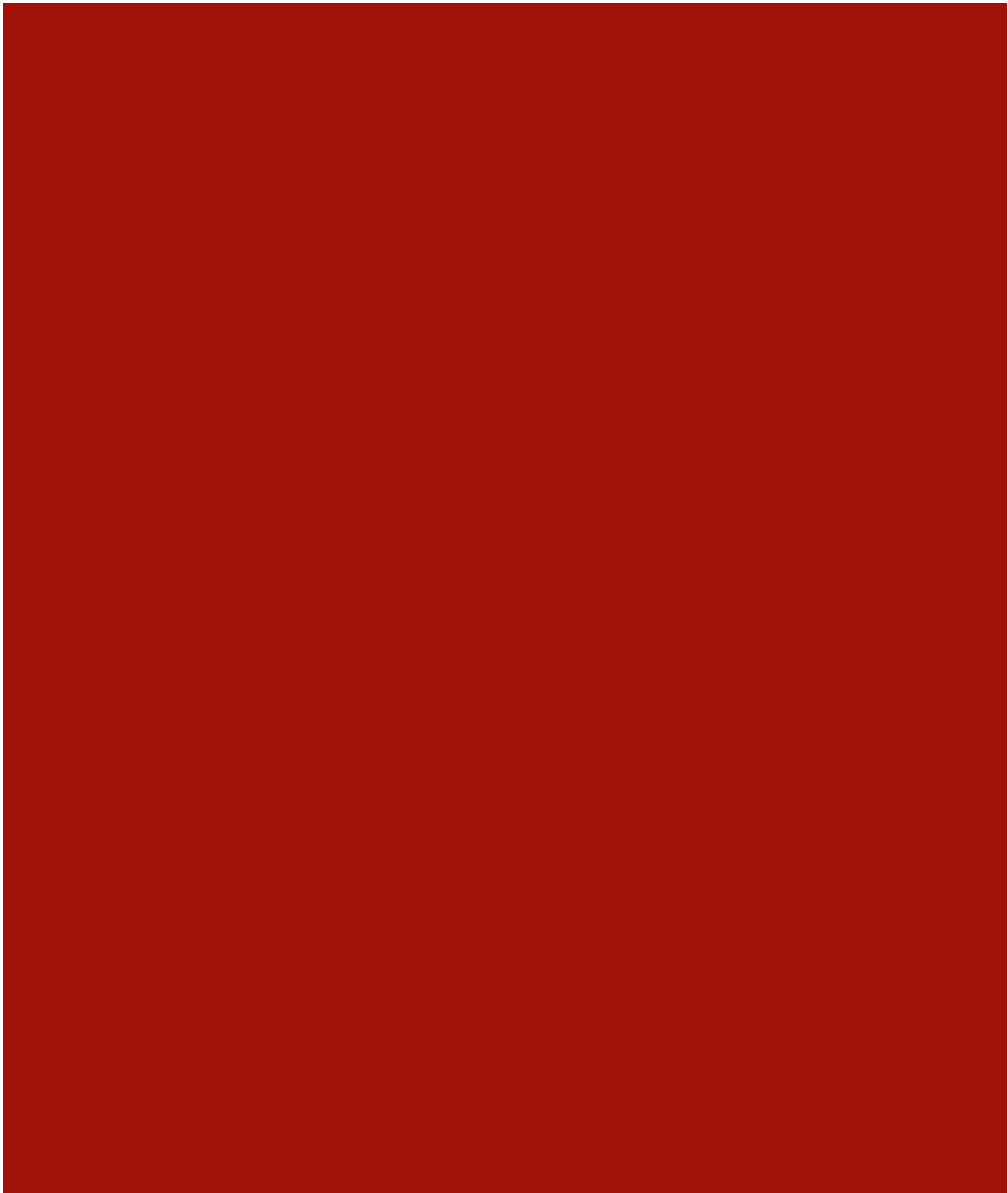
The Federal Budget plays a key role in distributing the proceeds of economic growth to Australian households. Decisions about the overall balance between taxing and spending are ultimately judgements about people's needs, and about fairness. There is no consistent relationship between higher or lower tax levels and the economic performance of different nations. The majority of Australians have indicated in a number of recent polls that they would prefer the balance to shift from tax cuts towards more expenditure on basic services such as health and education. For most people, tax cuts provide a small short term boost to living standards that is quickly absorbed by higher costs (including charges for services that should be better funded by Governments). Around one third of households do not benefit from tax cuts at all because their income is too low to pay tax. On the other hand, public attitudes towards taxing and spending reflect a greater appreciation of the serious deficits in key services – such as the lack of affordable dental care for millions of Australians.

The priority given to tax cuts, especially for those in higher tax brackets, in Federal Budgets over the last seven years has weakened the role of the Budget in distributing income and services from those with the most resources to those who are struggling to make ends meet. A good example of this is the decision to remove all taxes from superannuation benefits, which will only benefit the top quarter or so of the latest group of retirees, while home care services languish for want of adequate funding. If tax cuts are going to be offered, the fairest way to finance them would be to close off the loopholes in our tax laws exploited by high income earners, such as the sheltering of income from tax in private trusts and companies. If taxes are to be removed from superannuation benefits for retirees then at the least Governments should undertake thorough reform of the taxation of contributions to superannuation by employers, a system that benefits those on high incomes and disadvantages low wage earners.

Call to the Parties

ACOSS and its members call on all political parties to endorse:

- Improvements to services given priority over another round of income tax cuts.
- A program of sustained investment by Governments and employers in the skills and job capacities of jobless people on income support, mothers, and mature age workers in order to expand and improve the productivity of the workforce.
- Progressive removal of distortions in the tax system that encourage speculative and inefficient investment.
- The income tax system be reviewed to progressively remove tax concessions and loopholes that disproportionately benefit people on high incomes and weaken the fairness and efficiency of the tax system, such as the use of private trusts and companies to shelter income from tax.
- A revenue neutral package of reforms that removes the bias against low and middle income people in the present system of tax breaks for contributions made to superannuation funds.



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