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magazine

Australian
Council of
Social Service

Summer 2008

ACOSS Annual Conference: Taking steps towards a fair go for all





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Contents

President's message Lin Hatfield Dodds, ACOSS President	4
Message of behalf of the former Prime Minister, The Hon John Howard MP The Hon Sharman Stone MP, former Minister for Workplace Participation	6
Towards a Social Inclusion Agenda The Hon Julia Gillard MP, Australian Labor Party Deputy Leader	7
Three years or three more years, what chances for the fair go? Senator Natasha Stott Despoja, Australian Democrats	11
The experience of welfare receipt: Depression, demoralisation and despair? Dr Peter Butterworth, The Australian National University	15
Justice in a climate of change Michael Raper, National Welfare Rights Network	21
Time to get a move on Senator Rachel Siewert, The Australian Greens	24

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President's Message

Lin Hatfield Dodds – ACOSS President

Giving the fair go a future

As we digest our post-election cup of tea and ponder the kind of Australia Prime Minister Kevin Rudd wants to shape in Government, we can start by looking at his plans for a social inclusion strategy.

Mr Rudd's commitment to a strategy that brings together fairness and prosperity, and in which economic and social policy work together to create a fair go for all Australians, was fleshed out on the eve of the election by Deputy Prime Minister Julia Gillard at the ACOSS Annual Conference. It's a very timely commitment, as the social fabric of Australia has become worn out in places and is in need of some mending.

This vision for a fairer Australia is one embraced by Australia's community and welfare sector. It is our sector that works each day with low income, disadvantaged and vulnerable Australians. We see the human face of the research evidence that tells us that social disadvantage still exists in this country. The reality is that despite sustained prosperity and economic growth, more than 1 in 10 Australians struggle to pay for the bare essentials of life such as housing, food, electricity and health care.

The Australia Fair initiative, led by ACOSS, has identified that the number of Australians living below the standard international poverty line has grown steadily from 7.6% in 1994 to 11.1% in 2006. Australia has

experienced strong economic growth over those years but not all Australians have shared in it.

The social and economic costs of disadvantage can be seen in 'poverty postcodes', typically on the outer edges of metropolitan cities and in rural Australia. These are disadvantaged communities in which many people are unemployed, have low levels of education, live on low incomes, and often live with disability or illness.

Social inclusion is the opposite of this experience; an Australia in which everyone has access to the means and opportunities to participate in, contribute to, and be valued by their community.

For the fair go to have a future in Australia, we need to get serious, together, about building an inclusive society – one that actively enables the participation of all citizens through integrated policies that underpin healthy communities, a healthy environment, and a healthy economy.

Social inclusion does not happen by accident, or overnight. It requires sustained political commitment and government leadership, including the building of partnerships across government, business, the community sector and local communities.

A forthcoming ACROSS paper will look at the experience in Australia and overseas to identify key building blocks for a successful national approach.

We know we need to create pathways by removing the significant barriers that confront vulnerable Australians. Barriers like lack of education, skills and training - around 60% of sole parents and people with disabilities on social security payments have a year 10 qualification or less. Barriers like access to affordable housing, dental and general health care and the multiple disadvantages faced by Indigenous communities, need to be tackled as part of a Social Inclusion strategy.

European Union nations have employed this kind of strategic approach to social inclusion with

success. Many EU countries integrate social and economic policy and develop concrete goals and targets with clear timelines for achieving them.

For example Ireland committed to an ambitious anti-poverty target with an initial 10 year time frame, understanding that entrenched inequality and disadvantage cannot be turned around overnight. The Irish approach has been successful. As an example, Ireland achieved a reduction in early school leaving from 31% to 15% via targeted initiatives in just a few years.

Our research tells us that the vast majority of Australians cares about a fair go for all. As a nation, we want to put people first, and support them in achieving a decent life. We want to create opportunities for people. We

know that as a nation we have the resources and the wisdom to make the difference. We know that we all gain from the creation of an enabling society. And now we have the vital piece of the puzzle in a new Australian Government that has committed to create a fairer Australia through the adoption of a social inclusion plan with targets.

This is the moment that we must move forward together, to build a stronger and fairer Australia. Government must take the lead with a vision for Australia that's about inclusion, and they must drive the process. But we all need to play our part, business, unions, the non-government sector, and as members of local communities ourselves. We all need to work together if we want to see a future for the fair go.



The Hon Sharman Stone MP - Former Minister for Workplace Participation

Message on behalf of the Prime Minister

The Hon. Sharman Stone MP

Speech to ACOSS Annual Conference 22nd November 2007.

I am pleased to welcome all those attending the Australian Council of Social Service (ACOSS) National Congress 2007.

The theme for this year's Congress is *Australia Fair: Taking Steps towards a fair go for all*. The Coalition Government is committed to advancing Australia through sound economic management and reforms to lift workforce participation and reduce welfare dependency, while maintaining a strong safety net for those who need it. The Coalition believes that a job is the best way to address poverty now, and in the future through enhanced retirement savings.

Since the Coalition came to office, over 2.2 million additional jobs have been created, unemployment is at a 33 year low, and we have a goal to further reduce it to 3% over the next three years. Our welfare to work programs are giving people opportunities to lead happy and productive lives. Our education initiatives are aimed at ensuring that children are not left behind in regards

to literacy and numeracy.

Notwithstanding these gains, clearly there are still families requiring further support and assistance to get ahead. In particular, we have committed to increasing the Utilities Allowance paid to older Australians to meet household bills such as electricity and gas. We will also extend the Utilities Allowance to more than 120,000 Australians receiving the Carer Payment and to more than 700,000 Disability Support pensioners.

We have also guaranteed that if living costs for pensioners increase faster than general inflation or wages, pensions will be topped up to ensure pensioners are fully compensated for increases in the cost of living. We will also use some of the proceeds of the Climate Change Fund to lessen the impact on pensioners and other low income earners of the move to a carbon constrained world that will see inevitable increases to electricity and other charges.

The Coalition also places a high priority in investing in support services and respite care. We have committed an additional 120,000 individual days

of respite care and an extra 10,000 weeks of round the clock respite to support carers continue in their valuable role and keep those they care for at home where they want to live.

The Coalition's record of achievement in government reflects the importance we place on the Australian values of a fair go for all, opportunity and choice. That is why we have committed to measures that support parents' choices in raising their children such as cutting the up front costs of child care for working parents, and introducing an education rebate that supports all parents in meeting a comprehensive range of education costs, including school fees and voluntary charges and levies in both government and non-government schools from pre-school through to secondary school.

The community sector makes an important contribution in supporting those Australians who are vulnerable and facing hardship and this conference provides a valuable opportunity to discuss these important issues. I wish you every success over the next two days.



Julia Gillard MP - Deputy Leader of the Labor Party

Towards a Social Inclusion Agenda

Speech to ACOSS Annual Conference, 22nd November 2007

Firstly, thank you to ACOSS for organising this summit on one of the most important issues in this election campaign – creating a fairer Australia. I am attending today to bring a message from Kevin Rudd about Labor's determination to create a fairer Australia.

As the ANZ's Saul Eslake and the Business Council of Australia's Michael Chaney have recently told us: reducing disadvantage is now a both a moral and economic imperative for Australia.

Labor strongly agrees. Unlike the Howard Government, we believe that fairness and prosperity are utterly inseparable. And that turning our backs on the disadvantaged will come at a serious cost to our economic future. Too many individuals and communities remain caught in a spiral of low school attainment, high unemployment and under-employment, poor health, high imprisonment rates and child abuse. Too many Australians are socially excluded.

But if we are going to solve the problem of social exclusion we have to

develop a new agenda that can bring social and economic policy together to complement each other. That's what Labor intends to do. In my view, such an agenda must have two guiding principles:

- it must tackle the social exclusion of individuals and communities; and
- it must invest in the human capital of all our people, especially the most disadvantaged.

The welfare sector has put these

The welfare sector has put these issues on the board. And I want to congratulate you for that great work.

issues on the board. And I want to congratulate you for that great work. But the job's far from done. Should we win Saturday's election, I want you to join the new Labor Government in becoming part of a long-term solution to the problem of social disadvantage.

Labor's Social Inclusion Agenda

Bringing economic and social policy together to reduce disadvantage is going to take a massive effort of cooperation between the Commonwealth, the States and the not-for-profit sector. But with a sense of realism, we can make huge inroads into disadvantage. New advisory and policy coordination bodies will be needed to guide it. If elected a Rudd Labor Government will be the first government to ever have a Minister for Social Inclusion. And today I will be launching Labor's social inclusion policy with the [South Australian] Premier Mike Rann.

To get things moving, Labor in government will establish a Social Inclusion Board that will lead consultation in the community, listening to leading welfare advocates, economists and policy specialists.

Its task will be to advise the Government on what, how and where our major social investment efforts must begin, feeding into the operations of a new Social Inclusion Unit to be established in the Prime Minister's Department.

Let me be clear: our social inclusion initiatives will not be about welfare – they will be an investment strategy to

join social policy to economic policy to the benefit of both. For this reason, our Social Inclusion Unit and Board will be made up of serious economic and social thinkers, not just welfare representatives. This won't be a memorial to good intentions – it will be about action and hard-headed economics.

We have to change the way Governments at all levels deliver services to tackle disadvantage. It's going to be about bottom up not top-down measures to tackle disadvantage – so we will be asking local governments, non-government organisations and businesses to participate in new place-based governance arrangements that bring together Commonwealth, State and local funds in the most effective way to lift up disadvantaged communities.

Today I'm asking for your assistance in making this work. Already, our policy down-payments to deal with social inclusion are there for all to see and judge.

Labor recognises that education is critical to social inclusion. The fact is that school completion rates among low socio-economic groups in Australia are far too low. If we're going to compete with other nations we simply have to get more young people from disadvantaged backgrounds to complete twelve years of schooling and go on to further education and training.

Our goal of getting retention rates back up to 90 percent by 2020 will require big improvements among the most disadvantaged groups. We're going to do it by investing \$2.5 billion to boost trades training in schools.

And we're going to do it by ensuring every child has access to a computer when they're at school – and, when they get home, the computers, broadband, books and other educational resources they need to study, through our education tax

rebate for families. In a world of scarce education resources it makes sense to invest funds where they will make the most impact – and this means years 0 to 6.

One of the most significant commitments of our social inclusion agenda is universal preschool education for 4 year olds. And we're also teaming up with the Brotherhood of St Laurence to establish 50 community based programs to help parents develop their children's early learning capacities.

Tackling disadvantage also means doing more to help job seekers – particularly those facing the highest barriers to employment. That's why we intend to improve the operation of the Job Network and the Disability Employment Network:

- by focusing more on early intervention;
- by ensuring struggling job seekers get the most intensive assistance; and
- by putting the emphasis on preparing people for sustainable jobs, not simply churning them through a system.

Our social inclusion initiatives will not be about welfare – they will be an investment strategy to join social policy to economic policy to the benefit of both.

We're going to commit an extra \$20 million to the JET Child Care programs to allow some 10,000 parents who are studying to receive the benefit for two

years. And our Social Inclusion Board will be asked to develop a national employment strategy for those with a disability and mental illness.

Of course before we do anything else, we must ensure people have a roof over their heads. 100,000 Australians find themselves homeless on any night. Of these, nearly half are under 24 years of age and 10,000 are children aged twelve or younger.

While the services that are funded to assist the homeless do their best – and manage to accommodate more than 12,000 at any one time in around 7,500 shelters, units and houses – this is not enough to meet demand.

To tackle this, Labor will invest \$150 million over five years to build 600 new houses and units for homeless people across the country. Our aim is to halve the number of people regularly turned away from shelters each night.

We've also been listening to members of the National Housing Affordability Summit and their call for a National Rental Affordability Scheme, which will provide investment incentives for 50,000 new affordable rental properties in return for owners holding rents to 20 percent or more below the market rate.

Perhaps one of the cruellest aspects of the Howard Government's neglect of the disadvantaged was their scrapping of the Commonwealth Dental Health Program in 1996. Because the last thing you can afford when you're poor is a trip to a dentist. As a result of that callous decision, today some 650,000 low-income Australians are on public dental waiting lists, some waiting for years in pain. This is totally unacceptable in a civilized society – and to tackle it Labor is going to spend \$290 million to re-establish the program and treat up to 1 million patients in the next 3 years. This is one of Australia's largest public health problems and it is time it was fixed. And it will complement our \$2.5 billion

National Health Reform Plan that will work with the states to improve our public hospital system.

Conclusion

Labor's social inclusion agenda will be as expansive as it is inclusive. Today, I'm asking for your cooperation. I know that many of you have been fighting long battles against some of the most depressing and punitive policy changes of the Howard Government years:

- the abolition of the Commonwealth Dental Health Scheme;
- the slow strangulation of the Commonwealth-State Housing Agreements;
- the failures of the Job Network;
- the sheer vindictiveness of breaching rules against the homeless and the ill;
- and the neglect of education; and
- closer to home for some of you – the gagging of advocacy functions which give your communities a voice.

Like you, I'm getting sick of protesting against enduring disadvantage. I want to do something practical to reduce it. A Labor win on Saturday will give all of us here the opportunity to channel our cooperative efforts into a positive strategy that will do just that. And should we win, I look forward to working with all parts of the community sector to start putting our strategy into place.



The ACOSS Annual Congress held 21 and 22 November 2007 considered what needed to be done, across a range of policy areas, to ensure a fair go for all Australians.

Papers from the ACOSS Congress are now available for only \$30 for the electronic version or \$60 for the hard copy version (prices include postage and handling and GST).

Complete the order form which comes with this edition of *Impact*, or order papers online at www.acoss.org.au. Please call 02 9310 6200 for more information.



ACOSS Conference:

Taking steps for a fair go for all - social inclusion policies and practices

**Wednesday 9th and Thursday 10th April 2008
Sebel Albert Park, Melbourne**

Day 1: Wednesday 9th April 2008

The Conference will examine Taking steps for a fair go for all social inclusion policies and practices. You will hear from Federal and State Governments, the community services and welfare sector perspective, corporates and philanthropic organisations about the emerging social inclusion agenda of Australia. The Conference will also look at the meaning and scope of social inclusion and poverty.

Day 2: Thursday 10th April 2008

The second day of the Conference will be a series of concurrent practical workshops in a number of specific areas. Topics for the workshops include:

- Homelessness
- Housing
- Welfare/Participation
- Education
- Disability
- Early Childhood Development
- Indigenous
- Youth transitions
- Neighbourhood renewal

One of the outcomes of the workshops would be to identify medium and longer term targets in each specific area which would, if met, reduce social exclusion. The workshops will also examine who is excluded in each of these areas, the effects of this exclusion and the broad strategies which would help achieve social inclusion targets.

Who should attend

This conference is essential for service providers, advocacy groups, corporates, academics, federal government officials, state government officials, local government officials, trusts and philanthropic groups and non government organisations.

Further details will be provided soon. Online registration will open shortly or you can email conference@acoss.org.au and request a registration form be sent out.



Senator Natasha Stott Despoja – The Democrats

Three years or three more years

The impact of the election on fairness

Speech to ACOSS Annual Conference, 22nd November 2007

I begin by acknowledging the traditional owners, the Kaurua people. I also acknowledge Lin Hatfield Dodds, President of ACOSS (and nominee for Australian of the Year) and Andrew Johnson, ACOSS Executive Director. Thank you for the invitation to speak on this panel today on *“Three years or three more years – the prognosis of a fair go for all?”* It is a timely discussion and, hopefully, one that might inject some concept of fairness into the remaining days of this [election] campaign – a campaign in which a ‘fair go’ has been sorely missing.

Election

This election’s been a long time coming, I’m sure many people in this room have a serious case of campaign fatigue. No matter who wins on November 24, there will be a changing of the political guard. This will especially be the case if the Coalition loses.

I believe an election is a snapshot of the health of our democracy. As Julian Burnside QC said at my Human Rights launch recently, “This election will be about who we are”.

Apart from doing frantic sums, the major parties seem to have put less

thought into their presentations than The Chaser boys. Hardly a word has been spoken that really speaks to the heart of people who passionately care about our democracy. If I am wrong about this, tell me why the terribly draconian so-called anti-terror laws have not been discussed. They scorn vital elements of our democracy by the way innocent people can be detained in secret.

Why is the plight of refugees so little mentioned? Both major parties are glib in the way they use the word compassion, as if it were a code word. People who worry about and care about our democracy want more than that. They want acknowledgment that something is rotten in our country and they want reassurance that this will be remedied. They want a fair go. ACOSS’ Australia Fair survey tells us 91% of Australians want a fair go.

Me Too-ism

A disappointing feature of this campaign is the extent to which the Opposition considers its best chance of being elected is to be seen as a younger, fresher version of the incumbents. We have the unedifying display of both leaders trying to out-economic conservative each other. *The Sydney Morning Herald* has a ‘Pork-o-Meter’ to measure the amount

of pork barrelling by both parties. I would also love to see a ‘cliché-o-meter’ for the number of times that each party has branded themselves as ‘economic conservatives’.

My name is Natasha Stott Despoja...and I am not an economic conservative.

Economic conservative

One definition of ‘economic conservative’ is that of someone who believes government should live within its means – that, except where government spending may be needed to stimulate the economy, the aim should be to achieve a budget surplus. I could live with that definition.

However, I believe the term economic conservative is often viewed (by its proponents) as going hand in hand with reflecting conservative values more broadly. The philosophy that government should be small; that market forces should be let off the leash to the greatest extent possible; and, that surplus government funds should be largely returned to the people through tax cuts appears to be *de rigueur* public policy these days.

It is government for the individual rather than the group and does not necessarily ensure a fair go for all.

This pattern has characterised the Howard era. Fairness has been jettisoned in favour of so-called economic conservatism and management. In the process, we have seen inequalities in our community entrenched and exacerbated. ACOSS' survey shows that 71% of people believe the gap between rich and poor is widening.

Compounding and facilitating this unfairness - in recent years - has been a lack of checks on the work of the federal Government, as a result of the Senate being controlled by the Coalition. It means some of the nastiest laws have passed without sufficient scrutiny, analysis or amendment such as Voluntary Student Unionism (VSU), Work Choices, Welfare to Work, and Family Law changes - all of which have impacted negatively on fairness in our society. I hope that - at a minimum - this election sees a change in the balance of power in the Upper House so that no one party dominates the Senate.

Economy

We have had 16 straight years of solid economic growth, the longest period of continuous economic expansion recorded. We have had 10 straight years of budget surpluses.¹ Since the mid-90s, Australia's real GDP per person has increased more rapidly than the OECD average.²

Yet, this has come at a cost. The fruits of economic growth are not distributed equally in our community. ABS figures show that average salaries have increased by 4.9% over the past year, but it is not uniform. Private sector salaries increased by 5.8% compared to 2.3% in the public sector. Male earnings jumped by 5.2%, versus a 4.8% jump for female earnings. The widening gender gap is another area ignored in this campaign despite the fact it is worsening.

¹ 2007-08 Budget Overview, The Treasury.

² Intergenerational Report 2007, The Treasury.

Of course, increases in the cost of living are distributed more evenly: we pay much the same price for petrol, property, groceries, education and childcare and such costs are a disproportionate burden on lower income families. And we know that at least 1 in 10 Australians are living below the poverty line. What has been offered to address this?

Housing and Education

The cost of housing exemplifies the challenges facing low and middle income Australians and the diminution of a fair go. 10 years ago, the median house price in Australia was 4 times average annual income - now it is 6 to 7 times as much.³ An International Housing Affordability Survey rates Australia as having "...the most pervasive housing affordability crisis" of all nations surveyed. The Housing Industry Association tips that the number of households paying more than 30% of their salary on rent - the formal definition of rental stress - will increase by 230 000 over the next three years to about 750 000.

*My name is
Natasha Stott
Despoja...and
I am not an
economic
conservative*

Many of the Government's policies, from favourable tax treatment to the First Home Buyers Grant, have artificially fed the demand for property amongst home investors, pushing up prices for the entire community and widening the gap between the 'haves' and the 'have nots'. Few solutions have been put forward on the issue of homelessness although the ALP has

³ 3rd Annual Demographia International Housing Affordability Survey 2007, Pavletich Properties Ltd.

committed to \$150m for crisis accommodation.

What about fair education? Education is the great equaliser: we know that it means you have a better chance of employment, income, better health, better lifestyle and yet we have seen rewards for private schools disproportionately awarded at the expense of public schools. A 'fair go' in education means quality, accessible and publicly-funded education *not* rising fees and charges and significant student debt.

In 1995-96, total university student debt was \$4 billion. By 2005-06, it had climbed to \$13 billion, and is now expected to continue increasing by around \$2 billion per year.⁴ One in 8 students regularly goes without food or other essentials because they cannot afford them. Student welfare services that were offered by university campuses have been gutted by voluntary student unionism legislation. While some universities continue to fund these services out of other sources, only 60% of these will continue to be funded next year.

The same deleterious impact on fairness has been felt in the disability sector, by indigenous Australians, single parents, those using the PBS...the list goes on.

Welfare to work

One of the nastiest measures implemented by the Government was *Welfare to Work*, which was theoretically intended to assist welfare recipients attain employment, but has all sorts of perverse impacts, disincentives and punishments, and has meant that some recipients get less than they previously received.

Some recipients have found themselves on lower payments than they would have received under previous schemes. Others are cut off from welfare payments altogether,

⁴ Higher Education Report, 2005, DEST.

unable to comply with strict activity requirements and reporting regimes. They are left with little option but to turn to alternative - and often less desirable - means of survival, often with no prospect of return.

Legal System

Our economic strength has not saved us from the erosion of basic human rights and legal principles that encapsulate the very spirit of a 'fair go'. This has been accompanied by a dark period of division and fear concerning multicultural and ethnic groups - most recently the Sudanese community - and, for many years, Muslims and refugees eg. today's (November 22) pamphlet in Lindsay.

The marginalised and disadvantaged are over-represented in the criminal justice system. Cutbacks in Legal Aid funding in criminal matters mean that many people are not properly represented, while funding is altogether absent in areas such as residential tenancy, social security appeals and in mental health - all of which have serious consequences for an individual's rights, health and wellbeing.

So what are the prospects for a fair go after Election 2007?

If the Coalition is re-elected, albeit likely with a reduced majority, we can probably expect more of the same, but perhaps with a changed Senate dynamic.

What will happen when John Howard steps down? Costello is apparently more moderate on some social issues but a hard line economic conservative, and will likely be more focused on budget surplus, small government and tax cuts than even the current Prime Minister - with the attendant impacts on a fair go.

The Labor Party, traditionally more closely associated with supporting fair-go, social justice policies, increasingly has modelled itself on Coalition philosophy to the point where, in

practice, there is marginal difference between it and the Coalition. Labor have 'means-tested' their tax cut package better, redirecting the cuts to the highest-paid individuals into rebates on laptop computers for students. They have also committed to abolishing full-fee degrees for domestic undergraduate students. They have proposed abolishing Work Choices legislation, and committed to a human rights dialogue - all of which make the prospect of a fair go somewhat more rosy.

But the ALP has also committed itself to Welfare to Work and supported the Indigenous intervention in the NT - including the quarantining of welfare payments and suspension of the Racial Discrimination Act. It has not outlined any real plan for social policy, and has been conspicuously silent on wedge issues like mandatory detention and the Coalition's zero tolerance to drugs.

Me too's

Either this tendency to mirror Coalition policy represents a genuine change in philosophy for the Labor Party (in which case they are moving increasingly further away from their centre-left roots), or it is a short-term, pragmatic approach to sell themselves to a community which they perceive to have moved to the political right.

A 'small target' strategy is particularly effective when the community has grown tired of the incumbents, but it does not give you much of a mandate for change. A small target strategy demands that there be little daylight between the two parties on many issues.

Labor's 'me-too' on the Coalition tax package is particularly likely to hamstring their future options to improve social services, by soaking up more than \$30 billion from future budgets.

Positives

While I am concerned about the prospects for a fair go after this election, I am actually more positive than that. If a 'fair go' has copped a particular beating this past three years, through voluntary student unionism, Work Choices, etc one reason is because the Senate has been under Government control. This is unlikely to continue after this election.

Nor will Labor gain a Senate majority. So the Senate will hopefully return to being a House of review, with minor parties and possibly an independent, holding the balance of power. I'm proud that the Democrats have played a key role in turning the Senate from a house of the living dead into a genuine House of review. The record of the minor parties in the Senate on fair-go issues is stronger than that of the major parties.

I hope this election signals a shift in the Australian psyche: if the Australian community has swung to the right over the last decade, there are signs that it may be starting to swing back again. I believe the community is seeking something new, which is why Kevin Rudd, a relative newcomer to Parliament, is attracting a level of interest that is probably out of proportion to the policy difference he is actually offering.

There are polls and research showing many people would prefer more spending on services than tax cuts. A survey by *The Canberra Times* in the bell-weather seat of Eden-Monaro found 88 percent of respondents would prefer that the money went towards health and education.

I see signs that community activism on important fair-go issues is again on the increase. Pressure from the community to get David Hicks brought back to Australia was critical to it happening. We see thousands of citizens attending climate change rallies. Again, were it not for heightened community awareness of

environmental degradation and how it actually impacts us, I doubt that either major party would be focusing on it as a key election issue.

We have seen the recent but stellar rise of GetUp!, an independent organisation that campaigns on all sorts of social justice issues, including

at this election for the removal of the Government's Senate majority.

I do not see any reason why these developments will not continue to exert influence no matter who wins the election.

These are promising signs that one of the legacies of the Howard era – short-sighted government for the individual rather than the group – may not be as long lasting as we might have initially thought. Perhaps the concept of a fair go in public policy, having copped a beating over the last decade, is not yet down for the count.



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Dr Peter Butterworth - Centre for Mental Health Research, Australian National University

The experience of welfare receipt: Depression, demoralisation and despair?

This paper will draw together the findings of research I have conducted over the past five years and which has been published in a variety of different journal articles and reports. The project was largely funded by a fellowship from the NHMRC and uses the approaches of psychiatric epidemiology and public health to explore the association between welfare receipt and mental health, and the implications for public policy.

Background

The severely disabling effects of low prevalence, high impact mental disorders (such as schizophrenia and other psychotic disorders) are recognised in the social policy domain. For example, the epidemiological study of low-prevalence disorders in 1999 found that 85% of people with psychotic disorders received a government pension or payment.¹ The focus of this project, however, is on the high prevalence, common mental disorders such as anxiety, depression and substance-use disorders. The

¹ Jablensky, A., McGrath, J., Herrman, H., Castle, D., Gureje, O., Morgan, V., et al. (1999). *People Living with Psychotic Illness: An Australian Study 1997-98. An overview. National Survey of Mental Health and Wellbeing*. Canberra: Mental Health Branch, Commonwealth Department of Health and Aged Care.

common mental disorders are characterised as having a marked disabling effect, are highly treatable, and yet most people with these types of disorders do not receive appropriate specialist treatment.² Efforts to address common mental disorders in the design and delivery of social welfare programs may promote positive economic and social outcomes. However, insufficient attention has been given to the common mental disorders by social policy makers and service delivery agencies. The focus of the project is, therefore, on depression and anxiety which may be hidden, undisclosed and/or unrecognised by recipients themselves, policy makers and customer service staff.

Objectives

The aim of this paper is to outline how consideration of common mental disorders can inform discussion on the topic of *fair welfare*. I will present five responses: i) to provide insight into the personal experience of life on welfare; ii) because the adverse consequences of common mental disorders will limit the achievement of desirable social

² Goldberg, D., & Gournay, K. (1997). *The general practitioner, the psychiatrist and the burden of mental health care. Maudsley Discussion Paper* (No. 1). London: Maudsley Hospital, Institute of Psychiatry.

policy outcomes; iii) to provide evidence to evaluate a theoretical basis of welfare reform and mutual obligation policies: that welfare dependency leads to poorer mental health; iv) as part of a strategy to address the social determinants of mental illness; and v) because common mental disorders may lead to welfare receipt.

Insight into the personal experience of welfare receipt

Considering mental health and mental illness can provide insight into the personal experience of welfare recipients. It moves discussion and analysis from abstract statistics relating to participation rates, and definitions of unemployment and poverty lines to a direct focus on the wellbeing and personal distress of individuals and their families. The anecdote and the case study are powerful policy drivers. Similarly, a focus on tangible measures of personal distress and impaired wellbeing may prompt different policy priorities.

Mental health refers to a person's ability to function and undertake productive activities, to develop and maintain meaningful relationships, and to adapt to change and cope with adversity. Mental health conveys a person's sense of wellbeing and

competence, and reflects their ability to realise their full potential.

Mental illness or disorders refer to the negative end of the continuum: where poor mental health interferes with people's lives, their productivity, and impacts on their personal relationships. Mental disorders should not be confused with the sadness or the negative emotional responses that all of us experience in response to adverse events and crises. A focus on the mental health of welfare recipients may encourage policy responses that are mindful of the individual's circumstances, and may lead to the design and delivery of support and assistance that is more appropriate and better suited to people's needs.

The burden of mental disorders and the achievement of social policy outcomes

Analysis by the Australian Institute of Health and Welfare has shown that, of all conditions and diseases, mental illness (primarily reflecting common mental disorders such as depression) is responsible for the greatest level of disability and impairment in Australia: over twice that of musculoskeletal disorders or cardiovascular disease.³

The profile of mental disorders differs from other disabling conditions. Whereas most other diseases or conditions have their most disabling effect in old age, the burden of mental disability falls mainly upon the young. As a result, the onset and impact of common mental disorders co-occurs with significant life stages including the transition from adolescence to adulthood, impacting on education and early labour-force experiences, family formation, child rearing and career development.

³ Mathers, C., Vos, T., & Stevenson, C. (1999). *The burden of disease and injury in Australia - summary report*. Canberra: Australian Institute of Health and Welfare: AIHW.

The profile of mental disability is particularly relevant in the context of welfare policies which emphasise work and participation. International and national literature shows that the presence of a mental disorder results in functional work impairments, and reduces the likelihood that welfare recipients will achieve an employment outcome.⁴ In addition, mental illness is associated with other barriers such as the episodic or irregular nature of the disorder, the potential side-effects of medication, the compounding effects of interrupted work history and educational achievement, and employer stigma.⁵

Any discussion of fair welfare must consider welfare reform and mutual obligations, and mental health is central to this discussion.

⁴ Danziger, S. K., Corcoran, M., Danziger, S., Heflin, C., Kalil, A., Levine, J., et al. (2000). Barriers to the employment of welfare recipients. In Cherry, R and Rogers, W.M. III, (Ed.), *Prosperity for All? The Economic Boom and African Americans*. Ann Arbor: Russell Sage Foundation. See also Kalil, A., Schweingruber, H. A., & Seefeldt, K. S. (2001). Correlates of employment among welfare recipients: do psychological characteristics and attitudes matter? *American Journal of Community Psychology*, 29(5), 701-723, Mintz, J., Mintz, L. I., Arruda, M. J., & Hwang, S. S. (1992). Treatments of Depression and the Functional-Capacity to Work. *Archives of General Psychiatry*, 49(10), 761-768.

⁵ Derr, M. K., Hill, H., & Pavetti, L. (2000). *Addressing mental health problems among TANF recipients: A guide for program administrators* (Final Report No. 8528-100). Washington DC: Mathematics Policy Research.

The discussion now turns to research conducted as part of the project *social exclusion, welfare receipt and mental health* and describes the results from previous publications. Analysis of the ABS National Survey of Mental Health and Wellbeing was conducted to estimate the prevalence of common mental disorders among Australian welfare recipients.⁶ The analysis was restricted to working age respondents and, based on demographic characteristics, five client segments were identified that corresponded with the main categories of income support payments: unemployed; students; partnered women with children; unpartnered women with children; and not in the labour force (primarily disability support pension). The analysis found elevated rates of mental disorders, psychological distress and disability due to poor mental health among welfare recipients. Around 31% of income support recipients had experienced an anxiety, depressive or substance-use disorder in the previous 12 months, compared to 19% of non-recipients. The prevalence of mental disorders was elevated in all client segments, and was particularly pronounced in the lone mother group where around 45% were identified with a diagnosable mental disorder. Those identified as unemployed also had an elevated prevalence of disorders (34%). This pattern of results has been replicated using the HILDA Survey, which includes data on specific payment types and a measure of disability due to poor mental health.⁷

⁶ Butterworth, P. (2003). *Estimating the prevalence of mental disorders among income support recipients: Approach, validity and findings* (Vol. 21). Canberra: Department of Family and Community Services, Butterworth, P. (2003). The prevalence of mental disorders among income support recipients: An important issue for welfare reform. *Australian and New Zealand Journal of Public Health*, 27(4), 441-448.

⁷ Butterworth, P., Crosier, T., & Rodgers, B. (2004). Mental health problems, disability and income support receipt: A replication

The concept of clinical mental disorders is still relatively abstract. To make the discussion more meaningful to a general audience it is possible to focus on individual symptoms and use the concept of demoralisation as a framework. Demoralisation refers to feelings of meaninglessness and pointlessness in life, a lack of personal utility to resolve these feelings, suicidal thoughts, hopelessness and helplessness, and feeling trapped within current circumstances and being desperate for relief.⁸ These are concepts also discussed in the welfare dependency literature, for example by Lawrence Mead.⁹ Further analysis of the National Survey showed that unemployed, lone mother and disability welfare recipients had significantly elevated rates of hopelessness, worthlessness, and dissatisfaction with life.¹⁰ However, it is the measures of suicidal behaviour which most starkly demonstrate the personal adversity associated with welfare receipt. For example, whereas 2.5 percent of those not reliant on welfare payments reported that they had felt so low that they had thought a lot about committing suicide in the past 12 months, the rate amongst lone mothers receiving welfare was 11.5 percent (increased odds of over 5). Report of lifetime suicide attempts was

and extension using the HILDA survey. *Australian Journal of Labour Economics*, 7(2), 135-158.

⁸ Clarke, D. M., & Kissane, D. W. (2002). Demoralization: its phenomenology and importance. *Australian and New Zealand Journal of Psychiatry*, 36, 733-742.

⁹ Mead, L. (Ed.). (1997b). *The new paternalism : supervisory approaches to poverty*. Washington, D.C. : Brookings Institution Press.

¹⁰ Butterworth, P., Fairweather, A. K., Anstey, K. J., & Windsor, T. D. (2006). Hopelessness, demoralization and suicidal behaviour: the backdrop to welfare reform in Australia. *Australian and New Zealand Journal of Psychiatry*, 40(8), 648-656.

also markedly elevated in the three most disadvantaged welfare recipient groups, with the highest rate again reported by lone mothers (11.4 percent vs 2.7 percent for non-recipients).

These results show that welfare recipients have much higher rates of mental disorders, severe and disabling psychological distress, and rates of demoralisation than non-recipients. This analysis did not, however, examine the causal direction of this association. Nonetheless, the finding has implications for policy and for what appropriate support and services should look like for many welfare recipients. It also cogently illustrates the desperate circumstances of a significant minority of people receiving welfare: a finding which demands policy attention.

... the critical finding was that those in poor quality jobs ... showed rates of depression that were higher than, but statistically equivalent to, the group of unemployed respondents.

Investigating the psychological impact of welfare dependency

The remaining responses to the question "why mental health?" focus on the nature of the relationship between welfare receipt and common mental disorders.

Any discussion of *fair welfare* must consider welfare reform and mutual obligations, and mental health is central to this discussion.

As a starting point, there is an extensive research literature demonstrating the psychological benefits of work, both as a consequence of improved financial circumstances as well as the latent benefits that having a job provides, such as a personal sense of purpose and achievement, and providing structure to the day.¹¹

The current welfare policy debate is somewhat distinct from this, arguing that welfare dependency has a corrosive psychological effect. A number of senior government ministers, for example, have stated that welfare dependency adversely affects psychological wellbeing and that mutual obligations and welfare reform represents an attempt to improve the psychological wellbeing of individuals and their families. This is consistent with Mead's perspective (Mead, 1997a, 2000) that welfare dependency results in feelings of hopelessness and despair which, in turn, impair an individual's self-efficacy and their capacity to act in their own best interests.¹² Paternalistic policies involving enforced participation requirements and mutual obligations, and emphasising a "work first" approach are a consequence of this view.

The results described in the previous section which showed a strong

¹¹ Fryer, D. (1986). Employment deprivation and personal agency during unemployment: A critical discussion of Jahoda's explanation of the psychological effects of unemployment. *Social Behaviour*, 1, 3-23. Jahoda, M. (1981). Work, employment and unemployment: Values, theories and approaches in social research. *American Psychologist*, 36, 184-191.

¹² See, for example, Mead, L. (1997a). *Beyond Entitlement: The Social Obligations of Citizenship*. New York: The Free Press. And Mead, L. (2000). Welfare reform and the family: lessons from America. In P. Saunders (Ed.), *Reforming the Australian Welfare State* (pp. 44-61). Melbourne: Australian Institute of Family Studies.

association between welfare receipt and mental illness could be interpreted as supporting this hypothesis, but further investigation is needed. Is it possible to differentiate between the beneficial effects of work and the adverse effects of welfare dependency? Does research show that a 'work-first' approach is universally beneficial and is any job better than no job? Is the adverse effect of welfare dependency able to be differentiated from the effects of other contemporaneous circumstances which are tied to welfare receipt (such as financial hardship, relationship dissolution) or from long-term disadvantage which may have accumulated over the lifecourse and define the life trajectory which has led to current welfare dependency? The answers to these questions have important implications for the design of appropriate welfare policies.

I will describe two examples. Firstly, consider results from a project lead by Dorothy Broom and colleagues from the National Centre for Epidemiology and Population Health at the ANU.¹³ The study used data from wave 1 of the PATH through Life study: a group of 2497 40-44 year olds living in the region around Canberra and Queanbeyan. The analysis contrasted the mental health (depression symptoms) of respondents who were unemployed with those who were working. Importantly, the analysis also considered job quality. A continuum of job quality was developed which reflected aspects of work that have been shown to be related to health, including high job strain (having a job involving high demands but low levels of control), high job insecurity, and low marketability. The range of scores on the employment continuum ranged from 0 (optimal working conditions)

¹³ Broom, D. H., D'Souza, R. M., Strazdins, L., Butterworth, P., Parslow, R., & Rodgers, B. (2006). The lesser evil: Bad jobs or unemployment? A survey of mid-aged Australians. *Social Science and Medicine*, 63, 575-586.

through to 3 (three adverse work conditions – high job strain, high insecurity and low marketability). This study showed that, overall, those in paid work had lower rates of depression than those who were unemployed. However, the critical finding was that those in poor quality jobs (high strain, high insecurity and low marketability) showed rates of depression that were higher than, but statistically equivalent to, the group of unemployed respondents. The interpretation is limited by the cross-sectional nature of the data, and the relatively small number of respondents in the categories of lowest quality jobs and unemployment. Nonetheless, the results do indicate that caution is needed in advocating a work-first approach as an automatic remedy to psychological malaise.

Another approach is to disentangle the effects of welfare dependency from the factors that lead to welfare receipt. A large part of the program of research being discussed has investigated the mental health of lone mothers.¹⁴ This is a topic that has also received considerable international research attention. The evidence suggests that the elevated rates of depression and anxiety disorders reported by lone mothers, including those reliant on welfare, is mediated by factors such as low income and the experience of financial hardship, low levels of educational attainment and a lack of employment experience, living in disadvantaged communities, early adversity such as childhood abuse or

¹⁴ Butterworth, P. (2003b). Multiple and severe disadvantage among lone mothers receiving income support. *Family Matters*, 64, 22-29. Also Butterworth, P. (2004). Lone mothers' experience of physical and sexual violence: association with psychiatric disorders. *British Journal of Psychiatry*, 184, 21-27. And Crosier, T., Butterworth, P., & Rodgers, B. (2007). Mental health problems among single and partnered mothers. The role of financial hardship and social support. *Social Psychiatry and Psychiatric Epidemiology*, 42(1), 6-13.

neglect, parental divorce, poor physical health, and exposure to physical and sexual violence (and the association with domestic violence). These findings suggest that, rather than being a consequence of welfare dependency, the poorer mental health of a significant proportion of lone mothers reflects both current and long-term adverse personal and social circumstances, and indicates that welfare dependency and poor mental health are shared outcomes of a pathway of adversity and disadvantage.

In general, employment has beneficial effects, but caution is required before embracing particular policy responses. The circumstances that lead to welfare receipt may be largely responsible for the poorer mental health evident amongst welfare recipients. For example, the established risk factors for mental illness overlap considerably with the eligibility criteria for income support payments. The current results suggest there is a need for sophistication in analysis and policy development, with due consideration given to the circumstances of individuals. The co-occurrence of poor mental health and a range of other forms of personal, psychological and social disadvantage supports a holistic and joined-up approach to service delivery, encompassing comprehensive assessment, individualised assistance, co-location of services, and appropriate skill development and training of service delivery staff.

Addressing the social determinants of health

I will only briefly discuss the remaining two reasons for why I consider mental health is relevant to discussion of fair welfare.

The findings in the previous section showed that social conditions influence mental health. Thus, efforts to ameliorate the effects of mental illness require an approach broader than just the health portfolio. In the 2001 report

Mental health: new understanding, new hope, the World Health Organization stated:

*Sectors other than health, such as education, labour, welfare, and law, and nongovernmental organizations should be involved in improving the mental health of communities.*¹⁵

Consideration of mental health in the context of welfare receipt is, therefore, important because the health system has limited resources, and a comprehensive response requires a whole-of-government approach. Through social welfare policies and interventions, it is possible to identify, tailor and target assistance to the most

¹⁵ WHO. (2001). *The World health report 2001: Mental health new understanding, new hope*. Geneva: World Health Organization.

vulnerable people in society. In addition, a broader conceptualisation of the socio-economic determinants of health and wellbeing encourages evaluation and costing of the wider impacts of economic, workplace and other policies.

Common mental disorders as a cause of unemployment and welfare dependency

Finally, it is also important not to overlook selection or "reverse causation". That is, mental illness causing unemployment and welfare receipt. While more obvious for the low prevalence disorders, this is also the case for the common mental disorders.¹⁶ Improved availability of effective, evidence-based mental

¹⁶ Dooley, D., Fielding, J., & Levi, L. (1996). Health and unemployment. *Annual Review of Public Health*, 17, 449-465. Also Dooley, D., & Prause, J. (2002). Mental health and welfare transitions: Depression and alcohol abuse in AFDC women. *American Journal of Community Psychology*, 30(6), 787-813.

health services may, therefore, help to alleviate the negative social consequences of common mental disorders, including welfare dependency. Consistent with this point of view, one aspect of the current project has been to review and provide recommendations about mental health programs and interventions that may be directly applicable within the social policy environment.¹⁷

Conclusions

The aim of this paper was to demonstrate how mental health is central to the notion of *fair welfare*. The research evidence showed the high co-occurrence of common mental disorders and welfare receipt, and

¹⁷ Butterworth, P., & Berry, H. (2004). Addressing mental health problems as a strategy to promote employment: an overview of interventions and approaches. *Australian Social Policy*, 2004, 19-50.

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illustrated the demoralisation and despair of many welfare recipients. The experience of depression or other common mental disorders is likely to be a barrier to the achievement of positive social and employment outcomes. In addition, mental health is one of the theoretical drivers of welfare reform, but a more nuanced approach to analysis and the design and implementation of policy responses is important. Finally, it was argued that social and welfare policy has a vital role in an inter-sectorial approach to improving the mental health of the Australian community and, conversely,

that efforts to improve health and wellbeing through early intervention and prevention strategies may decrease an individual's need for welfare.

The current research illustrates the importance of involving mental health professionals in welfare and social policy. In the US, Kessler has argued that psychiatric epidemiology has a key role informing social policy and evaluating the success of welfare interventions.¹⁸ Welfare recipients are

¹⁸ Kessler, R. C. (2000). Psychiatric epidemiology: selected recent advances

amongst the most psychological vulnerable in society. It is imperative that the administrative requirements placed on individuals are sensitive to, and do not exacerbate their current disadvantage. By being mindful of psychological as well as the other barriers experienced by welfare recipients, services and assistance can be better tailored to their needs and, thereby, improve their opportunities to participate more fully in society.

and future directions. *Bulletin of the World Health Organization*, 78(4), 464-474.



Michael Raper – President, National Welfare Rights Network

Justice in a climate of change

Emissions trading calls for “Triple E” approach

The new Labour Government is committed to the introduction of a “cap and trade” Emissions Trading Scheme (ETS) with a long-term emissions reduction target, subject to the findings of the Garnaut inquiry into the economic impacts, to be finalised in 2008.

Research commissioned for the March 2007 “Equity in our National Response to Climate Change Roundtable” in Melbourne (organised by the National Welfare Rights Network, Brotherhood of St Laurence, Australian Conservation Foundation and the Climate Institute Australia) indicates that low income and disadvantaged people will be disproportionately adversely affected by the impact of climate change.

Other research commissioned for the Roundtable also indicated that placing a price on carbon in any form is “regressive” as energy costs constitute a larger proportion of the weekly budgets of low income earners even though they use substantially less energy than high income households.

In responding to climate change it is therefore essential that the policies we adopt are not only as efficient and effective as possible in both environmental and economic terms but

that they are also as fair and as equitable as possible. Otherwise, low income and disadvantaged Australians will not only miss out on the opportunities that our responses to climate change will provide, but they will also be further disadvantaged and will not be able to contribute to our effort to reduce greenhouse gases.

Aiming for a win / win outcome

If however, we do get the equity equation right, then a price on carbon through an Emissions Trading Scheme could result in a win / win outcome: a win for the environment through the introduction of energy efficiency measures in low income households resulting in reduced energy consumption and carbon emissions, and a win for low income and disadvantaged households through reduced expenditure on energy resulting from those efficiencies.

This “triple E” approach demands policy attention to:

- energy pricing mechanisms to cushion low income households from the full impact of energy price increases;
- the provision of substantial dollars to fund the large scale retro-fitting, and other energy efficiency measures, to reduce the energy

expenditure of low income and disadvantaged households; and

- the design and implementation of appropriate compensation mechanisms to offset the impact on those who miss out.

Playing catch up – learning from overseas

Given the long tenure of the previous Federal Government, Australia is a long way behind in both formulating a national response to climate change and therefore in addressing the components of this “triple E” approach.

One of the few advantages of being so far behind is that we can look to those ahead of us and learn lessons so that we can take some short cuts. In this regard, the “Equity in our National Response to Climate Change Roundtable” commissioned a study from Prof. Gill Owen on the key measures and lessons in the UK. The study not only made it clear just how far behind we are in Australia, but also gave some good pointers to what we need to do.

Lessons from the UK

The UK has been developing policy responses to climate change since the early 1990s. Its target under the Kyoto Protocol is to reduce greenhouse gas

emissions by 12.5% below 1990 levels by 2012 and it should achieve this.

The UK has also set itself the more challenging target of a 20% reduction by 2010 - on current trends it is less likely to achieve this. The longer term aspiration is a 60% reduction by 2050. This aspiration is likely to be enshrined in legislation through the Climate Change Bill.

In support of its energy policy goals, the UK Government has developed a range of policies and programmes, which are particularly designed to have an impact on emissions. The main ones are:

- The **European Emissions Trading Scheme** (EU ETS) - started on 1 January 2005 and is intended to make a significant contribution towards the reductions in emissions that the EU is required to make under the Kyoto protocol.

However, it is estimated that the EU ETS will add 3 -14% (depending upon the carbon price) to household electricity bills from 2005-2010.

- A **Climate Change Levy** – tax on energy use by industrial, commercial and public sector users of energy, designed to reduce their energy use.
- A **Renewables Target** of 10% of electricity generation by 2010 (4% in 2005) and its main mechanism for achieving this is the Renewables Obligation (RO). Under the RO all electricity retailers are required to source a proportion of their electricity from renewable sources.

The RO in effect provides a subsidy for renewable energy. In 2005 this increased household electricity bills by 3% and this will rise to 6% by 2010.

- **Building regulations** set minimum standards of energy

efficiency for all new housing and other buildings.

- **Minimum efficiency standards** are set for some household appliances and equipment and others are subject to labelling (these standards are set at EU level).
- An **Energy Efficiency Commitment** - started in 2002, requires all electricity and gas retailers to achieve kwh energy savings through their household customers.

Retailers deliver on the EEC by subsidising energy saving measures (insulation, efficient appliances and lighting) to get their customers to take up the measures. The level of EEC has been rising and by 2010 it is estimated it will be adding 3% to household gas and electricity prices. The equity implications of EEC are recognised through the Priority Group requirement (see below).

Special programs of low income households

It has long been recognised in the UK that to ensure access to energy efficiency programmes by lower income and disadvantaged households, special initiatives are needed. Programmes that are open to every household on the same basis tend to be used disproportionately by the better off. This recognition goes back to the original Home Insulation Scheme established in the late 1970s, originally with a standard grant of 66% of the costs for all households. Low income and elderly households were much less likely to use the grants than the better off (largely because the required client contribution was unaffordable), so the scheme was changed into a two tier one – 66% grants for any household and 90% grants for low income and elderly households.

When the Energy Efficiency Commitment was introduced in 2002,

the Government decided that energy retailers would have to achieve at least 50% of the savings from the Priority Group (households eligible for a range of Social Security benefits, including low income elderly and disabled people and low income families). This was because retailers have an incentive to achieve the energy savings at lowest cost and this would drive them towards schemes for better off households who would require lower subsidies (low hanging fruit). As all households are paying the costs of EEC the scheme would therefore tend to be inequitable (most of the benefits going to better off households) without the Priority Group requirement.

Significant investment required

There are three main sources of investment in energy efficiency for low-income households; the Warm Front Scheme costing about £400 million per annum; the Energy Efficiency Commitment costing about £200 million per annum; and investments by local authorities and housing associations in their social housing stock to achieve the Decent Homes Standard – an investment of around £250 million per annum.

Current spending on energy efficiency for low income households is thus around £850 million a year and it has been estimated that this will need to rise to £1.2 billion a year from 2008-16 if the fuel poverty targets are to be met.

What is needed in Australia?

It is clear from just this brief summary of what is already happening in the UK that Australia needs a massive investment in both policy and program development and in such programs themselves. Clearly we also need:

- An emissions reduction target;
- An Emissions Trading Scheme;
- Mandatory renewable energy targets;
- Policies and programs to address the impact of all these on low income and disadvantaged

- households so as to build equity into our national response;
- Energy pricing mechanisms that provide some buffer for low income households from the full impact of inevitable energy price increases whilst not removing the environmental benefits of a price signal;
- Substantial immediate investment in energy efficiency measures for low income households to reduce energy consumption and expenditure; and,

- Financial compensation for those whose needs and spending patterns expose them to significant additional energy costs.

Policy and political challenges

One of the greatest political and policy challenges of the next 18 months will therefore be ensuring that a substantial portion of the massive revenue stream that will be derived from the auctioning of emissions permits under any Emissions Trading

Scheme is dedicated to investment in these equity measures to address the needs of low income households. Former Prime Minister John Howard promised this in the recent election campaign.

An even bigger challenge however will be to ensure that this revenue is “brought forward” and the investment takes place in the next two to three years prior to the full impact of the Emissions Trading Scheme.

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Senator Rachel Siewert – The Australian Greens

Time to get moving

The 2008 political landscape

At the beginning of 2008, with the new Government in place (but before Parliament has actually sat), many of us are still quietly optimistic that Australia is set to become a fairer and more just country - but what can we really expect?

Will life for those less fortunate actually get better under Prime Minister Rudd?

We are all waiting to see if the new Labor Government will be significantly better than the Howard Government – that is, whether they not only undo the unfair changes we saw under legislation such as Welfare to Work and Work Choices, but also whether they proactively seek to make Australia a fairer and more just society.

There is a lot to be getting on with.

Howard's legacy

Australia under Howard replaced the idea of a universal social security system with a punitive and paternalistic system that blames and harasses the disadvantaged. Howard leaves behind a legacy of running down funding for education and health, unfair workplace laws, the winding back of Aboriginal rights and the chaos of the intervention in the Northern Territory ... together with the politicisation of the public service and sector funding, and the silencing of dissent.

Howard's appeal to a self-centred approach that focuses on personal

wealth seems to have worn thin, with the majority of Australians saying they would rather have better government services than tax cuts. Research shows that the quality of life of most Australians is no better and that people aren't made any happier by more material possessions. At the same time housing prices have gone through the roof, more people are homeless, education has become more expensive, you can't get seen quickly in a medical emergency, and those working in vulnerable jobs are being paid less and have poorer working conditions. Depending on whose figures you use, the gap between rich and poor has either failed to improve or further widened. Meanwhile, those on welfare have been made to feel like second class citizens, and single mothers and those with disabilities have been particularly victimised.

Services or tax cuts?

In this context it is a shame to see that the new Rudd Government seem to feel trapped by its "me too" election commitment to \$31 billion in tax cuts ... and has sent out the razor gang to see where they can cut government spending on services. The Greens will continue to oppose these tax cuts and argue for the money to be invested in services such as a national dental scheme, a national poverty plan and a strategy to close the gap on Indigenous health, and a pay increase for pensioners.

During more than a decade under Howard, the public debate about our social security system became dominated by the language of "the best form of welfare is a job", of "sit-down money" and concern for "children growing up in 'jobless' households", and the slippery slope of "mutual obligation" all based on a world view that suggests people on welfare are less deserving and need to be compelled to act in their own interests.

The task before the new government and the legacy that needs to be overturned is not just a matter of unfair laws, political appointments, changed funding arrangements and increased executive power – it is also a matter of a cultural change in the way we see ourselves and the vision we have for our society. Are there signs of a new dialogue with the nation and a greater effort to strengthen civil society and include the public in political process?

Well, yes and no. For many of us the last few months have been a bit of a rollercoaster ride – bouncing between daring to hope that with Howard gone it might be the dawning of a brighter era ... then becoming disappointed when opportunities are missed and all we seem to be getting is more of the same cynical politics.

Social Inclusion

The issue of Social Inclusion provides a particularly good example. We welcomed the announcement that

there would now be a Minister for Social Inclusion, with Julia Gillard taking on this role (as well as being Minister for Employment and Workplace Relations, and Education). The announcement of the new portfolio was light on detail, so I was understandably interested to hear what Julia would say when we participated in an Australian Industry Group forum and then shocked and disappointed to hear her say that she saw herself as the "Minister for Productivity," and that social inclusion (as well as employment and education) was really just all about increasing productivity.

I found the message that social inclusion was all about increased workforce participation and productivity both disturbing and strangely familiar. Wasn't that what we'd been told Work Choices and Welfare to Work was really all about?

This seems to me to be a big signal that the ALP in government doesn't intend to seriously address disadvantage and tackling the underlying causes of poverty. While I might still hope to be pleasantly surprised, I'm not holding my breath on the introduction of a comprehensive anti-poverty plan.

Reinvigorating civil society

There have been some promising noises about better supporting non-government organisations and the role of NGOs in democracy. Civil society has suffered badly under Howard, and it is clear we're in urgent need of reinvigoration.

To my mind the Rudd Government seemed to undo this promise a bit with the announcement they would be requiring all Commonwealth-funded bodies to send media releases to The Department of Prime Minister and Cabinet for vetting prior to release. However, more recently they have announced that they will be removing the media gag clause from funding contracts for non-government service providers. This is a welcome first-step

in addressing the issue of the silencing of dissent under Howard – let's hope they carry through to address some of the other issues – like the politicisation of the public service and the threats to charitable tax status.

Work Choices Lite

The new Government will be changing the IR laws, although many believe the changes don't go far enough - and they don't come in until 2010. Labor have said they don't intend to do anything in the short term about the Australian Building and Construction Commission and their powers to remove the right to silence and heavily fine workers for taking part in industrial actions - hardly the signs of a fair go.

While I might still hope to be pleasantly surprised, I'm not holding my breath on the introduction of a comprehensive anti-poverty plan.

Labor has also signalled they won't be changing Welfare to Work much and continue to follow the Coalition's line that the welfare system is about getting people back into the workforce. Labor unreservedly backed the quarantining of income support and have in fact said they want to go further than the Coalition in quarantining payments.

We are still hopeful that they might take the edges off some of the excesses of this legislation, for instance by fixing the principal carer's provisions.

NT intervention

In opposition Labor mostly supported the Coalition's Northern Territory intervention legislation. They wholeheartedly support the quarantining of income support, which has turned into an administrative nightmare for community stores and is creating chaos and hardship for many of those affected.

At the moment the ALP seem to still be trying to have a buck both ways and it isn't clear to what extent they intend to wind back and amend the intervention.

We have been doing some analysis of the opportunities to moderate the impacts and change the character of the NT intervention, and there is actually a lot of scope for the Rudd government to positively transform it. For the first time in ages there have been significant resources committed to addressing the plight of Aboriginal communities in the Northern Territory, and the way in which the budgetary appropriations are 'aspirationally' worded gives them a lot of leeway should they choose, for instance, to put more resources into child protection or community development.

The Government has made a commitment to address the gap in Aboriginal and Torres Strait Islander life expectancy. It is also good to see the new Government has apologised to the stolen generations early in its tenure, but disappointing that they moved to rule out reparations before the task of consultation had even begun.

The New Senate

After July 1 2008 the Senate changes and in the so-called balance of power will be the five Green senators, Nick Xenophon (Independent) and Steve Fielding from Family First.

To get legislation passed that the Coalition doesn't like the Government will have to get the support of the Greens and both Senators Xenophon

and Fielding, or that number of Coalition Senators will have to cross the floor. Of course anything that both the Government and the Coalition agree upon will happen, and anything they are both opposed to, is history.

Approximately two million people live in poverty in Australia. The gap between the haves and have nots has grown, life expectancy for Indigenous Australians is still 17 years less than non-Indigenous Australians, 1.2 million Australians are in housing stress, more than 100,000 are homeless, education is becoming more and more expensive and Australia continues to have large under-employment. The great wealth being generated in Australia is not delivering a fair go for everyone. So to steal an election catch-cry from another era – It's time.



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