

A FAIRER AUSTRALIA 2022 ELECTION STATEMENT



St Vincent de Paul Society
NATIONAL COUNCIL of AUSTRALIA Inc. *good works*

March 2022

St Vincent de Paul Society National Council of Australia acknowledges the traditional custodians of country throughout Australia; recognises their continuing connection to land, waters and culture and community; and pays its respect to elders past and present and emerging.



WHO WE ARE

St Vincent de Paul Society is a lay Catholic charity with over 60,000 members and volunteers and over 3,000 employees. It operates on the ground in every Australian state and territory, in both urban and regional areas. Founded in poverty and plague-stricken Paris in the 19th century, we have been in Australia for almost 170 years. Our people live and work in local communities and are closely involved with those in need.

The St Vincent de Paul Society National Council is registered and regulated by the Australian Charities and Not-for-profits Commission (ACNC). Our advocacy work is politically non-partisan. Our activities comply with [ACNC's advocacy requirements](#). We have a duty to live our values by advocating on behalf of those without a voice.

We strive for a fairer Australia for all.

WHAT WE DO

We work directly with Australian families and individuals in need, giving them a hand up to help them reach their life potential. We do this through Vinnies conferences, run by our dedicated members, who meet with people to discuss their needs. They provide emergency assistance as well as general and specialist support services and referrals.

We aspire to live the gospel message by serving Christ in the poor with love, respect, justice, hope and joy, and by working to shape a more just and compassionate society.

The Society works with governments and like-minded organisations to advocate for public policy change that will make a difference to the wellbeing of people in need.

A VOICE FOR THE VOICELESS

Our work is informed by the teachings of our founder, Frederic Ozanam. Our Mission and Values draw on Catholic Social Teaching principles and we follow The Rule which sets out the Society's international charter.

We believe in human dignity, the common good and in our responsibility for each other. We strive for social conditions that ensure everyone can realise their full potential.

Our belief in solidarity helps us to see the 'other' as our neighbour, a helper, a sharer on a par with ourselves.

We believe in subsidiarity - respect for personal dignity and the importance of those most affected by a decision or policy having input to it.

We respect Australia's international human rights commitments, including the International Covenant on Economic, Social and Cultural Rights, the International Covenant on Civil and Political Rights and Australia's support for the United Nations Declaration on the Rights of Indigenous Persons.

Our policy positions are qualified by the experiences of those we assist and our members, by the extensive evidence-base in social policy and research projects sponsored by the Society, such as the UNSW/ACOSS poverty and inequality project and the ANU's tax reform project.

OUR WORK WITH OTHERS

The Society engages with other church-based charities and not-for-profit organisations in the delivery of assistance to people in need and our policy positions generally align with them. These organisations include Catholic Social Services Australia, National Shelter Australia, the ACTU, Everybody's Home, ACOSS, Refugee Council of Australia, Jesuit Refugee Services and the Catholic Alliance for People Seeking Asylum.

WHY THIS IS IMPORTANT

Australia is a wealthy country but has a shortage of affordable housing, growing inequity, increasingly insecure work and stagnant wages. Households that rely on income support are struggling to survive. One-in-six children are living in poverty, and great disadvantage persists in a number of mainly regional and remote communities.

The next generation of Australians will inherit an unprecedented budget deficit. Now, more than ever, government policy and fiscal management need to be robust, evidence-based and directed to areas of greatest need.

Deal with the most urgent needs... Teach reading and writing, educate with the aim of giving each the means of self-support. Intervene with authorities to reform structures... there is no charity without justice.

– St Vincent de Paul



PEOPLE SEEKING ASYLUM

Since the first months of his pontificate Pope Francis has expressed particular concern for people fleeing war and persecution. He continues to regularly call on us to welcome and protect them.

In the last decade, Australia has failed to welcome or protect people who have sought asylum in our country, arriving here by boat, despite their being entitled to seek protection under international law.

About 30,000 people who arrived in Australia by boat have been subject to special, unfair treatment in their refugee assessment process. Even if found to be refugees, they have only been granted temporary visas. Several thousand others were sent to PNG and Nauru for processing, with around 200 still there.

Many are held in arbitrary, indefinite detention in breach of our obligations under the International Covenant on Civil and Political Rights and the Convention Relating to the Status of Refugees. Detention is only legal when it is deemed that a person poses an unacceptable risk to the community and that risk cannot be addressed in a less restrictive way. But, even then, detention must be time-limited and proportionate.

Recently Australia has been less welcoming of people arriving under our Humanitarian Program.

We call for:

- An annual minimum intake of 20,000 refugee places, excluding the Community Support Program
- Recognition of the ongoing need to offer additional places above the annual humanitarian intake in response to crises as they arise
- An end to the fast-track assessment process and reassessment of those rejected by this process
- An adequate safety net for people seeking asylum
- Permanent protection for all refugees including those still on temporary visas
- Family reunion for all refugees, irrespective of their mode of arrival to Australia
- An end to offshore processing, settling those in PNG and Nauru to Australia or other safe countries
- Asylum seekers to live in the community while their immigration status is resolved. Detention should only occur under extenuating circumstances, for a fixed period and for specified reasons.

Under Australia's Refugee and Humanitarian Program, the annual cap of people coming to our country has been reduced by 5,000 to 13,750, while the allocation for community refugee sponsorship continues to be within that

cap. The Australian Government's initial offers to help Afghan nationals were within the overall humanitarian cap. The 2022 Federal Budget includes an additional 16,500 humanitarian places (above the cap) for Afghan nationals over the next four years. This announcement is welcomed, although concerns remain about the four-year time period. Instability, conflict and crises will continue to occur throughout the world and the Australian Government must act quickly and be open to accepting additional humanitarian places when these crises arise.

About 30,000 people seeking asylum, who arrived in Australia by boat, have been subjected to an unfair, fast-track refugee assessment process, different from that used for those who arrive by air or through a seaport. The process excludes some people from refugee protection, limits access to review processes and legal assistance and gives less protection from being deported.

Some people seeking asylum suffering financial hardship have limited access to support payments. But changes to eligibility have seen the number receiving income support through the Status Resolution Support Services drop from about 13,000 to under 2,000 in three years. Many who lost this payment are deemed 'job-ready' but are not fit for work or cannot get a job. Many live with chronic financial and housing insecurity and feel humiliated at having to rely on family, friends and charities for help. They are forced to live in overcrowded, unsafe dwellings or to accept insecure work, where they risk being exploited.

Almost 19,000 people have been deemed to be refugees by the fast-track process but have only been granted temporary visas. Unable to return home, they are also unable to settle permanently in Australia or to reunite with their families. Many have lived here for between eight to 12 years. When temporary visas expire, cases are reassessed, and people face the risk of having their claims rejected. Years of insecurity, disconnection with social networks and family, and poor living conditions lead to high rates of mental ill-health. Their permanent settlement would generate \$6.75 billion for the Australian economy over five years.

The complex health issues of those held in PNG and Nauru are well-documented. Many people have been sent to Australia or other safe countries. Those remaining should be similarly resettled without delay.

Australia's immigration detention system is mandatory and not time limited and there are only limited grounds on which it can be challenged in court. Those detained in locked facilities face barriers to accessing health care and legal advice. The financial cost is significant – over \$360,000 per annum to hold a person in a detention facility. The same result can be achieved for \$46,500 in community detention or \$16,800 if they live in the community on a bridging visa.



FIRST NATIONS PEOPLE

While the Society is not a First Nations organisation and cannot speak on behalf of First Nations people, we stand in respectful solidarity.

We honour First Nations cultures, lands, waters, histories and rights to live in a society free of economic, social and cultural oppression.

Our members, volunteers, and staff acknowledge and adhere to these values in every aspect of their work.

We acknowledge and celebrate the deep, abiding pride that Aboriginal and Torres Strait Islander people have in their diverse cultures and place great value in the contributions they make to the wider Australian society.

We recognise and admit past and continuing injustices as the first step towards reconciliation.

As set out in the United Nations Declaration on the Rights of Indigenous Peoples, improved outcomes will only be achieved when First Nations people are able to “live in dignity, to maintain and strengthen their own institutions, cultures and traditions and to pursue their self-determined development, in keeping with their own needs and aspirations”.

We are also committed to closing the gap economically by providing employment and procurement opportunities for Aboriginal and Torres Strait Islander people and businesses.

We strive to ensure our workforce and supply chain reflect the diversity of the communities in which we serve.

We call for:

- Commitment to the 2017 Uluru Statement from the Heart by supporting Constitutional Recognition of First Nations people and implementing a Voice to Parliament, and not decoupling the two.
- Raising the age of criminal responsibility from 10 to at least 14 years of age.
- Increased funding and support for Aboriginal-controlled organisations to meet the 17 targets contained in the National Agreement on Closing the Gap.

A National Voice must be enshrined in The Australian Constitution, followed by the passage of enabling legislation for the Voice through Parliament. Only this approach will optimise empowerment, self determination and subsidiarity. Eighty-eight per cent of submissions received through the consultation process on the National Voice supported this view, yet the Australian Government seeks to legislate an advisory body rather than enshrine the Voice in The Australian Constitution.

Under the Indigenous Voice Co-design Final Report, the Australian Government and Parliament are obligated to consult with the National Voice only when proposed laws ‘overwhelmingly’ relate to Aboriginal and Torres Strait Islander people. An expectation of consultation is all that is required where proposed laws ‘significantly’ impact on Aboriginal and Torres Strait Islander people. This approach is inadequate.

We support the Change the Record campaign, an Aboriginal-led justice coalition of legal, health and family violence experts whose aim is to end the incarceration of, and family violence against, Aboriginal and Torres Strait Islander people.

Children should have a safe home to live in, enough to eat, and be free to go to school. Instead, too many are being locked away in prison. Community-led solutions, which help children to learn from their mistakes, grow and thrive, should be funded. The focus should be on family and community-based support services, not custodial sentences. We support recommendations by child psychology experts that the age of criminal responsibility be raised to at least 14 years.

The new National Agreement on Closing the Gap contains 17 targets in the areas of education, employment, health and wellbeing, justice, safety, housing, land and waters and language.

However, the Productivity Commission’s first annual review found mixed progress for seven targets, with four not on track. These were: closing the life expectancy gap by 2031, adult imprisonment, out of home care for children and suicides. Indigenous children are currently 10 times more likely to be in out of home care than non-Indigenous children and less than half are living with Indigenous carers.

The solutions are there. But we believe that real progress will not be made without a significant commitment of funding to strengthen community-controlled sectors and Aboriginal and Torres Strait Islander organisations. They are needed to deliver improved economic and social outcomes.

The Australian Human Rights Commission has called on governments to redouble their efforts to address Aboriginal and Torres Strait Islander inequality. The Society supports this call wholeheartedly.



SECURE WORK

Australian workers, in whatever their field, are people whose dignity must be respected. They must be able to pursue their rights and have just working conditions.

Everyone deserves a fair, living wage, one that provides job choice and security.

Job market growth is forecast but workers continue to go backwards. Wages have stagnated for seven years.

Currently, Australia has one of the highest rates of insecure employment in the OECD.

Less than half of working Australians now hold a permanent, full-time waged job with entitlements. And the pandemic has seen the fastest growth of casual jobs in Australia's history.

The rights of independent contractors and of casual, labour hire, on demand and seasonal workers must not be violated. These workers are vulnerable, and less likely to be aware of or to enforce their rights.

Insecure work means low pay, inferior rights, irregular hours, poor work/life balance, limited job tenure, limited access to leave, skills development and career pathways, and increased risk of injury, harassment, and wage theft.

The mantra that 'the best form of welfare is a job' punishes the unemployed, forces them to live in poverty and fails to acknowledge the drastic changes that have increased job insecurity in the labour market.

Around 80 per cent of JobSeeker recipients have been on the payment for more than one year. They want a job and spend all their time looking for one but repeated failure to obtain work is demoralising.

In fact, research shows that people are likely to be unemployed for longer if they undertake mutual obligation activities or participate in employment services.

We call for:

- Changes to the statutory definition of casual worker, including a pathway to permanency for workers on consecutive fixed term contracts.
- A national system of labour hire licencing including same job, same pay provisions.
- A review of mutual obligation requirements and employment programs.
- Investment in wage subsidies in the private sector and vocational training programs.

People with lower skills, young workers, women, single parents, temporary visa holders and workers with disability unable to access the Disability Support Pension are more likely to be employed in insecure work, especially in the retail, hospitality, aged care, childcare, and agricultural sectors.

Around one in four people are employed as casuals and the majority are women. Casual workers earn less than half of permanent workers, per week. Over half are 'permanent casuals', employed for over one year but with no entitlements. Pathways to permanency for casual workers must be improved. And labour hire licencing is needed to put an end to the business model of cutting workers' pay and conditions.

A 2017 study found the rate of long-term unemployed people has increased over the last decade. Two thirds of income support recipients hold high-school qualifications only, but 'entry level' jobs have slipped from 22 per cent to 15 per cent over a decade. Currently, there are 12 job seekers for every 'entry level' job.

Other jobs involve heavy physical work, inflexible hours or are located in places people cannot afford to move to. These jobs are not suitable for everyone. People's chances of securing full time paid employment fall to less than 25 per cent if unemployed for over two years. And around half of this cohort is aged over 45 years and one third lives with disability.

Mutual obligations are hurting people instead of leading to work. Thousands of people who are homeless, live with disability or identify as First Nations people are disproportionately affected by welfare payment suspensions.

Those in greatest need of support from employment services face the greatest competition for work. The Commonwealth's employment service system is failing to place long-term unemployed people into work. People want to engage in activities that lead to work but very few believe that mutual obligations are helping them find it.

Carefully targeted and administered wage subsidies in the private sector and vocational training improve employment outcomes. Employment training programs should enhance self-esteem, preserve human dignity, align with people's skills, and meet labour market demands - not just suit the employment service provider.



ADDRESSING HOMELESSNESS AND AFFORDABLE HOUSING

Housing is a fundamental human right, vital to human dignity.

For too long, access to affordable, safe and energy efficient housing has been neglected by all governments.

The Australian dream is now a nightmare, with a whole generation unable to afford a home.

Moderate income earners are also affected, with many forced to live far from work and to commute for hours.

But those most affected are people living in poverty – JobSeeker recipients, single parents, older people in the rental market and people living with disability.

And many are just one life event away from housing stress – losing a job, becoming unwell, being a carer, ending a relationship, being on a temporary visa or experiencing family and domestic violence.

All governments must work together to address the housing crisis. The current piecemeal approach to housing policy and funding is not working.

We call for:

- An independent statutory authority to develop a 10 year National Housing Strategy with all governments and key stakeholders, underpinned by a \$10 billion Social and Affordable Housing Fund.
- Review of Commonwealth Rent Assistance and increase to the maximum rate by 50 per cent.
- Reinstatement of the National Rental Affordability Scheme or a suitable replacement scheme.
- Funding to implement the National Low Income Energy Productivity Program.
- National minimum standards for renters and landlords to manage tenancy issues.

People living in poverty are worst affected by the housing crisis

Housing costs are proportionately much higher for people on low incomes, especially if renting privately.

On any given night, 115,000 Australians are homeless. A high number are unemployed. Many have faced family and domestic violence. Around 31,000 people live with mental ill-health.

The social housing wait lists total 148,500 households. Too many people are forced to wait years for secure accommodation. Over 430,000 social housing dwellings and 210,000 affordable dwellings are needed right now – a minimum of 25,000 social housing units each year would not only address the shortfall today, but also generate economic output of \$12.7 billion and create 15,700 jobs.

We know that housing reduces poverty and improves outcomes in health, education and employment, economic and social participation and social mobility.

Remedying this delivers a strong return on investment: affordable housing with wrap-around support saves around \$13,100 per person annually in government services, even after factoring in the cost of housing.

Pressure on the private rental market, unaffordable rentals, unfair evictions and energy inefficiency

Housing options for those on low to middle incomes are rapidly disappearing. Rental affordability in metropolitan and regional locations across eastern Australia has plummeted to record lows.

Thirty per cent of low-income households, or 2.65 million people, are now in the private rental market and two thirds of them experience rental stress. 170,000 households are currently forced to survive on less than \$250 per week after paying rent. Even 45 per cent of Commonwealth Rent Assistance recipients have housing costs that exceed 30 per cent of their income.

The National Rental Affordability Scheme is winding down. 32,930 homes will be exited from the Scheme by 2026, forcing thousands of low-income renters into eviction or higher rents.

People in low-income households are more likely to live in energy inefficient homes. The Society helps them to pay their utility bills and knows they often go without heating or cooling or forego food or medication, putting their health at risk.

People's rights and responsibilities must be protected in the growing private rental market. National minimum standards for renters and landlords are essential to managing 'no grounds' evictions, rental increases and repair and maintenance timeframes.

Being homeless or experiencing housing stress is not living with dignity.



INCOME SUPPORT – AN ADEQUATE SAFETY NET

The dignity of every Australian means honouring their rights and empowering them to reach their full potential, whatever their background, circumstances or beliefs.

Australia's economic growth for almost 30 years has improved the living standards for the average household. Yet over three million people, including 774,000 children, have been left behind, forced to live in poverty, relying on inadequate social security for income and struggling to enter even the private rental market.

Young people, single parents, First Nations people, long-term unemployed and those living with disability or ill-health are particularly vulnerable.

Further, seven per cent of people with paid employment, part-time work and high household costs are also at risk.

Last year, one-in-six Australians did not have enough to eat and 1.2 million children went hungry.

An increase to working age payments not only helps people to afford the basics, it improves their self esteem and stimulates the economy, as people spend immediately, and locally, on essentials.

We call for:

- Poverty and inequity to be monitored
- An independent body to advise the Australian Government on the equity of the income support system and rates of payments and pensions
- An increase to the base rate of working age payments to lift recipients out of poverty
- Income support payments to be indexed biannually in line with wage growth and CPI
- An increase to the earnings threshold of income support payments by \$150 a fortnight

Addressing poverty and inequity

Financial stress, poverty and wealth inequity are on the rise. The top 10 per cent of income earners have experienced the greatest increase in wealth through housing and superannuation. Those on the bottom 20 per cent of income experience persistent and recurrent poverty.

An independent advisory body would monitor poverty and inequity, depoliticise the issue and get the balance right between equity and efficiency in the economy.

Each year the Society provides over \$30 million in emergency relief assistance, covering people's basic needs. Ideally, this assistance should not be needed in Australia but households relying on income support are five times more likely to experience poverty. Lifting people out of poverty is simple. It means increasing working age payments and providing affordable housing.

Around 950,000 people on JobSeeker are living on \$150 below the poverty line each fortnight. Many live with disability and ill-health.

Forcing people to live a hand to mouth existence makes it harder for them to get a job. It creates obstacles, penalises and shames them. And the effects are worse for their children. Not only is their long term health and wellbeing undermined but they are also more likely to face food insecurity, lack good relationships and miss out on learning at home. 774,000 children are being forced to do without, through no fault of their own.

Nearly one-in-four people receiving JobSeeker are in some form of minimal employment which forces them to be on income support. An increase in the earnings threshold from \$150 to \$300 per fortnight would allow people to earn income and gain experience and support them to transition to work.

Working age payments have not kept up with the cost of living.

The recent \$4 a day increase to JobSeeker puts the unemployment payment back to where it was in 2007.

Australia's unemployment payment rates are among the lowest out of all 37 OECD members, second last, just above Greece.

Ideally, a \$24 per day increase in working age payments would bring these payments into line with pensions. A more modest increase of between \$10 to \$15 per day would lift a significant number of people out of poverty. This could be met through minor changes to the capital gains and superannuation tax systems.

If the test of a just society is measured by how it treats those who are living in poverty or marginalised, then Australia is failing.

A robust safety net is needed, with social equity built into our economy.



A FAIRER TAX AND WELFARE SYSTEM

Summary

In November 2021, the St Vincent de Paul Society National Council commissioned the ANU's Centre for Social Research & Methods to model reforms to the Australian tax and welfare system that improve the financial position of people most in need. The reforms are modest, do not involve a major overhaul of the current system and would be effective in reducing inequality that exists between Australian households.

Leading economists, ex-politicians and former Treasury officials have called regularly for a review of the tax system. As the proportion of working-age Australians shrinks and people live longer, a fiscal nightmare looms, with governments less able to pay the expanding bill for critical services, unless appropriate changes are made.¹

Geo-political pressures, along with the pandemic and a series of natural disasters, have exacerbated cost of living, housing, health and national security issues, making it even more difficult to turn our minds to tax.

However, it is important to acknowledge that Australia is a wealthy country and one of the lowest taxed in the OECD. It is also important to remember that people doing it tough are disproportionately and adversely affected in times of crises. It is those people who are supported by the Society's members to meet their daily challenges, with support enabled through the generosity of Australians.

With debt edging towards \$1.0 trillion, and deficits predicted over the next decade, advocating for increased government expenditure is difficult without starting a conversation on how such a spend could be funded.

All three options outlined in this paper increase Commonwealth Rent Assistance by 50 per cent.

The 'low' option increases JobSeeker by \$150 per fortnight. This represents a three per cent increase in total current welfare cash payments. Revenue is raised by lowering the tax threshold for capital gains from 50 per cent to 35 per cent.

The 'medium' option increases JobSeeker, Disability Support and Carers pensions by \$200 per fortnight, and increases the Parenting Payment (single) to the new JobSeeker rate for single parents (\$886 per fortnight). This represents an eight per cent increase in total current welfare cash payments.

The 'high' option increases JobSeeker by \$436 per fortnight, Disability Support and Carers Pensions by \$200 per fortnight, increases Parenting Payment to the new JobSeeker rate and increases Family Tax Benefit Part A by 20 per cent (\$40 per fortnight for children under 13 years). This represents an 11 per cent increase in total current welfare cash payments.

Revenue to cover the 'medium' and 'high' options is raised by replacing the flat 15 per cent tax on superannuation concessional contributions and earnings with a progressive tax, based on existing tax rates and thresholds, and with a substantial discount. The result is that superannuation tax paid by most taxpayers would be either similar or less than their current rate.

All three options have been designed to lift people out of poverty and are budget neutral.

The options are:

- fully funded over the forward estimates (2022-23 to 2025-26) and range from \$4.0 to 20.0 billion per year
- paid for by moderate increases in capital gains tax, restructuring the superannuation taxation system and indexing income thresholds against income growth, rather than stage 3 tax cuts
- most beneficial to those whose incomes fall in the bottom two quintiles (40 per cent)
- funded by people who currently pay no or little tax on superannuation or from those who would benefit from the stage 3 tax cuts, with very modest tax increases
- benefit low- and middle-income households, as they are likely to retire with higher superannuation balances of up to 25 per cent.

Refer to *A Fairer Australia* on our website for the full paper.

¹ Duke, J, Wright, S. 13 October 2021. *A budget reckoning: How the tax system is failing Australians*. The Sydney Morning Herald.



People seeking asylum

- Accept an annual minimum of 20,000 refugees, excluding the Community Support Program
- Recognise the ongoing need to offer additional places above the annual humanitarian intake in response to crises as they arise
- End the fast-track assessment process and reassess those rejected by this process
- Provide permanent protection including for those on temporary visas
- End offshore processing, settling those in PNG and Nauru in Australia or other safe countries
- Fund an adequate safety net
- Support family reunion
- Make detention a last resort. Let asylum seekers live in the community while their immigration status is resolved



First Nations Peoples

- Prioritise Constitutional Recognition
- Raise the age of criminal responsibility from 10 to at least 14 years of age
- Increase the funding of Aboriginal controlled organisations to meet targets in the National Agreement on Closing the Gap



Secure Work

- Redefine casual work and create pathways to permanency
- Develop a national system of labour hire licencing
- Review mutual obligation requirements and employment programs
- Invest in well targetted wage subsidies and vocational training programs



Addressing Homelessness and Affordable Housing

- Develop a 10-year National Housing Strategy
- Establish a \$10 billion Social and Affordable Housing Fund
- Increase Commonwealth Rent Assistance by 50 percent
- Reinstate or replace the National Rental Affordability Scheme
- Fund the National Low Income Energy Productivity Program
- Develop national minimum standards for renters and landlords



Income Support – An Adequate Safety Net

- Monitor poverty and inequity
- Establish an independent advisory body on income support payments
- Increase the base rate of working age payments
- Index income support payments biannually in line with wage growth and CPI
- Increase the earnings threshold of income support recipients



Frederic Ozanam (1813-53)
founder of St Vincent de Paul Society



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