



34 Bedford St, Box Hill
PO Box 505, Box Hill VIC 3128
Phones: (03) 9890 1077;
M: 0457 146 808
admin@socialpolicyconnections.com.au
www.socialpolicyconnections.com.au
Executive Officer: Audra Kuncinunas

NEWSLETTER *May 2011*

Editorial by Peter Whiting

Australia needs a humanely balanced budget

Political rhetoric in the run-up to the May Commonwealth budget is focused around “economic management” and “fiscal responsibility”, with the Treasurer set on honouring the government’s commitment to balance the budget in 2012-13. No doubt Australia needs balance in its budget, but a humane balance can only be achieved with a direct focus on social and moral policies based on social equity, international responsibility and justice between generations.



Of course the budget needs to operate within responsible fiscal goals. When presenting the 2010-11 budget, Treasurer Wayne Swan aimed for “a budget that moves from supporting the economy through the slowdown to bringing us back to surplus now that we are recovering strongly.” He also wanted Australia to “pay off debt three years sooner — again ahead of every major advanced economy...” while meeting “the highest standards of responsible economic management.”

At Social Policy Connections, as we assess the likely 2011-12 budget, we will be concerned to see if the societal values which Christian social thinking emphasises have received a *balanced* inclusion in the budget strategy. Some areas come immediately to mind:

The burden of a tough budget

In the “tough” budget being talked about, which sectors of the economy are to bear the pain? Does the budget recognise that those on low wages and those reliant on work-related welfare policies are already poorly treated by taxation policy and need relief, not further burdens placed upon them? Prime Minister Gillard has been talking about reducing welfare support to encourage recipients into the workforce. Let us hope the budget outcomes do not exacerbate the burdens of low-paid working families to the benefit of the various industry sectors that clamour for taxation relief.

Promotion of economic growth without proper concern for social justice would not just be an unsatisfactory budget outcome, but a denial of the egalitarianism that is part of how Australians understand themselves.

Will the budget acknowledge that there is real poverty in Australia and commit appropriate resources to addressing its root causes — for example, inadequate public housing and the chronic failure properly to resource mental health?

The Henry tax review recommended lifting the unemployment benefit rate to the disability pension rate. And Professor John Mendoza, recent chair of the National Advisory Council on Mental Health, said mental health needed more than \$2 billion worth of funding.

The Treasurer’s “highest standards of responsible economic management” need to be matched with the highest standards of social equity.



Disaster relief: Photo. AusAid

Australia’s global responsibilities

With an economy that is identified by the Treasurer as “strongly recovering” after 18 years of continuous growth, will the budget demonstrate Australia’s willingness to play its part in providing economic aid to poorer countries? This need not be entirely about altruism since, as Mr Rudd when Prime Minister in 2008 noted:

“It is in our own interests to tackle poverty in our region, as part of a wider strategy to deal with the impact of terrorism, climate change, pandemics and refugees on Australia.”

Will the coming budget keep us on track to achieve our commitment to overseas development assistance of 0.5% of gross national income by 2015? To reach this goal, the new budget needs to allocate 0.38% of our GNI in 2011-12.

While war and oppression are driving large movements of refugees and asylum seekers, will the budget commit the necessary resources not only for Australia to accept its share of those driven from their homelands, but also to treat them humanely when they arrive here? Clearly holding families and children in mandatory detention is not part of a humane response, and budget funding should complement policy reform in this area.



From generation to generation

Successive generations of indigenous Australians since white settlement have been discriminated against and their human rights trampled. An only too painful example is evident in recent policies about the Northern Territory Intervention. While the abolition of this misguided policy is not a budget matter, one measure of the government's commitment to improving the human rights and wellbeing of our indigenous people will be the amount and nature of spending committed in the budget. We need to expand housing, health and education opportunities for indigenous Australians, and not predicate spending on Aborigines surrendering control over their land and culture.

A further “intergenerational justice” aspect of great concern is especially that of climate change. The industrialisation of first the Western world, and now the developing world, has placed the issue of stewardship of world resources in sharp focus. In his 2009 address to SPC, Dr Geoff Lacey called for a prophetic stance, challenging the ruling values.

In its efforts to introduce a carbon tax the government is certainly experiencing the downside of adopting such a stance. The carbon tax will not

form part of the May budget, but the commitment of the government to renewable energy sources will be on show and should be closely watched as an indicator of its resolve to address climate change.

The Treasury says the cost of a \$20 price on carbon would add only \$2.80 a tonne to the price of coal (coal prices traded between \$100 and \$400 over the past five years), and \$19 to the cost of a tonne of aluminium (its prices per tonne have fluctuated between \$1200 and \$3000 in the last five years). Treasury estimated the increased cost of a tonne of steel would be \$2.60.

In seeking greater balance in this 2011-12 budget, Social Policy Connections looks to the government not only to demonstrate “fiscal responsibility” but also “social responsibility”. The issues raised here constitute key measures ensuring Australia is a just and humane society. Such outcomes are certainly not beyond our resources. As the Treasurer stated in opening the 2010-11 budget: “We can maximise our opportunities if we dedicate ourselves to the reform task as diligently as we dedicated ourselves to the task of saving jobs during the downturn.”

Treasurer Wayne Swan anticipates that the unemployment rate will fall to 4.5%, creating 500,000 more jobs by June 2013. This presents a great opportunity to make inroads into long-term unemployment as well.

As Professor Paul Smyth from the Brotherhood of St Lawrence points out, many long-term unemployed suffer from lack of skills and work experience, and their efforts to move into the workforce require extra support and training. “What works is not the ‘big stick’ approach but a commitment to connecting disadvantaged jobseekers with decent sustainable work.”

Restore Human Rights in NT

The UN High Commissioner for Human Rights, Navi Pillay, a former South Africa High Court Judge, will visit Australia in May, following last year's visit to Geneva by Aboriginal elders who raised the issue of the Northern Territory Intervention with the UN Commission.

Petitions are being sent via ‘concerned Australians’, requesting Navi Pillay to encourage the Government to restore the rights of Aborigines in the Northern Territory.

You can add your voice to the electronic petition / letter at www.gopetition.com/petition/44188.html but the deadline is 7 May.