

## Oceania Chapter

2016  
AUSTRALIAN POVERTY  
AUDIT  
&  
2017  
MID-TERM REVIEW

*This report provides snapshot assessments of policy commitments made during the 2016 election campaign and a follow up review of where we stand a year later*

# TABLE OF CONTENTS

<b>About ASAP and ASAP Oceana</b>	<b>i</b>
<b>Introduction</b>	<b>ii</b>
<b>Executive Summary</b>	<b>01</b>
<b>The Taxation of Superannuation</b>	<b>05</b>
<b>Policies on temporary migrants</b>	<b>13</b>
<b>Critical policies for women</b>	<b>18</b>
<b>Asylum Seeker and Refugee Policy</b>	<b>26</b>
<b>Foreign Aid Policy</b>	<b>32</b>
<b>Auditing Indigenous Policy</b>	<b>38</b>
<b>Assessing Housing Affordability</b>	<b>45</b>
<b>Trans-Pacific Partnership</b>	<b>51</b>
<b>Welfare Policy</b>	<b>57</b>

# ABOUT ASAP AND ASAP OCEANIA

**Academics Stand Against Poverty (ASAP)** is an international community of scholars and researchers working to confront the rules and practices that perpetuate global poverty and to advocate for targeted, evidence-based reforms. With a strong presence among universities and academics in the global South, the ASAP network links like-minded academics, students and researchers from different disciplines around the world to formulate and articulate policy reforms at both national and international levels.

**Academics Stand Against Poverty (ASAP) Oceania, is** a volunteer-based, active chapter of ASAP's global community of scholars and researchers working to end global poverty. ASAP Oceania consists of a network of over 200 academics and development professionals committed to addressing poverty in all its forms both internationally and domestically, with a focus on Australia, New Zealand, Melanesia, Micronesia, and Polynesia in the Asia Pacific Region.

**ASAP Oceania** focuses its research on structural and policy issues surrounding poverty such as:

- The effects of austerity, deregulation and privatisation on vulnerable communities in Australia and elsewhere in the Asia Pacific
- foreign aid and development policy
- social welfare

**ASAP Oceania** seeks to make its rigorous, cutting-edge research available to journalists and the broader public in order to shift conventional narratives about the causes of poverty, and to encourage citizen engagement in finding solutions to national and regional problems.

# INTRODUCTION

In 2015 when assessing poverty in Australia, the Committee for Economic Development of Australia (CEDA) estimated that “four to six per cent of our society experience chronic or persistent disadvantage”.<sup>1</sup> This amounts to approximately 1.5 million people, and according to the Leader of the Opposition, Bill Shorten, some 2.5 million Australians now live below the poverty line.<sup>2</sup> It seems though, that poverty barely makes an appearance in our election campaigns, and the implications of parties’ policies to address poverty is a neglected subject. The purpose of this report is to assess how policies in a range of domains affect poverty.

At the heart of understanding poverty is the question of what it ‘does.’ ASAP Oceania agrees with the United Nations in viewing poverty as “a denial of choices and opportunities...it means lack of basic capacity to participate effectively in society...it means insecurity, powerlessness and exclusion of individuals, households and communities. It means susceptibility to violence, and it often implies living on marginal or fragile environments...”<sup>3</sup>

Trends in Australian poverty can in part be understood in relation to changes in labour force participation and conditions. Official figures indicate that unemployment has decreased to 5.7%, but this reduction has been largely driven by increases in part-time employment and underemployment, as well as a reduction in full-time employment. Low wage growth combined with a sharp fall in paid hours worked impacts disposable household income.<sup>4</sup>

At the same time, income measures only tell us part of the story of poverty. The Social Exclusion Monitor, developed by the Melbourne Institute of Applied Economic and Social Research (MIAESR) and the Brotherhood of St Laurence, assesses exclusion based on seven key areas or ‘domains’ of life: material resources, employment, education and skills, health and disability, social connection, community and personal safety. Based on the latest data available the report, released in June 2015, finds that at least a quarter of Australians above the age of 15 years experiences some level of exclusion. Approximately 825,000 Australians experience

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<sup>1</sup> Committee for Economic Development of Australia’s *Addressing entrenched disadvantage in Australia* (April 2015) <http://adminpanel.ceda.com.au/FOLDERS/Service/Files/Documents/26005~CEDAAddressingentrencheddisadvantageinAustraliaApril2015.pdf>

<sup>2</sup> <http://www.abc.net.au/news/2016-02-15/fact-check-how-many-australians-are-in-poverty/7120278>

<sup>3</sup> Statement of Commitment for Action to Eradicate Poverty issued by the United Nations in 1998 <http://www.unesco.org/most/acc4pov.htm>

<sup>4</sup> <http://www.businessinsider.com.au/a-diabolical-problem-in-the-australian-economy-in-one-neat-paragraph-2016-5>

'deep exclusion' and of that number, more than 150,000 people are 'very deeply excluded'.<sup>5</sup> Adopting an intersectional approach to social exclusion reveals that:

- Women are more likely to experience social exclusion than men.
- Older Australians (above the age of 65) experience the highest rates of social exclusion.
- Immigrants, especially those from non-English speaking countries, are more likely to experience social exclusion than people born in Australia.
- Long term health issues, limited education and disability exacerbate social exclusion.

ASAP Oceania asks what the three major political parties (the Liberal-National Coalition, the Australian Labor Party, and The Australian Greens) are doing to address poverty, both in Australia as well as abroad through the international aid program. Looking beyond the jobs and growth rhetoric, the contributors in this poverty audit provide snapshot assessments of policy announcements made by the three major parties' during the 2016 election campaign. Since the report is put together on a voluntary basis, its coverage is by no means comprehensive, and certain important areas may have been omitted. Nevertheless, we hope that these insights into what is at stake for many Australians will move this discussion on poverty and inequality from the periphery to the center of debates about the future of Australia.

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<sup>5</sup> [http://library.bsl.org.au/jspui/bitstream/1/6083/1/AzpitarBowman\\_Social\\_exclusion\\_monitor\\_bulletin\\_Jun2015.pdf](http://library.bsl.org.au/jspui/bitstream/1/6083/1/AzpitarBowman_Social_exclusion_monitor_bulletin_Jun2015.pdf)

# EXECUTIVE SUMMARY

Released on 20 June 2016, the *ASAP Oceania Poverty Audit 2016* explored the implications for poverty of the three major Australian political parties' policies in key areas—taxation of superannuation, temporary migrants, critical policies for women, asylum seekers and refugees, foreign aid, indigenous affairs, housing affordability, the trans-pacific partnership and welfare policy. Where possible, the political parties were assigned two scorecards: (a) a Poverty Scorecard, on a scale of 0-4 (where 0 = Very low confidence and 4 = Very high confidence), assessing policies based on dimensions of equity, transparency, resource allocation, estimated impact, quality of flourishing and sustainability; and (b) an Overall Scorecard, providing a summative evaluation on the level of confidence that the poverty alleviation strategies/approaches of the party in question would enable Australian society, and other relevant societies, to reduce poverty and flourish now and in the future.

This updated report provides a compilation of the *ASAP Oceania Poverty Audit 2016* as well as the *ASAP Oceania Midterm Review 2017*. The midterm review provides an assessment of the policies of the party that won the election. It assesses how the Liberal–National Coalition of Prime Minister Malcolm Turnbull is faring in the key areas that appear in the original audit, 15 months since gaining power. It consists of 500-600 word reviews of what the government has or has not done to take a stand against poverty. We hope that the report will stimulate a robust and rigorous discussion about poverty both in Australia and internationally.

For the pre-election *ASAP Oceania Poverty Audit 2016*, leading scholars from across Australia and New Zealand contributed snapshots assessing the policies/policy announcements of the Coalition, the Australian Labor Party (ALP), and the Australian Greens (the Greens). This year again, they have provided insightful summaries for the *ASAP Oceania Midterm Review 2017*. We thank our contributors for assisting us in the endeavor to take a stand against poverty.

In brief, these contributions include:

## **The Taxation of Superannuation**

Dr. Adam Stebbing suggests that the ALP and the Greens have more systematic policies than the Coalition to reduce unfair tax concessions, with proposals to reform the taxation of superannuation, capital gains and negative gearing. However, these

reforms will have little capacity to support a flourishing life for those most at risk of poverty unless the reallocated resources are distributed fairly.

### **Policies on temporary migrants**

Dr. Anna Boucher highlights how the situation faced by temporary immigrants in Australia has worsened since the last poverty audit in 2013 with policies limiting their access to basic welfare and health entitlements, and growing concerns over employment protections. Wage inequality and diminished industrial rights remain important sources of poverty among temporary immigrants.

### **Critical policies for women**

Dr Anu Munkur, Dr Bina Fernandez and Ms Kara Beavis draw attention to three key areas that impact women's lives. The invisibility of women's unpaid care work has negative consequences for the poverty experienced by women. Violence against women and children, particularly for Aboriginal and Torres Strait Islander women and their children and women with disabilities, is at epidemic levels and while funding announcements focus on service delivery and prevention programs, these figures do not capture the impact of violence on lives and communities. Finally, women represent less than 30% of all parliamentarians in Australia and occupy only 20% of all ministry positions. Candidate selection practices are indicative of a political party's commitment to increasing women's representation in government.

### **Asylum Seeker and Refugee Policy**

Dr. Caroline Lenette considers a range of factors that impede refugees' ability to thrive socioeconomically and in particular, the deleterious impact of the reintroduction of Temporary Protection Visas (TPVs) in 2014, which give limited access to welfare support and no family unification rights, creating new levels of poverty.<sup>6</sup> The punitive policy approaches of both the Coalition and the ALP provide a negative outlook for asylum seekers both in terms of social inclusion and poverty.

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<sup>6</sup> Jupp J, 2003, 'There has to be a Better Way: A Long-term Refugee Strategy', Arena, vol. 65, pp.1-12.

## **Foreign Aid Policy**

Dr. Charles Hawksley and Dr. Nichole Georgeou point to Australia's declining record in the provision of foreign aid, but observe that Australian elections are not fought on foreign policy matters, so we should not expect to hear about bold plans for regional poverty reduction. Neither of the major parties' platforms is likely to reduce poverty or result in flourishing, either now or into the future. While the Greens have more ambitious plans, they are not likely to form government.

## **Auditing Indigenous Policy**

Emeritus Professor Jon Altman considers the deeply embedded and structural nature of Indigenous poverty and the profound challenge all political parties face in addressing it. The major parties remain committed to mainstreaming or normalisation options that fail to acknowledge or address the structural causes of poverty or respect Indigenous rights. It is only the Greens that are serious about the recognition of difference and the need for approaches that emphasise rights and social justice.

## **Assessing Housing Affordability**

Dr. Keith Jacobs argues that politicians have failed to address the housing affordability crisis and this has led to more people becoming homeless or struggling to meet their housing rental or mortgage costs. There is an urgent need to commit resources to building public or community housing, and to curb speculative investment to make it easier for first time buyers to purchase a home, but these are unpopular reforms and any political party pursuing such an agenda is likely to face strong opposition from powerful groups with vested interests.

## **Trans-Pacific Partnership: International Investment and Trade**

Dr. Ramon Das underscores the importance of major trade agreements such as TPP ideally focusing on considerations of equity, with the aim of distributing their presumed economic benefits in ways that would provide some tangible advantage to those least well off. In the case of the TPP, the secretive nature of negotiations has resulted in such considerations being neglected. The TPP is more of an international investment agreement than a trade agreement which allows corporations to bring potentially unlimited loss of revenue claims against signatory states—largely aimed at protecting the rights of foreign investors rather than domestic workers.

## Welfare Policy

Associate Professor Ruth Philipps stresses that a 'jobs and economy' approach denies the complexity of why people are in poverty and fails to address inequality in all of its forms. Australia does not have a poverty policy, as the country would rather debate how poverty is measured than accept that around 13 per cent of the population (2.5 million people) live in poverty. The Coalition's approach has been to reduce the cost of welfare, construct welfare as a burden to tax payers and to reduce social citizenship. The ALP has announced a social equality policy and makes connections between issues such as domestic violence and inequality. The Greens are committed to social justice but the absence of detail related to specific existing and future policies and the lack of their capacity to deliver on poverty prevention is a major limitation.

# THE TAXATION OF SUPERANNUATION

Dr. Adam Stebbing (Macquarie University, Sydney)

## 2016 POVERTY AUDIT

### Current policies and challenges

For those of retirement age not in paid employment retirement incomes policy should support a flourishing life, enabling them to meet their needs and achieve the outcomes they value. The Australian retirement incomes system can be understood as having two tiers (Spies-Butcher & Stebbing, 2011). The age pension comprises the primary tier supporting all but the better off, and plays the major role in alleviating poverty. A secondary tier of private savings (including private superannuation ('super') and housing) mainly benefits the better off—the minority who least need support. Government policy supports both tiers by financing the pension; mandating employer super contributions for most workers; and offering tax incentives for super and housing. Typically, those most at risk of poverty in retirement—including singles, long-term carers, private renters, and low-income workers—receive a full-pension and little from the super tax concessions. It follows that the most effective poverty alleviation strategy would be to target these concessions to finance expansion of the age pension.

Reforming the super tax concessions should also be prioritised because of their inequity, vast scale and rapid growth. *Table 1* displays the inequitable benefits of these concessions. Treasury (2012) estimated that the top 20 per cent of income earners received half of the benefits from these concessions, whereas the bottom 20 per cent only received two per cent. These concessions were estimated to cost \$32 billion of revenue forgone in 2015-16, which is roughly 70 per cent of the \$44 billion spent on the age pension in the same year (Treasury, 2015; 2016a). Moreover, the super tax concessions have grown rapidly in recent decades, mostly as a by-product of extending super to workers rather than in pursuit of a clear policy goal (Stebbing, 2015). Yet, despite the potential benefits, building support to reform these concessions has proven difficult, as they are relatively hidden and complex policies

that benefit a better off minority.

**Table 1. Tax discounts from the super tax concessions\***

Income bracket (\$)	Tax discount on employer super contributions (%)	Tax discount on super fund earnings (%)	Tax discount for super benefits (%)
0-18,000	15	-15	0
18,001-37,000	15	0	15
37,001-80,000	15	15	30
80,001-180,000	18	17	38
180,000-299,999	30	30	45
300,000+	15	30	45

\*These figures do not take into account the Medicare Levy or Deficit Levy.

### Poverty scorecard

As the Coalition, ALP and the Greens have not committed to increasing the age pension, my assessments relate to their proposals to reform the super tax concessions. These proposals are worthy undertakings, offering policy makers a rare opportunity to reduce inequality and increase tax revenue. It is encouraging that the three largest parties propose such reforms, particularly considering the low profile of superannuation policies in the 2013 election campaign.

	<b>ALP</b>	<b>Coalition</b>	<b>Australian Greens</b>
Equity	3	2	4
Transparency	4	4	4
Resource allocation	4	2	4
Estimated impact	3	2	4
Quality of flourishing	n/a	n/a	n/a
Sustainability	3	2	4

**On equity**, ALP scores 3 for two measures announced in the *Fairer Super Plan* (ALP, 2015). First, the plan proposes to reduce the tax discount on super contributions for

some high-income earners (those on \$250,000 to \$300,000 per year). Second, the plan proposes to reintroduce a flat 15 per cent tax on those with very high super benefits (retirees with super balances over \$1.5 million). It should, however, be noted that these incremental reforms would not systemically reduce existing inequalities.

The Coalition scores 2 for its proposed reforms to the super tax concessions. Similar to ALP, these proposals would reduce the tax discount on super contributions for some better off income earners and reintroduce a flat 15 per cent tax on very high super benefits (Australian Government, 2016). However, the Coalition scores lower than ALP because of other proposals that would reduce tax and that have a questionable impact on poverty. These include the proposals to apply concessions to all super contributions (up to identified limits) and relax eligibility for the tax offset for low-income spouses.

The Greens score 4 for the proposal to replace the flat-rate tax concession for super contributions (see *Table 1*) with a progressive super contribution tax (Greens 2015). The most equitable of the proposals examined here, this progressive tax would benefit low-income earners—including many women—more than those who are better off. However, the Greens have not proposed reforming the tax concession for super investment earnings (like the major parties), nor have they suggested taxing super benefits.

**On transparency,** the three parties all score 4 for releasing estimates of the budgetary effects of their proposals before the election campaign. The Coalition's reform proposals were incorporated into the 2016/17 Budget and featured prominently. While ALP announced the estimated costs of its proposals in May 2015, the Greens released estimates from the Parliamentary Budget Office in December 2015.

**On resource allocation,** ALP scores 4 since, considering that it has remained committed to its proposals since announcing them over one year ago and that they are consistent with its broader tax strategy, it appears very likely to implement them in government. The Coalition scores 2 as its commitments came just before an election campaign and follow criticism of similar policies. It also scores lower than ALP as multiple Coalition MPs have indicated they oppose the reforms during the election campaign (McIlroy, 2016). The Greens score 4 since their proposals were announced well before the election and are consistent with their policy platform. However, as a

minor party, the Greens face a greater hurdle in garnering enough support to legislate their proposals.

**On estimated impact**, ALP scores 3 for proposals that reduce the benefits received by some better off individuals without increasing other super tax concessions or addressing their overall inequity. The Coalition scores 2 for a more complicated set of proposals that reduce the benefits received by some, while potentially increasing the benefits for other better off individuals. The Greens score 4 for proposing the most equitable reforms to the tax concession for super contributions. ALP and the Greens also score higher than the Coalition for proposing more systemic reforms to other inequitable tax concessions, including negative gearing and the capital gains tax discount.

**Quality of flourishing** is not discussed here because the policy proposals reduce inequality rather than alleviate poverty and increase human flourishing.

**On sustainability**, ALP scores 3 for proposals that will increase long-term sustainability by reducing the benefits from the super tax concessions received by those who least need them. These proposals are estimated to increase revenue by \$14 billion over the next decade (ALP 2015). The Coalition scores 2 for its package of reforms because much of the savings from the package will be allocated to other superannuation incentives and measures (Budget 2016). However, the Greens proposals score 4 as they are estimated to increase tax revenue by about \$9 billion in the next four years (Parliamentary Budget Office 2015).

### Overall scorecard

ALP	Coalition	Australian Greens
3	2	4

Reform of the super tax concessions is an important step that could reduce inequality and increase fiscal sustainability. While the Greens' proposals appear most equitable and fiscally sustainable, the policy commitments of ALP and the Coalition also improve on the current situation. ALP and the Greens have more systematic policies than the Coalition to reduce unfair tax concessions, with proposals to reform the

taxation of super, capital gains and negative gearing. However, these reforms will have little capacity to support a flourishing life for those most at risk of poverty unless the reallocated resources are distributed fairly.

## 2017 MID-TERM POVERTY ASSESSMENT

### Current policies and challenges

Income security in retirement is vital for individuals to have ‘a flourishing life’ in which they meet their needs and achieve valuable outcomes. The Australian government contributes two main forms of financial assistance to income security in retirement – the age pension and tax concessions for certain superannuation contributions, investment earnings and benefits (Stebbing, 2016). Whereas the \$45.3 billion spent on the age pension is targeted to exclude the better off, the \$33.1 billion allocated via the super tax concessions mainly benefits the better off (Treasury, 2012; 2016a; 2017). This is complicated by the benefits those with housing assets receive from the favourable tax treatment of housing and exclusion of the family home from the age pension means-test. Still, reforming the tax treatment of super could improve both the fairness and sustainability of retirement policy.

### Poverty scorecard

My assessments of Coalition, ALP, and Greens policy focus primarily (but not exclusively) on proposed reforms to the super tax concessions. Since the 2016 election, the Coalition has managed to pass legislation for an amended reform package. Labor and the Greens remain committed to further reforms.

	<b>Coalition</b>	<b>ALP</b>	<b>The Greens</b>
Equity	2	3	4
Transparency	4	4	4
Resource allocation	4	4	3
Estimated impact	2	3	3
Quality of flourishing	n/a	n/a	n/a
Sustainability	2	3	4

On **equity**, the Coalition scores 2 for its reforms to the super tax concessions. While the government deserves credit for passing its reforms with amendments that reduced inequality, the lifetime cap on post-tax contributions was replaced with a more inequitable annual limit (see Treasury 2016b). The proposed First Home Super Savers scheme (FHSS) also effectively extends the structure of the super tax concessions to housing deposits for first home buyers, providing larger tax discounts for higher-income earners.

Labor scores a 3 on equity for a suite of measures that further target the super tax concessions and opposition to the FHSS. The Greens score 4 for continued support for a proposal to make the tax concession for super contributions progressive, which would give larger concessions to lower-income earners than the better off. It is less clear whether the Greens will support the FHSS or not (Lewis, 2017).

On **transparency**, the three political parties all score 4. While the Turnbull government incorporated reform of the super tax concessions into the Budget, Labor and the Greens have released policy documents including costings commissioned from the Parliamentary Budget Office (ALP, 2016; Greens, 2016).

On **resource allocation**, the Coalition scores 4 as it has legislated its reforms. Labor also scores 4 because its proposals are consistent with its tax policy platform and it has a track record of legislating changes to the super tax concessions in government. Although their policies have the greater potential impact on resource allocation, the Greens face the greatest challenge in legislating reforms as a minor party.

**Quality of flourishing** is not relevant here as the policies potentially reduce inequality rather than improve individual capabilities and flourishing.

On **sustainability**, the Coalition scores 2 for its reform package since much of the savings from it were redirected to other super subsidies and the FHSS proposes to expand the tax concession for contributions. Labor and the Greens score 3 and 4 respectively for proposals to increase the tax on super contributions. None of the three parties propose changes to the tax treatment of super investments.

### Overall scorecard

<b>Coalition</b>	<b>ALP</b>	<b>Australian Greens</b>
2	3	4

My view is that the prospect for systematic reform of the super tax concessions has not shifted significantly since the 2016 election. While the Coalition has legislated several election commitments and withdrawn from others, the ALP and Greens propose further reform to tax treatment of super, capital gains and negative gearing that would improve equity and fiscal sustainability. It is still the case that curbing the super tax concessions will only alleviate poverty if the redistributed resources actively target it.

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# POLICIES ON TEMPORARY MIGRANTS

Dr Anna Boucher (University of Sydney)

## 2016 POVERTY AUDIT

### Current policy scenario

In general, immigrants in Australia fair well against standard measures of poverty. The Organisation for Economic Co-operation and Development (OECD, 2012) indicates that immigrants in Australia have poverty rates below the OECD average. The Australian Productivity Commission in its Draft Report on Migrant Intake (2015, section 3.2) finds that migrants in Australia generally have higher rates of education than the native born, but possess less accumulated wealth. Despite its centrality to Australian policy-making, the policy platforms of the major political parties are surprisingly sparse on the issue of temporary migrants' social and economic rights, which makes coding according to the Poverty Audit score sheet difficult. The analysis that follows is therefore qualitative in nature and draws not only upon official party statements but also press releases of relevant ministers and shadow appointments.

### Poverty audit

Since the last Poverty Audit in 2013, the situation faced by temporary immigrants in Australia has worsened. Not only have the policy parameters that limit their access to basic welfare and health entitlements continued, there are also growing concerns over the employment protections that these individuals enjoy. Recent exposes in the Australian media identify widespread workplace exploitation of international students and working holiday-makers engaged in the service, hospitality and food production industries (Four Corners, 2015; ABC 7:30 Report 2015; Fair Work Ombudsman, 2015). The central emerging source of poverty among temporary migrants in Australia may be wage inequality and diminished industrial rights. Reflective of these concerns in popular media debates around immigration, the major political parties have adapted their party platforms and initiated policy development to respond to these concerns.

### The Coalition

The Coalition has initiated two parliamentary inquiries to specifically address the issue of workplace exploitation of temporary migrant workers: The Azarias review (2014) and the Senate Committee on Education and Employment (2015). However, to date,

these initiatives have not led to large-scale policy changes that tackle the structural conditions that permit such exploitation—the visa precariousness of temporary migrants, low rates of workplace investigations to enforce existing labour law protections, and in some cases the regulation of corporate structures (such as the franchisee arrangements of the 7-Eleven scheme) to minimize the financial imperative for the emergence of exploitation practices in the first place.

### *The Australian Labor Party*

ALP's Platform includes the protection of temporary migrant workers from exploitation as a key policy goal (ALP, 2015, section 83). At the same time, the ALP preferences permanent skilled immigration, which it views as less susceptible to exploitation, but which is also less likely to act in competition with Australian workers and thus also less likely to generate lower Australian working conditions (section 84). While the ALP Platform is clear in its support for temporary migrant worker rights, it does not provide a framework to improve current conditions, other than to ensure that temporary migrant workers continue to enjoy portability opportunities in the sense that they can convert their visa from temporary to permanent status (ALP, 2015, section 91). The Productivity Commission of Australia (2015) indicates that temporary migrant workers now make an average of 3.3 visa changes over 6.4 years before enjoying settlement rights (Productivity Commission, 2015: 376). This highlights portability as an emerging area of concern.

### *The Australian Greens*

Although the rights of temporary migrant workers do not feature in the party platform of the Australian Greens, the party has made active interventions in this area. In September 2015, Federal Greens MP Adam Bandt called for a special hearing into the 7-Eleven scandal (Bandt, 2015). In October 2015, the Greens introduced a bill (now lapsed) that would have allowed franchise employees to recover unpaid wages from the franchisor head office, clearly directed at the 7-Eleven case (Fair Work Amendment (Recovery of Unpaid Amounts for Franchisee Employees) Bill 2015). In 2016, the Greens also called for stronger labour protections for temporary migrant workers (Australian Greens, 2016).

A separate issue is the emergence of a long-term temporary presence of New Zealand citizens in Australia. As argued in the 2013 Poverty Audit “[New Zealanders]

are denied lifetime access to social welfare payments, a reality of which many ... are unaware” (Academics Stand Against Poverty, 2013: 29), and which can exacerbate social and economic outcomes. In light of concerns around this growing group of long-term temporary residents, the Australian Government in early 2016 announced a new pathway to Australian citizenship for New Zealanders who have been present in Australia for at least five years and have met the income thresholds that apply to the temporary 457 visas (the Temporary Skilled Migration Income Threshold) as well as passing the necessary health and security checks (Dutton-Turnbull, 2016). Yet, these improved protections for New Zealanders resident in Australia will only be for those who adopt Australian citizenship, thereby precluding long-term residents who decide not to naturalise.

## **2017 MID-TERM POVERTY ASSESSMENT**

The 2016 Poverty Audit argued that ‘[t]he central emerging source of poverty among temporary migrants in Australia may be wage inequality and diminished industrial rights’ (Boucher, 2016). Scandals such as the 7-Eleven wage expose have brought attention to the plight of temporary workers in Australia and spurred a series of federal and state-level government inquiries. Concerns over the abuse of industrial rights have continued into 2017, with a recent report by Unions NSW finding that 78 per cent of a random sample of selected jobs advertised in the foreign language press is set at below award wages (Unions NSW, 2017).

Recent data from the Department of Immigration and Border Protection reveals that a growing number of migrants resident in Australia remain on temporary visas for eight years or longer (DIBP, 2016; Mares, 2017). As argued in the last Poverty Audit, keeping migrants on such short term visas raises concerns over extenuated inequality amongst migrants as well as and between migrants and Australian citizens, as temporary status limits access to welfare and other social goods (Boucher, 2016).

The move towards an immigration program that involves still more temporary visas has deepened in Australia in 2017. Preceding the Budget, Prime Minister Malcolm Turnbull announced that the 457 Temporary Skilled Work Visa would be split into two new Temporary Skills Shortage (TSS) Visas. Migrants entering through the first “short-term” temporary two-year visa can now only renew their visa once. As such, individuals on this visa do not have access to permanent residency-based visas over the longer term (DIBP, 2017). This change raises concerns about the opportunities for

those short-term migrants once their visas expire. It also represents further reductions for those migrants who will eventually have access to government support in the form of Medicare and health payments, as well as naturalization opportunities.

The period of time that those on the second 'medium-term' temporary visa need to wait before applying for permanent residency has also been extended by an additional year. As Peter Mares notes '[t]he recasting of temporary skilled migration is also likely to make the pathway from temporary to permanent status longer and harder – or, in some cases, to close it altogether' (Mares 2017). Against these changes, proposed citizenship reforms would extend the process to apply for citizenship and increase the difficulty of English language requirements in order to meet the test. The Bill proposing these reforms is currently before the Australian Federal Parliament.

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# CRITICAL POLICIES FOR WOMEN

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## 2016 POVERTY AUDIT

### Current policy scenario

Since the causes and experience of poverty varies between different groups of women and men, policy responses need to adopt a gender transformative lens to achieve maximum impact. This audit is limited to three key areas identified by Agenda 2030 Sustainable Development Goal 5<sup>7</sup> that impact women's social, economic and political status, and their experience of poverty:

**Women's unpaid care work:** The unpaid work women undertake within families and communities is economically significant, estimated at 48% of Australian Gross Domestic Product,<sup>8</sup> and socially vital, providing cohesion and dynamism to Australian society. Yet this work is often invisible to policy makers, particularly in the domains of childcare, Paid Parental Leave (PPL) and superannuation, with negative consequences for the poverty experienced by women.

**Violence against women:** As the federal election approaches, political parties are expected to make major announcements about violence against women policy directions and dollars. Violence against women and children, particularly for Aboriginal and Torres Strait Islander women and their children and women with disabilities, is at epidemic levels. Front line services need secure funding. The cost of domestic and family violence is \$15.6 billion by 2021 and violence against Aboriginal women is estimated to cost \$2.2 billion by 2021.<sup>9</sup> Yet, these figures do not capture the impact of violence on lives and communities.

**Women's representation in decision-making:** Women represent less than 30% of all parliamentarians in Australia and occupy only 20% of all ministry positions. While

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\* All authors have contributed equally. The listing is purely alphabetical by first name.

<sup>7</sup> <http://www.undp.org/content/undp/en/home/sdgooverview/post-2015-development-agenda/goal-5.html>

<sup>8</sup> Australian Bureau of Statistics

<http://www.abs.gov.au/websitedbs/censushome.nsf/home/factsheetsmuw?opendocument&navpos=450>

<sup>9</sup> NCRVWC and KPMG consulting, The cost of violence against women and their children [www.dss.gov.au/sites/default/files/documents/05\\_2012/vawc\\_economic\\_report.pdf](http://www.dss.gov.au/sites/default/files/documents/05_2012/vawc_economic_report.pdf)

many factors impact Australian women’s political participation, candidate selection practices, are indicative of a political party’s commitment to increasing women’s representation in government.<sup>10</sup> The calculations have been based on candidates listed on <http://www.abc.net.au/news/federal-election-2016/guide/candidates/>

### Poverty scorecard

Not all the criteria requested by the poverty audit are applicable to the three key areas explore in this chapter.

	<b>ALP</b>	<b>Coalition</b>	<b>Australian Greens</b>
<b><i>Women’s unpaid care work:</i></b>			
Equity	3	2	n/a
Resource allocation (child care and PPL)	3	2	n/a
<b><i>Violence against women:</i></b>			
Equity	2	1	3
Resource Allocation	2	2	3
<b><i>Women’s representation in decision-making:</i></b>			
Equity	3	2	3

Below is an explanation of the scores.

### The Coalition

#### *Women’s unpaid care work:*

The Coalition government’s 2016 budget has postponed changes to childcare subsidies due to an impasse in the Senate; the delay will prevent many women from low-income households with children from participating in the workforce. Budget cuts to PPL will make the 10-week paid leave subsidy provided by the government only available as a ‘top-up’ to paid leave from employers, which will increase the cost of leave to families with new babies.<sup>11</sup> The Coalition government fared better on

<sup>10</sup> Parliament of Australia  
[http://www.aph.gov.au/About\\_Parliament/Parliamentary\\_Departments/Parliamentary\\_Library/pubs/rp/rp1415/WomanAustParl](http://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/rp/rp1415/WomanAustParl)

<sup>11</sup> Tarla Lambert, Three key policy areas affecting women: The Liberal/Labor verdict (so far)  
<http://www.womensagenda.com.au/talking-about/top-stories/item/6994-three-key-policy-areas-affecting-women-the-liberal-labor-verdict-so-far>

superannuation benefits to women, as a \$500 per annum super benefit is provided to people earning less than \$37,000 annually (the majority of whom are women part-time workers). The Coalition government also proposes to enable women who take time out of the workforce to make catch-up contributions after they return to work through Superannuation co-contribution.

*Violence against women:*

A national, \$30million 'Let's Stop it at the Start' campaign against violence is jointly funded by the Commonwealth and the states and territories. However, the 2016/17 budget misses the mark, with the Coalition allocating \$33.3 million a year for a continued response. A \$34.83 million cut to community legal centres will take place between 1 July 2017 and 30 June 2020. This includes cuts to Aboriginal Family Violence Prevention Legal Services. A cut of this magnitude—30 per cent to funding nationally—means that women and children will not receive the legal support they need for their safety.

*Women's representation in decision-making:*

The Coalition has no articulated affirmative action policy and is leaving it up to local branches to nominate more women candidates.<sup>12</sup> In the current election, 27% of Coalition candidates are women and only 10 women will be contesting from safe seats. 10 male MPs are retiring and only two are being replaced by women candidates. All 3 female retiring MPs have been replaced by men. The Coalition has selected 53 Senate candidates, 19 (36%) of whom are women.

**The Australian Labor Party**

*Women's unpaid care work:*

Labor intends to retain the Child Care Rebate at 50 per cent of out-of-pocket costs, with a cap of \$7,500 per child per year, to reduce the cost of childcare to families. It claims to focus on investing in improvements to the quality of early education and childcare. Labor also promises to preserve the current PPL, so that families with infants will benefit by up to \$11,800 more per year compared to the Coalition policy.

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<sup>12</sup> Local branches should drive change on women says Malcolm Turnbull <http://www.theaustralian.com.au/national-affairs/local-branches-should-drive-change-on-women-says-malcolm-turnbull/news-story/b5f3cbe7b527473919ef896a6d4c28b0>

Labor was addressing structural inequality such as women's over-representation in poorly paid industries and the unpaid economy in their last term. If elected, Labor is likely to re-introduce their tax concession to compensate low-income earning women for excessive taxing of their superannuation contributions.

*Violence against women:*

Leadership on the issue of domestic and family violence has come most notably from the Palaszczuk Government in Queensland and Andrews Government in Victoria, but their budgetary allocations suggest that Federal Labor's proposal of \$72 million nationally over three years is not in the right ballpark. A Shorten Labor Government will provide five days of domestic and family violence leave for employees and include this in the National Employment Standards which set minimum employment standards.

*Women's representation in decision-making:*

ALP has an affirmative action policy and hopes that by 2025 women will make up 50% of Labor parliamentarians.<sup>13</sup> 39% of ALP candidates are women and 9 women candidates are contesting from safe ALP seats. Of the 5 female MPs retiring this year, only 2 have been replaced by other women. The 3 male MPs who are retiring have all been replaced by other men. The ALP has selected 48 Senate candidates, 28 (58%) of whom are women.

**The Australian Greens**

*Women's unpaid care work:*

The Greens published positions supporting 'comprehensive PPL', 'community-based, affordable, accessible, quality childcare' and 'an equitable retirement income system that effectively and adequately provides women with financial independence when they retire' are too general to be able to discern differences between their policies and those of ALP or the Coalition.

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<sup>13</sup> [https://cdn.australianlabor.com.au/documents/ALP\\_National\\_Platform.pdf](https://cdn.australianlabor.com.au/documents/ALP_National_Platform.pdf)

### *Violence against women:*

A Di Natale Greens Government will provide funding of \$5 billion over ten years for a comprehensive domestic and family violence package. This includes \$144m over four years and (secure) long term funding for Family Violence Prevention Legal Services to offset expected cuts to the community legal sector in 2017. They will spend \$100 million over two years for new specialist women's services, invest in long term affordable housing, support young people who are victims of violence and provide 10 days of domestic violence leave.

### *Women's representation in decision-making:*

The Greens, while they do not have an articulated affirmative action policy, have said that they are committed to equal representation of women in public life.<sup>14</sup> They outrank the ALP and the Coalition in the number of female candidates (49%; n=74) contesting elections for the House of Representatives. A challenge they face as a minor party is that most of their candidates require large swings in votes in order for them to be elected. The Greens also outperform the ALP and the Coalition with 32 (71%) of 45 Senate candidates being women.

### **Overall scorecard**

	<b>ALP</b>	<b>Coalition</b>	<b>Australian Greens</b>
Women's unpaid care work	3	1	1
Violence against women	3	2	4
Women's representation in decision-making	3	1	4

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<sup>14</sup> <http://greens.org.au/policies/women>

## 2017 MID-TERM POVERTY ASSESSMENT

Ms Kara Beavis, University of Sydney  
Dr Bina Fernandez, University of Melbourne

### Current policy scenario

This mid-term review provides an assessment of how the federal government is tracking on its obligations to women and girls in three key domains since the Coalition, led by Malcolm Turnbull, was elected to power in July 2016.

### Women's unpaid care work

In March 2017, the Coalition passed through the Senate a means-tested Child Care Subsidy (replacing both the Child Care Benefit and the Child Care Rebate). Eligibility for the subsidy requires an activity test of both parents to be either working, studying, or volunteering for at least four hours a week.<sup>15</sup> From July 2018, families who meet the activity test and earn \$65,710 or less will receive a subsidy of up to 85 per cent of the actual fee charged (with an hourly rate cap). For family incomes above \$65,710, the subsidy gradually decreases to 20 per cent when family income reaches \$340,000. For families with incomes of \$350,000 or more, the subsidy is zero per cent. Families who don't meet the activity test will be entitled to 12 subsidised hours of childcare per week, rather than the 24 previously available. As part of the package, a Childcare Safety Net will provide additional funding for disadvantaged families, remote Indigenous families, families experiencing temporary hardship and low-income grandparent carers.<sup>16</sup>

The childcare measures are unlikely to increase the number of women in the workforce (primarily of low and middle-income families) by more than 1.2 per cent (an additional 16,400 women).<sup>17</sup> On the contrary, the measures are likely to have negative consequences for women's experiences of poverty, especially those working in retail, hospitality and other itinerant, casualised labour market segments. In order to improve women's workforce participation rates and the equitable distribution of unpaid work, the government will need to significantly increase the subsidised hours for low-

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<sup>15</sup> [https://docs.education.gov.au/system/files/doc/other/new\\_child\\_care\\_package\\_overview\\_110817.pdf](https://docs.education.gov.au/system/files/doc/other/new_child_care_package_overview_110817.pdf)

<sup>16</sup> [https://docs.education.gov.au/system/files/doc/other/child\\_care\\_safety\\_net\\_fact\\_sheet\\_110817.pdf](https://docs.education.gov.au/system/files/doc/other/child_care_safety_net_fact_sheet_110817.pdf)

<sup>17</sup> <http://www.pc.gov.au/inquiries/completed/childcare/report>

income households as well as incentivise institutional mechanisms for greater participation by men in childcare.

### *The prevention of, and responses to, violence against women*

In the *Third Action Plan of the National Plan to Reduce Violence against Women and their Children* released in October 2016, the government allocated \$30 million for front-line legal assistance and family law services as part of the \$100 million committed over three years for initiatives to end domestic and family violence.<sup>18</sup> Under the National Partnership Agreement on Legal Assistance Services, the support level for Community Legal Centres (CLCs) was \$42.2 million. The 2017-8 Budget committed funding of \$39 million for Community Legal Centres (CLCs)<sup>19</sup> and in a positive move, the 2017-8 budget also reversed the \$16.7 million funding cuts that were slated to affect the Aboriginal and Torres Strait Islander Legal Services (ATSILS).<sup>20</sup>

While maintaining funding commitments is valuable, significantly more investment is needed to scale up the prevention of violence, especially to address and change deeply held misogynist and victim-blaming attitudes and to prevent perpetrators from further accessing and abusing victims through, for example, the use of technology. Referral pathways and intensively resourced, culturally sensitive, feminist services must accompany public awareness campaigns.

Moreover, we note that women disadvantaged due to socio-economic status, race, disability, age, transgender identity or sexual orientation face higher rates of family violence and sexual violence, and are likely to face additional barriers in seeking the legal remedies and protections they need. The 2017 Budget has been described as a “missed opportunity to invest in putting an end to family violence against Aboriginal and Torres Strait Islander women”,<sup>21</sup> given that they are 34 times more likely to be hospitalised from family violence and 10 times more likely to die of violent assault than other women. Implementing the Productivity Commission recommendations for an additional \$120 million of Commonwealth funding to the Legal Assistance Sector,

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<sup>18</sup> <https://www.attorneygeneral.gov.au/Mediareleases/Pages/2016/FourthQuarter/Third-action-plan-to-reduce-family-violence.aspx>

<sup>19</sup> [https://www.dss.gov.au/sites/default/files/documents/08\\_2016/the\\_cost\\_of\\_violence\\_against\\_women\\_and\\_their\\_children\\_in\\_australia\\_-\\_summary\\_report\\_may\\_2016.pdf](https://www.dss.gov.au/sites/default/files/documents/08_2016/the_cost_of_violence_against_women_and_their_children_in_australia_-_summary_report_may_2016.pdf)

<sup>20</sup> <http://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id%3A%22media%2Fpressrel%2F5270941%22>

<sup>21</sup> <http://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id%3A%22media%2Fpressrel%2F5270939%22>

will be a step in the right direction. Given the magnitude of the problem, this is a fraction of what is needed.

### *Women's political participation*

Currently, the Coalition has 29 Senators, as opposed to 33 in the previous 44<sup>th</sup> Parliament.<sup>22</sup> Of the 29, eight (around 30 per cent) are women. This is down from about 36 per cent in the previous parliament. In the Lower House, the Liberal Party has 48 males, and 12 women. The National have 15 men, and one woman.<sup>23</sup> Thus, women represent about 21 per cent of the Coalition's elected members in the House of Representatives.

Although the percentages of women in the Australian Parliament are similar to countries like Canada and New Zealand, women are grossly under-represented. We also note limited cultural, age, transgender and sexuality diversity. The intended or unintended consequence is that Parliament is not currently reflective of the multicultural, secular population that it seeks to serve. This situation is unlikely to change unless the Coalition develops a clearly articulated affirmative action policy, rather than leaving it up to local branches to nominate more women candidates. In addition, concerted efforts need to be made to address those elements of parliamentary culture that make politics unpalatable for women (e.g. abuse of women in public life, family-unfriendly hours, limited childcare).

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<sup>22</sup> [http://www.aph.gov.au/Senators\\_and\\_Members/Senators/Senate\\_composition](http://www.aph.gov.au/Senators_and_Members/Senators/Senate_composition)

<sup>23</sup> [http://www.aph.gov.au/About\\_Parliament/Parliamentary\\_Departments/Parliamentary\\_Library/FlagPost/2016/August/The\\_gender\\_composition\\_of\\_the\\_45th\\_parliament](http://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/FlagPost/2016/August/The_gender_composition_of_the_45th_parliament)

# ASYLUM SEEKER AND REFUGEE POLICY

Dr. Caroline Lenette, University of New South Wales<sup>24</sup>

## 2016 POVERTY AUDIT

### Current policies and challenges

Legislative changes since the 2013 Federal elections have further eroded the rights of asylum seekers, and Australia has been repeatedly criticised for neglecting its international responsibilities.<sup>25</sup> The Coalition and the Australian Labor Party maintain a markedly punitive approach.

Several factors impede refugees' ability to thrive socioeconomically. They already face numerous obstacles to secure employment due to discrimination, lack of skills and language barriers.<sup>26</sup> The reintroduction of Temporary Protection Visas (TPVs) in 2014,<sup>27</sup> with limited access to welfare support and no family unification rights, compounds these issues and create new levels of poverty.<sup>28</sup> TPV holders have been found to experience high rates of depression and post-traumatic stress disorder.<sup>29</sup>

The introduction of a structurally exclusive statutory framework to “fast-track” asylum seeker claims has made it more difficult to prove refugee status, with limited recourse for review, a lack of due process and for many the denial of legal support.<sup>30</sup>

Poverty and exclusion operate at several levels:

- Physical exclusion in offshore detention facilities under the guise of border security;
- Structural marginalisation through altered judicial processes and inadequate protection visas;
- Overwhelming political focus on border security generates under-funding of policies promoting social integration.

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<sup>24</sup> **Acknowledgement: Sincere thanks to Oskar Frankl for assistance with this brief.**

<sup>25</sup> Human Rights Law Centre, 2015, <http://hrlc.org.au/un-finds-australias-treatment-of-asylum-seekers-violates-the-convention-against-torture/>

<sup>26</sup> Taylor J, 2004, 'Refugees and Social Exclusion: What the Literature Says', *Migration Action*, vol. 26(2), pp. 16-31.

<sup>27</sup> Reintroduced with *Migration and Maritime Powers Legislation Amendment (Resolving the Asylum Legacy Caseload) Act 2014*.

<sup>28</sup> Jupp J, 2003, 'There has to be a Better Way: A Long-term Refugee Strategy', *Arena*, vol. 65, pp.1–12.

<sup>29</sup> Shakeh M, Steel Z, Marianio C & Aroche J, 2006, "A Comparison of the Mental Health of Refugees with Temporary versus Permanent Protection Visas", *Medical Journal of Australia*, vol. 185.7, pp. 357-61;

<sup>30</sup> Asylum Seeker Resource Centre, 2016: <http://www.asrc.org.au/campaigns/fasttrack/>

Opportunities for flourishing are thwarted under the current framework. Meaningful poverty alleviation strategies would involve overturning such policy-making trends, and privileging humanitarian-focussed measures.

### Poverty scorecard

	<b>ALP</b>	<b>Coalition</b>	<b>Australian Greens</b>
Equity	2	0	4
Transparency	2	0	4
Resource allocation	3	1	3
Estimated impact	2	0	3
Quality of flourishing	2	1	4

### The Coalition

During its last two terms, the Coalition Government has acted on pre-election promises to “turn back the boats”. *Operation Sovereign Borders* (OSB), a zero-tolerance military-led operation to curb people smuggling<sup>31</sup> is in direct contravention of the *1951 Refugee Convention* as it disregards the right to enter a country to seek asylum.<sup>32</sup> There are grave concerns around the suitability of living conditions in offshore facilities,<sup>33</sup> with little evidence to suggest a deterrent effect. Moreover, the withdrawal of reunification rights may encourage entire families to undertake dangerous voyages, putting more people at risk.<sup>34</sup>

Transparency of policy and the treatment of asylum seekers has been severely eroded under the Coalition. The contentious *Australian Border Force Act 2015* preventing personnel working in detention centres from disclosing any information to the media, entrenches secrecy and lack of transparency.<sup>35</sup>

<sup>31</sup> Department of Immigration and Border Protection, 2016: <https://www.border.gov.au/about/operation-sovereign-borders>

<sup>32</sup> Article 31: <http://www.unhcr.org/419c778d4.html>

<sup>33</sup> Asylum Seeker Resource Centre, 2014: <http://www.asrc.org.au/wp-content/uploads/2013/07/Mythbuster-Offshore-Processing-Resettlement-Mythbuster-May-2014.pdf>

<sup>34</sup> Hoffman S, 2006: <http://sievx.com/articles/challenging/2006/20060206SueHoffman.html>

<sup>35</sup> Australian Government, 2015: <https://www.legislation.gov.au/Details/C2015C00319>

The uncompromising focus on border security has raised concern with UN agencies,<sup>36</sup> with various bodies urging Australia to reconsider its approach. Despite UN Secretary General Ban Ki Moon's criticism, Attorney General George Brandis indicated that the Australian Government has "no intention" of reviewing its approach in future.<sup>37</sup>

The 2016-17 humanitarian programme will not include places for undocumented arrivals.<sup>38</sup> All 13,750 permanent protection visas will be granted to offshore applicants.

The reintroduction of TPVs has constrained opportunities for both employment and education/training necessary to protect against poverty in the short and longer term. The temporary nature of the visa is an impediment to employment. Those on TPVs are not eligible for Federal Government programs designed to assist students with financing tertiary study, including loans schemes and Commonwealth Supported Places. They are also unable to access concession rates for TAFE from states and territories and forced to pay international student rates to attend TAFE and university effectively blocks this educational route.

A positive development is the Community Proposal Pilot, allowing communities to propose applicants and provide practical resettlement support.<sup>39</sup> The focus on community involvement offers a welcome variation from dominant discourses.

### *The Australian Labor Party*

The ALP will maintain Australia's offshore detention policy if elected but will strive to ensure (i) conditions are more humane, and (ii) children are removed from detention.<sup>40</sup> It will: Introduce an independent advocate to further the interests of

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<sup>36</sup> Towle R, 2012.: <http://unhcr.org.au/wp-content/uploads/2015/05/unhcr-calls-for-compassion-and-legal-principles-to-be-at-centre-of-policy-responses.pdf>

<sup>37</sup> Boney B, 2015: <http://www.sbs.com.au/news/article/2015/11/23/ban-ki-moon-urges-australia-reconsider-operation-sovereign-borders>

<sup>38</sup> Department of Immigration and Border Protection, 2015: [https://www.border.gov.au/ReportsandPublications/Documents/discussion-papers/discussion-paper-humanitarian-programme\\_2016-17.pdf](https://www.border.gov.au/ReportsandPublications/Documents/discussion-papers/discussion-paper-humanitarian-programme_2016-17.pdf)

<sup>39</sup> [https://www.border.gov.au/ReportsandPublications/Documents/discussion-papers/discussion-paper-humanitarian-programme\\_2016-17.pdf](https://www.border.gov.au/ReportsandPublications/Documents/discussion-papers/discussion-paper-humanitarian-programme_2016-17.pdf)

<sup>40</sup> ALP, 2016: <http://www.alp.org.au/asylumseekers>

detained children and enact legislation for mandatory reporting of child abuse in offshore and onshore detention centres;<sup>41</sup>

- Reopen access to the Refugee Review Tribunal and reinstate the 90-day rule to ensure fairness and efficiency in claims processing;
- Focus on regional cooperation by supporting countries like Malaysia, Indonesia and Thailand to permanently resettle refugees; and
- Abolish TPVs and the 'permanent state of limbo'.<sup>42</sup> However, there is no indication that permanent protection visas will replace TPVs. Previously, bridging visas gave no working rights and were criticised as being temporary protection 'in disguise'.<sup>43</sup>

There is generally more positive rhetoric from the ALP, particularly on improving detention conditions, and increasing the humanitarian intake to 27,000.<sup>44</sup> Nevertheless, the ALP and Coalition similarly approach asylum seeker and refugee policy as a border security issue.

### *The Australian Greens*

The Greens adopt a more humane approach, recognising asylum-seeking as a fundamentally humanitarian issue.<sup>45</sup> Their multifaceted policy approach includes regional co-operation and social integration. The Greens will end offshore processing, extend the humanitarian program intake to 30,000, and provide \$70 million to offshore 'safe-assessment' centres for accommodation and welfare services to those awaiting assessment.

The Greens will also prioritise family reunification. Asylum seekers will be accommodated in the community within 30 days of arrival, and allowed full working rights and other welfare services while their claims are processed. There will be greater incentives for more rural and regional resettlement using successful past

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<sup>41</sup> Ibid.

<sup>42</sup> Ibid.

<sup>43</sup> Phillips J, 2014:

[http://www.aph.gov.au/About\\_Parliament/Parliamentary\\_Departments/Parliamentary\\_Library/pubs/rp/rp1314/AsylumPolicies#\\_ftn60](http://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/rp/rp1314/AsylumPolicies#_ftn60)

<sup>44</sup> ALP, 2016: <http://www.alp.org.au/asylumseekers>

<sup>45</sup> The Greens, 2016: <http://greens.org.au/policies/immigration-refugees>

models.<sup>46</sup> These measures are less likely to yield precarious situations where poverty can become a compounding issue.

### Overall scorecard\*

ALP	Coalition	Australian Greens
2	1	3

## 2017 MID-TERM POVERTY ASSESSMENT

### Current Scenario

Following the re-election of the Liberal Party of Australia in July 2016, policies in relation to asylum seekers and refugees continue to receive considerable media attention and trigger heated discussions in the public domain.

Two changes to Australia's Humanitarian Programme are worth noting for the 2017-18 period<sup>47</sup>: (i) a 2,500 increase in the yearly intake of resettled refugees to 16,250 places; and (ii) the expansion of the Community Support Programme (private sponsorship scheme) to 1,000 places *within* the Humanitarian Programme.

First, while the announcement of a long-overdue increase to Australia's yearly intake in the Federal Budget is a welcome move, the CSP replaces the successful Community Proposal Pilot program where 500 *additional* places were available over and above the Humanitarian Programme quota. This means that there are in actual fact 500 fewer visas available for refugees who would be sponsored. Given the extremely small numbers of refugees who are resettled in host countries each year (only 1 percent of the world's refugees, currently estimated at 22.5 million), it is concerning that this quota remains low.

Second, sponsors in Australia are mostly extended family members who are required to pay a substantial visa application fee and other costs on behalf of applicants, placing additional financial stress on people who may still be facing resettlement

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<sup>46</sup> Ibid.

<sup>47</sup> <http://www.refugeecouncil.org.au/publications/recent-changes-australian-refugee-policy/>

difficulties themselves. This situation could risk creating tensions between newly arrived refugees and their sponsors. For some refugee entrants, the concept of being indebted may add to already stressful experiences.

The emotional strain on asylum seekers in detention continues to be significant, but more so for two particular groups:

- (i) those awaiting the outcome of the United States–Australia resettlement arrangements for refugees held on Nauru and Papua New Guinea’s Manus Island (suspended in July);<sup>48</sup> and
- (ii) asylum seekers currently living in Australia, who arrived by boat without a valid visa and whose legal status has to be resolved by 1 October 2017 through complicated and burdensome administrative processes. There is significant uncertainty on what would happen to those who cannot lodge an application by the deadline, or whether there is an appeal process.

One notable outcome is the Australian Government’s June 2017 announcement of a \$70 million payout to over 1900 asylum seekers detained on Manus Island between 2012 and 2016 (plus legal costs estimated at \$20 million) as compensation for the endured physical and psychological harm, and breached duty of care. However, while the plaintiffs will receive substantial individual payouts, an out-of-court settlement means that the legal boundaries of detention as well as details of how duty of care was breached will not be heard publicly, representing a missed opportunity for the Australian Government to be accountable for the standards of its detention centres, and the conditions under which asylum seekers live while awaiting processing<sup>49</sup>.

A further development is the creation of a Department of Home Affairs proposed in July 2017, and headed by Immigration Minister Peter Dutton as the designated Minister for Home Affairs. This is likely to impact refugee policy significantly in the future.

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<sup>48</sup> In October 2017 the USA accepted 52 refugees from Manus Island and Nauru.  
<https://www.theguardian.com/australia-news/2017/sep/28/peter-dutton-lets-fly-at-armani-clad-economic-refugees-sent-to-us>

<sup>49</sup> <http://www.kaldorcentre.unsw.edu.au/publication/offshore-detention-what-landmark-settlement-fails-resolve>

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Dr. Nichole Georgeou (University of Western Sydney)

## 2016 POVERTY AUDIT

### Current policies and challenges

With the election approaching, how do Australia's major political parties approach the complex relationship between foreign aid and poverty alleviation? Key issues in aid concern whether budgetary aid is more effective than tied aid, and whether aid should be linked to improvements in democracy, governance and human rights. With governments contracting aid delivery to private providers, what is the most efficient way of delivering aid and ending poverty? Current Australian policy encourages the private sector to get involved in development to hopefully spark growth and development across the region, thus allowing people to work and trade their way out of poverty.<sup>50</sup>

While the UN recommends developed states give 0.7% of their Gross National Income (GNI) as aid, the Coalition governments led by Tony Abbott and Malcolm Turnbull have reduced Australia's aid to GNI ratio from 0.37% in 2013-14 to 0.22% in 2016-17.<sup>51</sup> Australia is now the 19th most generous donor on 2015 figures, and the twelfth in real terms.<sup>52</sup> Australia's official development assistance has been cut by a third, down from \$5.7bn in 2013-14 to \$3.8bn in 2016-17. The 2007 bipartisan commitment of aid as 0.5% GNI by 2015 has been abandoned. Australian political party policies on foreign aid need to be considered against this recent collapse in Australian aid spending.

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<sup>50</sup> *Creating Shared Value through Partnership, Ministerial Statement on Engaging the Private Sector in Aid and Development*, 31 August 2015, <http://dfat.gov.au/about-us/publications/aid/Pages/creating-shared-value-through-partnership.aspx>

<sup>51</sup> Ravi Tomar, 'The Ever Shrinking Aid Budget', Budget Review 2015-16, Parliamentary Library Research Publications, [http://www.aph.gov.au/About\\_Parliament/Parliamentary\\_Departments/Parliamentary\\_Library/pubs/rp/BudgetReview201516](http://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/rp/BudgetReview201516)

<sup>52</sup> OECD Compare your Country, Official Development Assistance 2015, <http://www2.compareyourcountry.org/oda?cr=oeed&lg=en>

### Poverty Scorecard

<b>Topic</b>	<b>ALP</b>	<b>Coalition</b>	<b>Australian Greens</b>
Equity	1	1	3
Transparency	0	0	2
Resource allocation	1	0	2
Estimated impact	1	1	0
Quality of flourishing	0	0	1
Sustainability	0	0	3

In terms of equity, aid recipients do not vote, so the allocation of aid resources is less subject to lobbying. The Australian government decides the policy direction and funding of the aid budget. The Indo-Pacific region remains the focus of the \$3.163bn Australia will provide for bilateral aid, and the 2016-17 budget allocates \$910 million to the Pacific, \$657m to SE and East Asia, \$217m to South and West Asia, and \$52m to Africa. Since 2012-13 the largest drop has been for SE Asia, down 51.9% while cuts in the Pacific have been more moderate, down 19%. Gender is a factor in all of the parties' aid policies, reflecting its cross-cutting importance. Both major parties favour the use of Australian contractors in aid service delivery, a policy that has resulted in Australian companies and NGOs receiving the majority of the aid spending. This practice ties the core funding of NGOs to the national interest, as NGOs tender for government aid delivery contracts.

With regard to transparency, both major parties are committed to market-based solutions to poverty alleviation, and such a view is affected not by the needs of the recipients, or even by evidence, but by the 'higher order' concern of efficiency and the new managerialism that characterizes Australian aid delivery.<sup>53</sup> The mantra is that the market will solve all of the problems of development, so the role of the state in aid delivery is limited to supporting providers carry out the efficient provision of specific

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<sup>53</sup> N. Georgeou & C. Hawksley, C. 'Socio-Institutional Neoliberalism, Securitisation and Australia's Aid Program', in C. Hawksley & N. Georgeou (eds), *The Globalisation of World Politics: Case Studies from Australia, New Zealand and the Asia Pacific*, 3rd edition, Oxford University Press, Melbourne, pp. 27-30.

services. The Greens would reinstate the old Australian Agency for International Development (AusAID) and make it separate to the Ministry of Foreign Affairs and Trade, along with a legislated framework for aid to allow for more Parliamentary oversight of the budget.<sup>54</sup>

Low scores on resource allocation reflect recent aid cuts. Since the 2013-14 budget, the Abbott and Turnbull governments have slashed Australian ODA by 33%. Australia's official development assistance now sits at \$3.8bn, down \$191 million (6%) from 2015-16.<sup>55</sup> The Coalition wants business to drive development, and sees the aid sector as an area of growth for business innovation, profits and opportunities. The ALP would reverse \$224 million of the most recent aid cuts, but not the \$1bn of the first Abbott budget, effectively keeping aid at an historic low. Labor's *100 Positive Policies* handbook has just one foreign aid claim, "Letting Australian NGO's Do Their Good Work Overseas".<sup>56</sup> Labor's \$40 million extra will assist NGOs deliver 'frontline services'.<sup>57</sup> The emphasis is on the non-profit sector, not direct Australian government funding, to deliver aid. The Greens would increase aid funding to 0.7% GNI, which would more than triple current aid spending, and would consult more widely on the direction, focus and approach of aid delivery.

The impact of aid is always questionable. The Coalition's solution to the problems of poverty is to harness the private sector to produce outcomes in aid and development. This direction was clear from June 2014, and is crystalised in the 2015 Ministerial Statement *Creating Shared Value Through Partnership*, while the government, business and civil society will "drive sustainable growth and reduce poverty in our region".<sup>58</sup> Labor's strategy seems to be to use contractors and to partly fund the activities of the NGO sector to deliver Australian aid, a cost effective amalgam of charity, volunteering and national interest. While the Greens policies might be more effective, they will not be forming a government, so the reality is they will have no effect on reducing poverty at this election.

Optimism on the quality of flourishing is best muted. On one hand, the major parties rely on the market to find opportunities within developing economies to achieve

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<sup>54</sup> The Greens, *Overseas Aid*, Aims 2, 7 and 19.

<sup>55</sup> *Budget 2016-17 Portfolio Budget Statements*, Budget Related Paper 1.9, Foreign Affairs and Trade Portfolio, p 28.

<sup>56</sup> ALP, *100 Positive Policies*, <http://www.100positivepolicies.org.au/>

<sup>57</sup> Linda Caneva, 'Labor Pledge to Reverse Foreign Aid budget', 22 May, *ProBono Australia*, <http://probonoaustralia.com.au/news/2016/05/labor-pledge-reverse-foreign-aid-budget/>

<sup>58</sup> *Creating Shared Value*, p. 1

growth, and they assume the world is a level playing field. On the other hand the Greens argue the current world is structurally unequal, and that developed countries have a responsibility to work to redress this problem.

Cutting aid budgets, and keeping them low, might meet a financial concern for the Australian government, but it is hard to see how providing less money can lead to social or environmental sustainability, especially when the private sector is relied upon to deliver growth. The ALP’s strategy is largely similar to that of the Coalition, but with a more prominent role for NGOs to alleviate poverty. The Greens link aid with a wider commitment to ethical engagement with the region; the centrality of women in aid; and the elimination of poverty and inequality, and the promotion of human rights.<sup>59</sup>

**Overall scorecard**

ALP	Coalition	Australian Greens
0	0	2

Australian elections are not fought on foreign policy matters, so do not expect to hear about bold plans for regional poverty reduction. Neither of the major parties’ platforms is likely to reduce poverty or result in flourishing, either now or into the future. While the Greens have more ambitious plans, they are not likely to form government.

**2017 MID-TERM POVERTY ASSESSMENT**

Historically foreign aid has been understood as Australia’s main tool for poverty reduction in the region, and National Interest came second to regional responsibilities. The Australian Government’s coming *Foreign Policy White Paper*, the first since 2003 (DFAT, 2017a), seeks to advance Australia’s interests in what is a “dynamic, complex and unpredictable international environment” to “make Australia and Australians more prosperous and more secure”. There is however no mention of poverty in the Terms of Reference, but this is entirely in keeping with the Coalition’s preference for market driven growth and the axiomatic evaporation of both poverty and the poor.

<sup>59</sup> The Greens, *Overseas Aid*, Principles 6,7, 1.

At its mid-term mark, the Turnbull Coalition government has continued to view poverty in the region as a series of problems to be solved by the market rather than as a structural problem of global inequality. Australia's 'aid for trade' agenda thus aims to support productive capacity, build economic infrastructure, encourage private enterprise and liberalise trade (Jorge, 2016). The hope is that the local market will link with the global market; development will then result and problems of poverty will end. In the 2017-18 budget, \$771 million of the total is allocated to 'aid for trade', and by 2020 'aid for trade' will constitute 20% of total aid spending (DFAT, 2017b).

Australia's approach to aid appears out of step with the rest of the world. DFAT advertises the Official Development Assistance budget for 2017-18 as \$3.9bn, but this figure warrants scrutiny as it includes \$236m from other government departments and almost \$400 for 'Humanitarian, Emergencies and Refugees' (DFAT, 2017c). The official figure is perhaps presented to boost Australia's ODA/GNI ratio, which the UN recommends should be 0.7%. Australia's aid/GNI is currently 0.22%. In the early 1970s it was almost 0.5% and it has been on a steady decline since. In global terms we are now well behind OECD donors Norway and Luxembourg (who give over 1%), and Denmark, Germany, and the UK (c. 0.7%), but ahead of Portugal (0.17%) and Greece (0.136%), both of which have undergone recent severe economic crises (OECD, 2016). To reach the UN level of 0.7% GNI the Turnbull government would have to more than triple aid spending, but given the quixotic fixation on returning the budget to surplus, that is not likely.

While the White Paper aims to "promote prosperity and stability through our aid program with a focus on the Indo-Pacific" (DFAT, 2017a), we should remember that the prosperity referred to is Australian. Some 80% of DFAT aid money earmarked to provide services in recipient countries, monitor aid programs and assess their efficiency, is actually spent on Australian companies. Large corporations like Cardno Emerging Markets, Palladium International, Coffey International Development and ABT Associates receive around 20% of the overall aid budget (Belot, 2017).

The growing emphasis on aid for trade and the use of Australian companies is clear evidence that the Turnbull government continues to position itself as a junior partner in a private sector initiative to downsize poverty in Asia and the Pacific Islands by outsourcing development aid and service delivery.

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# AUDITING INDIGENOUS POVERTY

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## 2016 POVERTY AUDIT

### Current policies and challenges

A major challenge all political parties face is that Indigenous poverty is deeply embedded and structural and will take a long time, innovative policy and major investments to address. The diversity of Indigenous circumstances means that a diversity of approaches will be required, but the major parties are committed to mainstreaming or normalisation options. It is only the Greens that are serious about the recognition of difference and the need for approaches that emphasise social justice.

In 1987 the progressive Hawke government committed to eliminate disparities in income status between Indigenous and other Australians by the year 2000. It failed. Today no party will commit to either eliminate Indigenous poverty or reduce it to levels commensurate with levels in the general community. There is no *Closing the Gap* target for poverty.

### Poverty scorecard

My assessment of each political party is partly subjective but also based on evidence-based research over many years. Political parties like to wipe the slate clean when campaigning for office. But they always have track record and performance form which is a sound basis for predicting future action rather than electioneering rhetoric.

Topic	ALP	Coalition	Australian Greens
Equity	1	0	4
Transparency	2	0	4
Resource allocation	1	0	3
Estimated impact	1	0	3
Quality of flourishing	2	0	3
Sustainability	1	0	3

On equity the Coalition scores 0 because it cut the Indigenous specific budget in 2014 by \$530 million for no rational reason. It also amended the Community Development Program (previously the Remote Jobs and Communities Program) requiring 36,000 jobless (84% Indigenous) in remote Australia to work 25 hours a week, 5 hours a day, all year. This has seen skyrocketing rates of breaching and social security penalties. In the last two quarters of 2015, 50,807 penalties were applied to CDP participants, double the number of penalties applied in the first six months of 2015.<sup>60</sup> Labor opposed the budget cuts and has increasingly opposed CDP reform that has further disempowered and impoverished Indigenous people. It is only the Greens who have developed a comprehensive policy to respond to Indigenous priorities, including residing on their country.

On transparency the Coalition scores 0 for its opaqueness and inefficiency in managing the Indigenous Advancement Strategy tendering process, criticised in a recent Senate Inquiry. During its time in office Labor was more transparent, while the Greens negotiated the establishment of the Parliamentary Budget Office.

On resource allocation the Coalition scores 0 because of its cut-backs, including to crucial areas like legal services, family violence and prevention services and community based service delivery. When they were in government, the ALP did commit to multi-year National Partnership Agreements, but impoverished people with the Gillard government's reform of the Sole Parent's Payments Scheme that saw payments reduced by \$100 a week. The Greens have committed to a dedicated resource strategy to accompany the Aboriginal and Torres Strait Islander Health Plan and to restore the budget cuts of 2014.

On estimated impact the Coalition has presided over a sharp increase in poverty associated with escalating breaching and scores 0. Both the ALP and the Greens are trenchant critics of CDP reform and both have committed to continue the *Working on Country Program* for rangers and to double total numbers. The Coalition proposes to increase employment by 20,000 through what it describes as the 'successful' Employment Parity initiative, but the basis for the numbers is unclear and this prediction is at odds with analysis by the Productivity Commission.

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<sup>60</sup> See [http://caepr.anu.edu.au/sites/default/files/Publications/WP/16-081-WP-WORKDOLE+D\(22Jun16\).pdf](http://caepr.anu.edu.au/sites/default/files/Publications/WP/16-081-WP-WORKDOLE+D(22Jun16).pdf)

On quality of flourishing the Coalition is committed to altering the norms and values of Indigenous Australians using costly instruments like income management that have been shown to be ineffective and have shown no commitment to support diverse Indigenous aspirations. The ALP has been similarly reluctant to abolish either income management or the new Cashless Debit Card trials. Only the Greens are committed to getting rid of paternalistic income management and the trials.

On sustainability the Greens support reform of the *Native Title Act* to provide commercially valuable property rights to land holders and to support Treaty-making that could generate financial resources for Indigenous priorities. The Coalition plans to maintain its flawed Indigenous Advancement Strategy. ALP is looking to commit extra funds (\$100 million) to schooling and \$200 million to rangers, so scores slightly higher.

### Overall Scorecard

ALP	Coalition	Australian Greens
1	0	3+

The overall scorecard strongly favours the Greens because they have an overall strategy that looks to empower Indigenous communities at the grassroots level, they have consistently opposed reforms that have more deeply impoverished Indigenous people since 2013, and they support progressive recognition processes including the strengthening of native title and commercial property rights. The ALP when last in government shared a broad consensus with the Coalition, but differences are starting to emerge between the Turnbull government and Shorten opposition during the election campaign. In particular the ALP now opposes CDP reform and paternalistic measures that are likely to further impoverish in the name of improvement. The Coalition proposes to extend its ‘jobs and growth’ approach to Indigenous Australia hoping that Indigenous business success will result in trickle down benefit to Indigenous people, irrespective of the fact that many live remote from employment or business opportunity. In terms of the audit’s core framework concept of the ability to achieve lifeway desires, neither the Coalition nor ALP appears willing to adopt broader outcome frameworks beyond statistical indicators that exclude poverty-reduction as an explicit target. And yet many of the social determinants to *Closing the*

*Gap* are linked to existing high levels of poverty that greatly limit capacities for choice. It is essential to hear Indigenous aspirations in all their diversity but this will not happen without proper representation.

In the immediate term there is an urgent need to restore funding to community-based organisations, to rejig the CDP to properly replicate the Community Development Employment Projects scheme that enjoyed some success in ameliorating poverty, and to provide resources for those who choose to live differently on their ancestral lands pursuing forms of mixed livelihood that will allow them to flourish in ways that they hold dear.

## **2017 MID-TERM POVERTY ASSESSMENT**

Since its election in July 2016, the Turnbull government has continued to administer the Community Development Programme (CDP). CDP requires that participants aged 18-49 years with full time work capacity work five hours a day, five days a week, 46 weeks in the year. This program has had a devastating impact on the household incomes of Indigenous jobseekers caught up in it.

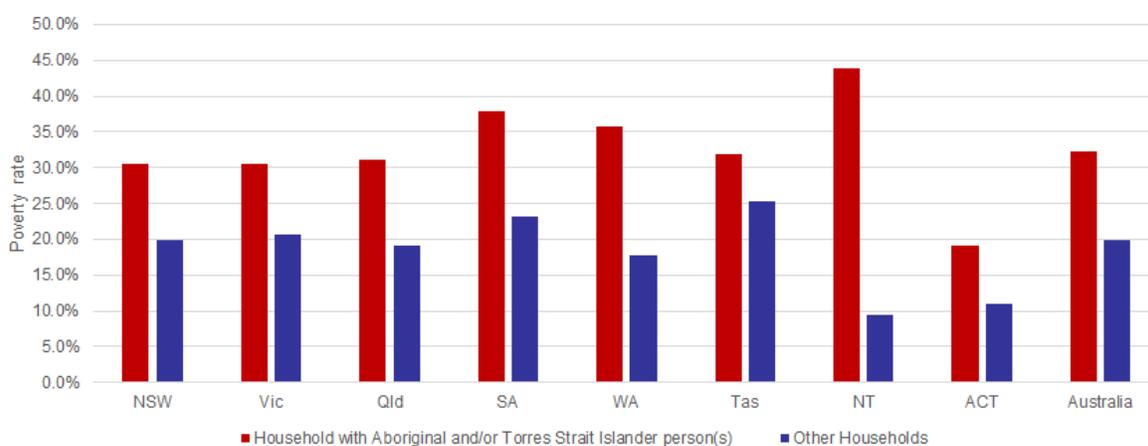
CDP was introduced on 1 July 2015 as a direct response to a recommendation in the Forrest Review *Creating Parity* that jobless Indigenous people should be required to work full-time (one assumes 35 hours a week) as a condition of income support. Those in income support who are required to work 25 hours a week are receiving about \$10.80 per hour, well below the current minimum wage of \$18.29 per hour. The difference between what is paid under CDP and what would be paid at minimum wage over a 25-hour week is about \$187 a week, which is a significant amount especially when living in remote communities where the price of basic foodstuffs in stores where one is required to shop using the BasicsCard, can be 50 per cent above prices in urban centres. Failure to comply with CDP work-for-the-dole requirements, which have been described by the Human Rights Law Centre as unfair and discriminatory,<sup>61</sup> result in the application of financial penalties that further impoverish participants. There are around 35,000 people in the scheme at any one point in time, of whom approximately 84 per cent are Indigenous. They represent less than 5 per cent of unemployed people in receipt of income support. However, the latest analysis

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<sup>61</sup> Human Rights Law Centre 'A Fair and Community Lead Approach to remote Community and Economic Development' Submission 39 to Senate Inquiry at [http://www.aph.gov.au/Parliamentary\\_Business/Committees/Senate/Finance\\_and\\_Public\\_Administration/CDP/Submissions](http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Finance_and_Public_Administration/CDP/Submissions)

of official data by Lisa Fowkes at the ANU shows that in every quarter since the implementation of CDP more penalties have been applied to this small group than all other jobless income support recipients in non-remote Australia combined. The rate of penalties applied for failure to attend work-for-the-dole ('No Show No pay') has climbed in almost every quarter with 46,090 applied in the quarter ending March 2017, which is both the highest quarterly figure to date and well in excess of the 26,021 No Show No Pay penalties applied to the 760,000 jobless in the *jobactive* program in the same period.<sup>62</sup> These penalties are worth 1/10<sup>th</sup> of fortnightly income support. The prospect of being penalised if Indigenous and on CDP is 27 times greater than if on *jobactive*.

The latest income information from the 2016 Census based on data provided by Francis Markham of ANU shows poverty rates calculated using the standard 50 per cent of the national median household equivalized income. In the chart below, the poverty rate among Indigenous households—that is, households with at least one Indigenous person present—are compared to other households with no Indigenous residents. While census data by remoteness are not yet available, the deepest poverty (nearly 45% of all households) and the greatest disparity between Indigenous and other households (nearly 35%) is found in the Northern Territory, partially reflecting the impact of CDP penalties on annual incomes.



<sup>62</sup> Lisa Fowkes, Social security penalties applied to participants in the Community Development Programme Update including data for quarter ending March 2017, unpublished report, July 2017; also see <https://www.crikey.com.au/2017/03/01/botched-govt-employment-scheme-impoverishes-indigenous-australians/>

In some remote communities forced to participate in CDP, individual median incomes for adults have declined in real terms between 2011 and 2016 plunging people into deeper poverty.<sup>63</sup>

It is to the credit of the Australian Greens and the ALP that they have collaborated to ensure that a Senate inquiry 'The appropriateness and effectiveness of the objectives, design, implementation and evaluation of the Community Development Program (CDP)' is under way.<sup>64</sup> It is scheduled to report after an extension in October 2017, perhaps in time for Poverty Week. The Australian National Audit Office has also reviewed CDP with its report, also due in October.<sup>65</sup>

The latest *Closing the Gap* Prime Minister's Report 2017 shows that six of seven gaps are not closing and some employment disparities between Indigenous and other Australians may be widening.<sup>66</sup> Such disappointing outcomes are also reported by the OECD in *Connecting People with Jobs: Key Issues for Raising Labour Market Participation in Australia*,<sup>67</sup> and the Productivity Commission in its 3558 page *Overcoming Indigenous Disadvantage: Key Indicators Report 2016*.<sup>68</sup>

The Turnbull government is demonstrating extraordinary obstinacy in maintaining its failing approach. While there is no stated government goal to close the income gap between Indigenous and other Australians, there is more and more evidence that the poverty and marginalisation of many Indigenous Australians is deepening, especially in remote regions.

A 2017 Poverty Scorecard update is unnecessary: The Coalition government scores zero. It is hard to imagine a government performing worse. There is a need for a radical change in approach, not just as the Productivity Commission suggests to actively support what is demonstrably working, but equally to abandon any approach like CDP that is demonstrably failing. It remains to be seen what recommendations emerge from current inquiries underway and what policy response will be forthcoming

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<sup>63</sup> See analysis at <https://newmatilda.com/2017/07/28/the-debilitating-aftermath-of-10-years-of-nt-intervention/>.

<sup>64</sup> [http://www.aph.gov.au/Parliamentary\\_Business/Committees/Senate/Finance\\_and\\_Public\\_Administration/CDP](http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Finance_and_Public_Administration/CDP).

<sup>65</sup> <https://www.anao.gov.au/work/performance-audit/design-and-implementation-community-development-programme> viewed 20 August 2017.

<sup>66</sup> <https://www.pmc.gov.au/resource-centre/indigenous-affairs/closing-gap-prime-ministers-report-2017>

<sup>67</sup> <http://www.oecd.org/australia/connecting-people-with-jobs-key-issues-for-raising-labour-market-participation-in-australia-9789264269637-en.htm>

<sup>68</sup> <http://www.pc.gov.au/research/ongoing/overcoming-indigenous-disadvantage/2016/report-documents/oid-2016-overcoming-indigenous-disadvantage-key-indicators-2016-report.pdf>

from the ALP and the Australian Greens. At least the Greens are seeking an increase in Newstart and Youth Allowance payments by \$100 a fortnight, unfortunately voted down by the Coalition and ALP in August 2017; for that attempt at poverty alleviation alone they deserve some kudos for being the only political party serious about addressing deepening poverty.<sup>69</sup>

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<sup>69</sup> [http://www.huffingtonpost.com.au/2017/08/09/the-greens-want-to-boost-newstart-youth-allowance-by-110-a-for\\_a\\_23071651/](http://www.huffingtonpost.com.au/2017/08/09/the-greens-want-to-boost-newstart-youth-allowance-by-110-a-for_a_23071651/)

# ASSESSING HOUSING AFFORDABILITY

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## 2016 POVERTY AUDIT

### *Current policies and challenges*

It is quite evident that politicians have failed to address the housing affordability crisis and this has led to more people becoming homeless or struggling to meet their housing rental or mortgage costs. The failure is evident when we consider the following statistics. As many as 206,000 households are on public waiting lists and 105,000 people were recorded as being homeless at the time of the 2011 census. The proportion of low-income households in housing stress—that is, those that pay more than 30% of their income on housing-related costs—increased from 35% in 2007-08 to 42% in 2013-14. Between 2002 and 2012 rents increased in nominal terms by 76% for houses and 92% for flats. The high cost of owning or renting a home has led to more Australians living in poverty. An effective anti-poverty strategy requires bold policies that reduce the tax benefits made available to wealthy homeowners and investors, but not to renters. Unless the inequalities in wealth that underpin the housing system are addressed, reforms are likely to have only a marginal impact.

Amongst the major challenges for the next government is the shortfall in affordable housing. The overall stock of public housing has declined from 331,000 units in 2007-08 to 317,000 in 2013-14. There is an urgent need to commit resources to building public or community housing and put in place measures to curb speculative investment to make it easier for first time buyers to purchase a home. There is likely to be considerable opposition should any political party pursue serious reforms, not least from powerful vested interest groups such as real estate agencies, banks and property developers, all of whom have profited considerably from the high cost of housing.

### Poverty Scorecard

	ALP	Coalition	Australian Greens
Equity	2	1	3
Transparency	3	1	3
Resource allocation	3	0	3
Estimated impact	3	0	3
Quality of flourishing	2	0	4
Sustainability	2	0	4

### The Australian Labor Party

The ALP deserve considerable credit for making housing affordability an issue at this election and for taking the bold step of putting forward proposals to reform the tax system to reduce the scope for investor landlords to offset tax obligations. In short, if the reforms proposed by Labor on negative gearing are put into effect, they will go some way to improve the opportunities for first time homebuyers. This positive stance noted, it is difficult at this point in the campaign to determine how much money the ALP will put aside to increase the supply of social housing either by funding state governments or community housing organisations. In overall terms, the ALP have been scored highly for their housing policies as they will go some way towards tackling inequality.

### The Australian Greens

The Greens have the most progressive policies to address inequities in the housing system in respect of their investment commitments. They have already declared that, if elected, they would double the amount of money currently spent by the Coalition on homelessness programs. Like the ALP, they would reform the tax system to curb speculative investment in housing so that more resources could be set aside for less well-off Australians. The Greens have also made clear they will increase funds for state governments to build public housing.

### The Coalition

Despite the failure of the Coalition to address housing affordability issues in any serious way, there are some grounds to be more optimistic about the future. The tax benefits that accrue from negative gearing have received wide publicity and the electorate is now more aware of the unfairness of current policies. Let us hope that over the next few years all political parties can attend to the inequities that underpin the Australian housing system.

### Overall Scorecard

ALP	Coalition	Australian Greens
2	1	3

It should be stated that it is difficult to judge the housing policies of each party until we hear more details about their budgetary commitments. It is regrettable that these spending commitments are usually released very late in election campaigns. So much of the assessment is based on broad policy statements made by the political parties. This noted, we should welcome the fact that both the ALP and the Greens are committed to reforming the tax system so that resources can be better targeted to help low income Australians.

The housing crisis is one that affects many of Australian's low-income households and without sustained investment to boost the supply of affordable homes the problems for those in housing stress will intensify. If we look at each party's policies; one major difference is apparent—the Coalition has not put in place any serious measure to mitigate the housing crisis, choosing instead to blame planning legislation and red tape for the lack of affordable homes (Jacobs, 2015; Wood et al., 2015). Overall its housing policies will have little effect in reducing the problems experienced by the homeless or those on low incomes. It is unfortunate that the Coalition, though initially willing to consider tax reforms to curb speculative investment, is now running a campaign to scare voters about the impact of ALP's policies on negative gearing. The Coalition scorecard has been ranked, in overall terms, lower than the other parties because it has shied away from proposing tangible reforms.

## 2017 MID-TERM POVERTY ASSESSMENT

Australia's housing affordability crisis is now receiving attention in the media. However, the Coalition government has resisted adopting measures that would address its underlying causes—the shortage of public housing, the very low income of many Australians, and the tax incentives that enable speculative investors to see housing as a means to accrue wealth. Publications such as the 2016 census (ABS, 2017a) and the 2017 HILDA survey (Melbourne Institute, 2017) have shown that successive governments have failed to mitigate the nation's housing problems. Homeownership is increasingly difficult to access and the proportion of households aged between 18 and 29 buying a home has declined from 36% in 2002 to 25% in 2014 (Melbourne Institute, 2017). There are also greater numbers of households paying increasingly large sums on mortgage repayments. The ABS (2017b), for example, has reported that there are currently over 400,000 households in Sydney with mortgages that are more than three times their annual incomes. It is quite common for new homeowners in Sydney to have to service mortgages that are over \$700,000. Rents in the major cities have increased and more people are vulnerable to homelessness.

It is estimated that there is a current shortfall of 300,000 dwellings to meet the demand from low-income households (Yates 2017). However, the government continues to apportion blame to planning authorities for restricting land for development and state housing authorities for inaction - even though they know that these authorities have insufficient budgets to build new homes. The 2017 Commonwealth Budget was short of measures but the Treasurer did announce the establishment of the National Housing Finance and Investment Corporation (NHFIC). The NHFIC will put in place arrangements to offer low cost loans so that social housing organisations can build new homes. The NHFIC is unlikely to achieve much unless there is a considerable subsidy from government.

The measures that should be taken are fairly straightforward. From the outset, the Government must address the social inequalities that are now an enduring feature of contemporary Australia. There is an urgent need for significant injection of

government funds for new social housing and some of this could be sourced by ending the generous tax concessions for landlord investors and imposing capital gains taxes on homeowners when they sell their residences. Other Government reforms could include incentives for states and territories to replace stamp duty with land taxes since this would be more equitable and would generate more revenue.

In the long term, the government needs to take the necessary steps to deter speculative investors using housing as a site to generate wealth. Currently, the Australian government offers opportunities for investors and homeowners to profit from their housing, but not renters. Those who rent in Australia have on average just \$200,000 in assets compared to \$1.1 million on average for homeowners. (Yates, 2017).

Why has the problem of housing affordability persisted and why there has been so little effective action? Part of the answer is that many have much to gain from maintaining the current arrangements. Real estate agents, developers and banks for example, all profit from housing shortages and many homeowners are unlikely to support policies that might lead to a fall in the value of their properties. However, if the government is serious in addressing housing problems it will have to take some bold steps to reduce the privileges and arrangements that benefit these industries and wealthy households. The government must initiate policies to establish a more level playing field so that low income Australians are able to access housing that is commensurate with their needs.

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# TRANS-PACIFIC PARTNERSHIP: INTERNATIONAL INVESTMENT & TRADE

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## 2016 POVERTY AUDIT

### Current policies and challenges

The Trans-Pacific Partnership (TPP) is an investment and trade agreement involving Australia, New Zealand, and ten other Pacific Rim countries. It was signed in February 2016 by all 12 member countries, but it has yet to be ratified. A major trade agreement such as TPP would *ideally* focus on considerations of equity, with the aim of distributing its presumed economic gains in ways that would provide some tangible benefit to those least well off, both in Australia/New Zealand and abroad.

Enforcement mechanisms would support equity goals necessary to address poverty. They might, for instance, specify significant fines for corporations found guilty of breaching relevant labor or environmental provisions.

Unfortunately, the *actual* TPP, released in late 2015 after years of secret negotiations, bears virtually no resemblance to the equity-focused agreement just imagined. Billed by supporters as a 'free trade' agreement, it is more accurate to say that TPP is an international investment agreement. Its enforcement mechanisms—notably its 'Investor-State-Dispute-Settlement' (ISDS) provisions which allow corporations to bring potentially unlimited loss of revenue claims against signatory states—are largely aimed at protecting the rights of foreign investors rather than domestic workers.<sup>70</sup> In the area of international investment and trade, the major poverty-related challenge facing the next Australian government is thus that ratifying TPP is likely to exacerbate poverty (see discussion on pharmaceuticals below). Since it is too late to change the TPP (and withdrawal from the treaty down the track would carry significant political and diplomatic costs), it would be best for Australia and New Zealand not to ratify TPP. Such an action/stance might encourage other signatories to follow suit, and the parties can start over with an eye toward producing a more transparent and equity-focused agreement.

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<sup>70</sup> <https://www.mfat.govt.nz/en/about-us/who-we-are/treaty-making-process/trans-pacific-partnership-tpp/text-of-the-trans-pacific-partnership>. See Chapter 28, Dispute Settlement, particularly Article 28.20, "Non-Implementation – Compensation and Suspension of Benefits."

### Poverty scorecard

<b>Topic</b>	<b>ALP</b>	<b>Coalition</b>	<b>Australian Greens</b>
Equity	2	1	4
Transparency	1	0	4
Resource allocation	2	1	3
Estimated impact	2	1	3
Quality of flourishing	2	1	4
Sustainability	2	1	4

### The Australian Greens

The Greens are the only Australian party to clearly oppose TPP from the beginning (the Green Party of Aotearoa New Zealand has taken essentially the same position). The Greens have been particularly strong on the importance of transparency and proper procedure (an area where the Coalition has been particularly weak); from early 2012 they were calling on Prime Minister Gillard to release the text of the draft TPP agreement. More recently, they have criticised the Coalition government for its apparent refusal to have the TPP subject to truly independent analysis (the Greens have called the National Interest Analysis done in February 2016 a self-serving “farce,” and have called for an independent analysis to be done by the Productivity Commission).

Substantively, the Greens have clearly identified the main threats posed by TPP to the general population; these bear quite generally on the topics of equity, resource allocation, impact, and sustainability. Prominent amongst these threats are undermining access to affordable pharmaceuticals (weakening the Pharmaceutical Benefit Scheme in Australia and Pharmac in New Zealand); potentially weakening environmental protection and labour laws; and extending copyright to the benefit of corporations but to the detriment of most consumers. Last but not least is the threat posed by the ISDS provisions in TPP. Although defenders of these provisions

correctly point out that ISDS is not new (it is a part of many existing trade/investment agreements), its inclusion and prominence in TPP would make it much more difficult to roll back such inequitable provisions in the future.

### **The Coalition**

The Coalition (along with the National-Led coalition in New Zealand) has been a staunch supporter of TPP from the beginning. The relevant Government webpage on TPP provides no shortage of information portraying TPP in a positive light. For instance, it reassures the reader that “Australia’s five years of data protection for biological medicines will remain unchanged. The TPP will not increase the price of medicines in Australia.”<sup>71</sup> This statement obscures the fact that Australian law already promotes the inequitable practice of “evergreening” (the extension of patents for existing products to new uses), and that TPP makes it much more difficult to reform such laws in the future. In fact, it is not clear that Australia *will* be able to limit the data protection it provides to producers of biologics medicines to five years; TPP specifies that this rule is subject to other qualifications and is to be revisited in the future. The upshot is that this aspect of TPP makes it likely that Australians’ access to affordable (i.e. generic) medicines will be reduced in the future. Needless to say, this policy has far-reaching implications for many aspects of poverty, including equity, impact, and overall flourishing.

The Coalition has for the most part simply assumed that TPP will bring significant economic benefits to Australia. This outcome is far from obvious, at least based on the modelling that has been done to date. Notably, a World Bank report released in January 2016 estimated that TPP would boost Australia’s economy by just 0.7% by 2030, representing an annual gain of less than 1/10<sup>th</sup> of 1%.<sup>72</sup>

### **Australian Labor Party**

Of the three major Australian parties, The ALP’s position on TPP is perhaps the hardest to evaluate. On one hand, there is much in its National Platform to suggest that it generally supports a trade and investment policy that would help to alleviate

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<sup>71</sup> <http://dfat.gov.au/trade/agreements/tpp/outcomes-documents/Pages/outcomes-biologics.aspx>

<sup>72</sup> <https://www.theguardian.com/business/2016/jan/12/tpp-trade-deal-will-grow-australias-economy-by-less-than-1-world-bank-reveals>

poverty, both at home and abroad.<sup>73</sup> It explicitly notes the importance of equity—sharing the benefits of trade equally. It clearly opposes ISDS clauses, emphasizes the importance of conforming to existing labour and environmental regulations, and singles out the importance of Australia’s PBS and other public health initiatives. In general, it clearly recognises a responsibility to ensure that agreements such as TPP do not impinge on the ability of the Australian Government to protect the social, economic, and cultural flourishing of its people. This would suggest fairly high marks at least in the areas of equity, flourishing, and sustainability (ALP does not have the track record of the Greens in the area of transparency).

For all that, the ALP has not formally opposed TPP which is in stark contrast to its counterpart, the New Zealand Labour which came out explicitly against TPP in May 2016.<sup>74</sup> The ALP has generally been supportive of agreements like TPP, and it would be a bit surprising if it were to break decisively with that tradition. Largely because of this combination—ALP’s failure to formally oppose TPP, and its track-record of supporting agreements similar to TPP—that we have had to mark it lower than it might appear to deserve on paper.

### Overall scorecard

ALP	Coalition	Australian Greens
2	1	4

The scorecard reflects the basic principles articulated in the analysis above. Amongst the three major parties, only the Greens have expressed forthright opposition to TPP. The Coalition strongly supports the agreement (as does the ruling National-led coalition in New Zealand), and the Australian Labor Party’s position is somewhat ambiguous on this point.

<sup>73</sup> [https://cdn.australianlabor.com.au/documents/ALP\\_National\\_Platform.pdf](https://cdn.australianlabor.com.au/documents/ALP_National_Platform.pdf). See particularly chapter 2, p. 23: “Trading With the World.”

<sup>74</sup> [http://www.nzherald.co.nz/nz/news/article.cfm?c\\_id=1&objectid=11635635](http://www.nzherald.co.nz/nz/news/article.cfm?c_id=1&objectid=11635635)

## 2017 MID-TERM POVERTY ASSESSMENT

In the fourteen months since the audit was published, undoubtedly the most significant development regarding TPP has been the election of Donald Trump as US President and the subsequent withdrawal of the United States from the agreement in January 2017. Although initially this seemed to spell the end of TPP, Australia and New Zealand quickly emerged as states whose leaders would try to get the agreement ratified by the 11 remaining signatory states. An important turning point in this process was Japan's decision in May 2017 to reverse its previous opposition to a version of TPP that did not include the US. A meeting at the end of that month saw leaders of the remaining 11 countries try to reach an agreement on how to move forward. One sticking point was and remains the text of the agreement, which naturally reflects the interests of the United States, particularly US-based corporations. Australia, New Zealand, and Japan have taken the position that the text of TPP should remain as it is, with the hope of enticing the US to join at a later date. Other signatories would like to see changes to the text, although a new round of negotiations could easily extend years into the future, effectively killing the agreement.

In any event, it is very unlikely that the text of TPP will be revised in a way that would be favourable to labour, or to poverty alleviation more generally. Much likelier is that the text of the agreement will stand largely unchanged. The pro-business Investor-State-Dispute-Settlement (ISDS) provisions are particularly unlikely to change. One result worth noting is that the pro-US corporation aspects of the agreement will remain—notably the threats to affordable pharmaceuticals in Australia and New Zealand—even with the US not a signatory.<sup>75</sup> Because of this, and for other reasons set out in the original article, anti-poverty activists and academics should continue to oppose TPP.

However, the Australasian (and wider) political climate has changed in important respects since 2016, a change reflected in a difference, both in Australia and New Zealand, in the position of the major political parties on TPP. In particular, Labour party leaders Bill Shorten in Australia and Jacinda Ardern in New Zealand have each

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<sup>75</sup> <http://www.radionz.co.nz/news/political/330941/collective-interest-in-keeping-tpp-attractive-to-us-pm>

signalled that if their parties are returned to power in the upcoming elections, they will pull their respective countries out of the TPP agreement. Prospective coalition partners, such as the Australian Greens, the Green Party of Aotearoa New Zealand, and New Zealand First, have adopted the same position. Given that the TPP would almost certainly collapse if both Australia and New Zealand were to withdraw from the agreement, the upcoming elections in both countries have important implications regarding the future of TPP.

**Poverty Scorecard**

	ALP	Coalition	Australian Greens
Equity	3	1	4
Transparency	3	0	4
Resource allocation	3	1	3
Estimated impact	3	1	3
Quality of flourish	3	1	4
Sustainability	4	1	4

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## 2016 POVERTY AUDIT

### Current policies and challenges

The Salvation Army's National Social and Economic Impact Survey (2016) painted a clear picture of the contemporary face of poverty in Australia. The survey, which went to over 1,600 users of the Salvation Army's targeted poverty relief services, highlighted four major areas that reflect the kind of poverty experienced by a significant group of Australians. The dominant themes were: inaccessibility of suitable, affordable and sustainable housing; inadequacy of income support and unemployment; prolonged financial pressure and experiences of deprivation and; the risk of poverty and social exclusion for children and young people (Salvation Army, 2016). The number of children that were covered by the survey was 1,794 and it found that they experienced a level of deprivation that meant they were failing to flourish. Nearly 60 per cent of the children did not have any access to the Internet, and 74 per cent did not have any access to any form of computer. As a relative poverty measure, it raised concerns about the perpetuation of children's inequality through social disconnection and competition in the youth labour market. When this type of deprivation exists in conjunction with other findings of housing instability, family violence and poor food security, children have a bleak future. The most profound reality found in this study and similar qualitative explorations of poverty in Australia such as the ACCOSS' 'Poverty in Australia Report' (2014) is that women, mothers and particularly single mothers are the most vulnerable to poverty in Australia. Economic, gender, ethnic, age, disability and racial inequalities are central to why people experience poverty, but being in receipt of welfare is the most significant factor (Salvation Army, 2016; ACCOSS, 2014).

When considering the occurrence of poverty across the whole of Australian society, solutions lie in the strength of the welfare state and the concept of social citizenship. Social citizenship is created by strong social policies that recognise that the market is not the only or best way to address welfare, and that families are not always successful at providing an environment for a flourishing life for all of their members. Social citizenship addresses inequality by recognising how to redress it. It seeks to negate inequality between genders, inequality due to race, age, ethnicity, religion or ability and inequality due to personal, geographical and demographic disadvantage.

Although income is not the best single measure of poverty, as has been argued by many in the welfare sector in Australia, a key action to address the greatest poverty would be to increase welfare payments (direct transfers), with a focus on allowances. For example, the Newstart Allowance, for unemployed people determined as being capable of working at least 15 hours per week is nearly \$200 below the poverty line for a single person and \$230 for a couple with two children, per week (Melbourne Institute of Labour Economics and Policy, 2015). However, increasing welfare payments has to go hand in hand with appropriate funding of other areas of support for a flourishing life. This includes access to affordable housing, good public transport, equal opportunities in education, health, training, sport, food security and so on. A social citizenship model supports a holistic view of how to address poverty.

There has not been a social citizenship oriented policy in Australia since the Hawke/Keating Labour government under the Accord, ending in 1986. The dominance of conservative governance in Australia since then has moved welfare increasingly to a residual model, a safety net model, in an environment that promotes market solutions to all social problems. The successive Liberal/National Party Coalition government's policies for welfare have always been to reduce the cost of welfare. This is in keeping with long held principles that the market and the family are the best providers of welfare. As treasurer Morrison observed in his address to the National Press Club:

*But if you want to control the welfare system and its costs over the future, we need to do the things we've talked about, but putting young people into jobs is one of the best ways to do that* (Morrison, 2016).

A 'jobs and economy' approach denies the complexity of why people are in poverty and fails to address inequality in all of its forms. Connections between what are recognisable social problems such as violence against women, racial and ethnic discrimination and age discrimination, for example, require policies that are holistic and thorough. Australia does not have a poverty policy, as conservatives in Australia would rather debate how poverty is measured than accept that around 13 per cent (2.5 million people) of the population live in poverty (ACOSS, 2015). The ALP, in its 2016 election promises, has announced a social equality policy (The Growing Together Report) and has promised to review Newstart welfare payments and greater support for people with disabilities to find work (Butler, 2016). It also makes

connections between issues such as domestic violence and inequality, therefore appears to be placing greater recognition on the complexity disadvantage.

### Poverty scorecard

<b>Topic</b>	<b>ALP</b>	<b>Coalition</b>	<b>Australian Greens</b>
Equity	3	0	3
Transparency	3	0	2
Resource allocation	3	1	1
Estimated impact	3	1	2
Quality of flourishing	3	0	3
Sustainability	3	0	2

### **The Australian Labor Party**

The ALP has the highest scores because they are the only party to have a clearly spelt out and detailed equality policy that recognises the key poverty groups and makes links to complex issues that affect inequality and social justice in Australian society. They acknowledge the research and advice from key community based, social justice organisations such as the Brotherhood of St Laurence and ACOSS. They did not score higher than 3 for each category because they have not suggested they will pull back from some of the punitive policies affecting people in receipt of welfare or refugees such as: the cashless card, work for the dole and the activity compliance measures, which can result in suspension of cash transfers, introduced under the Howard government.

### **The Coalition**

The Liberal/National Party coalition has scored very poorly because its approach to welfare is to reduce the cost of welfare, construct welfare as a burden to tax payers and to reduce social citizenship. The Coalition is committed to reducing funding for key pillars of social citizenship including the community services sector, public health (Medicare) and public education. The Coalition supports a trickle down market

approach to welfare, promotes a safety net only approach and has had only one poverty reduction policy in its election promises—youth unemployment and training. This policy appears to support business with subsidies whilst paying trainees less than the minimum wage.

### *The Australian Greens*

The Greens have scored less than the ALP but much higher than the Coalition because they espouse social justice principles and recognise the links between inequality and other social issues such as domestic violence. They have strong, although not detailed, proposals for Indigenous Australians rights, children’s rights, and the reduction of poverty through income and services supports. However, the absence of detail related to specific existing and future policies and the lack of their capacity to deliver on poverty prevention is a major limitation due to their likely lack of power over government decisions.

### *Overall scorecard*

<b>ALP</b>	<b>Coalition</b>	<b>Australian Greens</b>
3	0	2

Completing the poverty scorecard and the overall scorecard is based on the parties/alliances election policy platforms and rhetoric in the election campaign. The scores are therefore directly related to what the parties/alliance claim they will do and their capacity to implement their promises. Their welfare policy history is taken into account as it reflects the ideological position of the parties and assists in considering how effective their policies may be, should they have sufficient power to ensure governmental support.

## 2017 MID-TERM POVERTY ASSESSMENT

In 2017, there are a number of ways that poverty can be seen to be a key cause of inequality or wealth disparity across Australia. Wealth inequality is reflected in the fact that the wealthiest 20 % of households received nearly 41 % of income while the poorest fifth of households took home just 7.5 % (Wade, 2017). In national politics, this has been highlighted by statements from the Leader of the Opposition, Bill Shorten, claiming that inequality “is the biggest threat to our health as an economy and cohesion in our society” (Wade, 2017). The Minister for Finance, Mathias Cormann, has however responded to such claims by accusing Labor of exploiting “the politics of envy” (Corman, 2017), thus negating the relationship between poverty and inequality. Regardless of this ideological battle, and observations that the overall level of poverty has gone down (Wade, 2017; Knaus, 2017), there is ample evidence that the level of poverty in Australia is still unacceptably high.

In October 2016, the Australian Council of Social Service (ACOSS) released a report estimating that 2.9 million people were living below the poverty line, which is 13.3% of the Australian population. Drawing on the Australian Bureau of Statistics Income and Expenditure surveys for 2013-2014, ACOSS found that 731,300 or 17.4% of all children were living in poverty in Australia (ACOSS, 2016). Further supporting the concern for children living in poverty, the Melbourne Institute’s ongoing survey of 9,500 households in Australia, (the HILDA Survey) found that child poverty was on the rise in single-parent families, mainly due to the doubling of childcare costs combined with stagnant wage growth, the cost of housing, a fall in home ownership, lower child support payments, and a “welfare system that has become less accommodating” (Knaus, 2017).

The HILDA Survey also found that incomes had ‘flatlined’, people were retiring later and young people were taking much longer to leave home. Men still living at home aged 22 to 25 rose from 43% to 60% between 2001 and 2015, while women aged 22-25 living at home rose from 27% to 48%, thus placing greater financial pressure on households. Another focus is rising energy costs, particularly as this affects older Australians, and especially given the government cuts to the energy supplement, which is now a one-off payment of around \$75 per year rather than a \$336.60 per year subsidy. The major policy challenge relating to poverty in Australia is ensuring

that the groups most vulnerable to government policy are not pushed into further poverty, given the many factors outlined above.

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