An Australian Social Inclusion agenda

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Overview

The Australian economy has entered its 17th year of economic growth but now more than ever a social inclusion agenda is needed in Australia.

Behind Australia’s growth story lies the experience of Australians who, at the time of great prosperity, remain disadvantaged.

Social exclusion is the outcome of people or communities suffering from a range of problems such as unemployment, low incomes, poor housing, crime, poor health and disability and family breakdown. In combination, these problems can result in cycles of poverty, spanning generations and geographical regions.

Social exclusion can happen as a result of problems that emerge during life, or it can start from birth. Being born into poverty or to parents with no jobs or low skills is a major influence on a child’s life chances. Tragically, Indigenous Australians are highly likely to be socially excluded. Australians can also be at risk of social exclusion when living in suburbs which lack services and a sense of community.

Labor believes that to be socially included, all Australians need to be able to play a full role in Australian life, in economic, social, psychological and political terms. To be socially included, all Australians must be given the opportunity to:

- secure a job;
- access services;
connect with others in life through family, friends, work, personal interests and local community;

deal with personal crisis such as ill health, bereavement or the loss of a job; and

have their voice heard.

Labor’s social inclusion agenda aims to launch a new era of governance to mainstream the task of building social inclusion so that all Australians can share in our nation’s prosperity.

**Disadvantage in Australia**

Australia has entered into its 17th year of economic growth and has the lowest unemployment rate in 30 years.

But social disadvantage in Australia is still apparent and enduring.

Tony Vinson’s *Dropping off the Edge*¹ report is a spatial study of social disadvantage that now provides an account of almost a decade of life in the most marginalised communities of Australia. It is a reminder that aggregate economic growth does not guarantee a significant number of Australians will not be socially excluded. Vinson found that just 1.7 per cent of postcodes and communities across Australia account for more than seven times their share of intergenerational poverty, including low income, limited computer and internet access, early school leaving, physical and mental disabilities, long-term unemployment, prison admissions and substantiated child abuse and neglect.

This geographic snapshot of disadvantage is disturbingly enduring. Vinson’s two preceding reports found a consistent ranking of disadvantaged postcodes in Victoria and New South Wales. In both States, over 70 per cent of localities ranked by Vinson as disadvantaged in his 2007 report appeared in his 2004 rankings.

Sadly, disadvantage is often intergenerational in nature, consigning generations of individuals to an outcome in life that is predetermined by location or family circumstance or lack of economic opportunity.

The Brotherhood of St Laurence has identified 21 federal electorates with simultaneous high incidences of single parent families, low family incomes and high unemployment rates. It also found that these electorates have the highest birth rates. More than 37,000 babies at risk of serious disadvantage were born into just those 21 electorates last year alone. Without action, too many of the next generation of Australians are being born into the communities least able to help them escape a life of disadvantage.²

There is no community more social excluded than Australia’s Indigenous people. Indigenous Australians face a mortality rate three times that of non-Indigenous infants. Deaths due to accidents, suicide and assault (particularly among young males) are three times higher than for all Australians. School retention rates for Indigenous year 12 students are 38 per cent compared to 75 per cent for their non-Indigenous counter-parts, while 49.9 per cent of non-Indigenous Australians have no non-school qualification compared with 71 per cent of Indigenous Australians. Labour participation rates for Indigenous Australians are also almost 20 per cent lower than for the non-Indigenous population.³

But the Australian story of social exclusion does not start or end with postcodes. It can also result from being the person alienated by race or disability.
In 2003, 20 per cent of the Australian population had a disability. This included 1.2 million people with more severe disability. These were people who sometimes or always needed help with everyday tasks like walking or dressing, or who had difficulty communicating. Discrimination in all its forms still excludes Australians from participating fully in social and economic life. Racial discrimination complaints still forms more than 10 per cent of all complaints received by anti-discrimination bodies in NSW, Queensland, SA, WA and NT. Discrimination against those with a disability is most prevalent and still widely reported across most areas of life, and in particular employment.

Maximising participation

Labor believes that all Australians should be able to realise their full potential and have the opportunity to build a rewarding social and economic life.

Labor believes that work, along with family and community, gives meaning to life. Workforce participation is a foundation of social inclusion; it creates opportunities for financial independence and personal fulfilment.

Labor believes that as well as being good for individuals, increasing workforce participation benefits local communities, regions and the broader economy. Communities are more prosperous and cohesive when those who can work, are working.

Workforce participation is a key economic challenge for Australia, given the ageing of our population and the chronic skills shortages across the economy. The nation simply cannot afford to have potential workers, who can and want to work, excluded from the labour force.

But Australia has a large pool of under-utilised workers. They include the officially unemployed, those who are working but want more work than they can get, and those who would like to work but do not appear in the official monthly labour force figures. While the unemployment rate has fallen, our labour underutilisation rate remains at 9.3 per cent, reflecting the large number of people who want more work and those who want to join in and become active participants in our economy.

The pool of potential workers includes young people (particularly early school-leavers), the unskilled and marginalised, mature age Australians, and parents seeking to return to work.

Teenage unemployment is still at an unacceptable high of 18.5 per cent and above 20 per cent in four out of 10 regions across Australia. In one in three regions over the past year teenage unemployment has actually increased.

Many who are not in the workforce face multiple barriers to participation, including lack of relevant skills, lack of access to childcare, inadequate social and physical infrastructure and negative employer attitudes. Of those unemployed, 9.7 per cent state that the main reason for the difficulty in finding a job is their disability or illness, while almost 20 per cent do not have the skills or work experience.

Access to childcare and other support for those with caring responsibilities is a significant barrier to participation, with about 10,000 unemployed citing this as the main reason for their difficulty in finding work. This also acts as a barrier to accessing more hours for those who are underemployed, with as many as 8,100 (7,500 of these women) citing the lack of childcare as the main barrier for accessing more hours of work.
Labor is committed to helping these Australians overcome participation barriers. Australia needs a broader participation agenda that tackles the core reasons for Australians not participating in the workforce.

**International and local experience**

A national social inclusion agenda is long overdue in Australia. Australia has failed to learn from the way disadvantage is being tackled in Britain, Europe. South Australia and Victoria have been leading the way in our nation. Both have recognised the need for a targeted, coordinated and assertive approach to tackling social and economic disadvantage.

There are many common aspects to these approaches. They all acknowledge that a purely incomes based approach does little to address the causes of disadvantage. They all heavily focus on re-engagement and social and economic participation as a means of overcoming social disadvantage.

Importantly, these leaders have questioned the foundations of their systems so that the institutions and bureaucracies responsible for measuring, targeting and addressing social disadvantage are more accountable, effective and focused on their task. The other distinguishing feature of these successful models is an evidence based approach, including the setting of targets and the development of the detailed plans to meet them.

In Britain, this approach has targeted child poverty, jobless families, homelessness and housing quality, educational attainment, and employment rates amongst target communities such as lone parents, and the mature aged.

Policies implemented using this approach have had a significant impact on poverty in Britain. The upward trend in child poverty was reversed, and was then reduced by 4 per cent – or 700,000 children – in the 6 year period from 1998 to 2004-05. Over a similar period the proportion of children living in jobless households fell by over 350,000; the proportion of 11 year olds achieving "good grades" in literacy tests rose by 11 per cent and the proportion of children living in sub standard housing fell from 41 per cent to 25 per cent. Britain’s social inclusion agenda also improved employment outcomes for target groups, by 9 per cent for those with a disability, for lone parents by 12 per cent and the mature aged by 6 per cent.

Ireland has also targeted poverty through its National Anti-poverty Strategy. As a result of this approach, the benefits of Irish economic performance have been shared more equitably, and poverty and unemployment targets set were achieved and consistently revised.

Both of these examples demonstrate that when government sets priorities and targets, and adopts specific policies to meet them, much can be achieved to address chronic disadvantage.

However these two countries also demonstrate that once governments acknowledge the need to tackle disadvantage, they must also change their approach to governing to achieve lasting results.

In Britain, this involved the leadership of the Prime Minister, whose commitment to ending poverty among British children within a generation galvanised public service and policy development into action. The Cabinet Office drove the process and the institutional framework included the Treasury and other relevant department and advisory bodies, peak groups and community based organisations.
Departments were bound to achieve the targets set by the government’s social inclusion strategy and the traditional silo–based approach to working was abandoned in favour of whole of government strategies to achieve these goals.

The Irish experience is similarly consultative, including the involvement of national advisory bodies and national and community seminars and public submissions, whose input is managed by a third party and made publicly available. Again, the process was led by the Cabinet office and the Prime Minister’s office, with key departments establishing their own social inclusion units.

**An Australian Social Inclusion Agenda**

Promoting social inclusion requires a new way of governing. Australia must rethink how policy and programs across portfolios and levels of government can work together to combat economic and social disadvantage in Australia.

The current Government has not sufficiently recognised that being socially excluded tends to be the outcome of a series of problems which need a “joined up” solution. Instead the Howard Government’s approach has resulted in disconnected policies and programs.

**Ensuring government programs maximise social inclusion**

In Australia, the social inclusion landscape crosses the state and territory divide of our Federation. Defining the Federal government’s role in a social inclusion agenda and its interaction with other governments to meet agreed objectives will be a critical element of establishing social inclusion in our government, community and the not for profit sectors.

Labor’s social inclusion agenda will be underpinned by its investment in our human capital. Labor’s commitment to human capital is implemented through a co-operative Federal – State framework based around investment in people and communities that deliver the right interventions, at the right time, in the right place – the localised setting. This “one door, no wrong door” approach means that cooperative and “joined” action by all the levels of government is crucial to maximising the impact of government interventions.

A fundamental aspect of delivering universal, connected services is reform of federal-state relations. Ending the blame game and adopting a cooperative model of Federal State relations can make a significant contribution to education, our health system, to addressing chronic disease which is the biggest long term threat to labour force participation, to delivering more affordable and inclusive housing and addressing chronic Indigenous disadvantage.

Federal Labor has made education the centrepiece of this agenda and perhaps the most significant aspect of this platform for Labor’s social inclusion agenda is the commitment to universal preschool education for all four year old children. Both the OECD and UNESCO have stressed the contribution of access to early childhood education in reducing educational disadvantage and reaching out to those children at greatest risk of social disadvantage.

**Federal Labor’s Social Inclusion agenda**

If Australia is to combat social and economic disadvantage, social inclusion cannot be an addendum to mainstream policies and programs – all government programs and initiatives must deliver on the social inclusion agenda.
This will involve developing clear targets, and means by which these targets can be measured and reviewed. That is why Labor has already announced its intention to establish a Social Inclusion Board, the main advisory body which will be required to consult widely and provide views and advice on various aspects of social inclusion, including who should be targeted, how this can be achieved, how communities will be engaged and ongoing review of what is and what is not working. This consultation process will involve the community and not for profit sector, advisory groups and all levels of government.

The Board will provide input to a Social Inclusion Unit in the Prime Minister’s Department and will bring together community leaders from across the country, all with significant networks, experience and knowledge. They will be champions of their own communities and networks, with the ability to work together and to work with all spheres of government, providing leadership and advice.

Labor’s whole of government approach will also be characterised by partnerships with State and local governments, the not for profit and private sectors to deliver targeted and tailored interventions which address localised systemic disadvantage. Social Inclusion Plans would include clear targets, clear benchmarks, their ongoing measurement, data collection and defined roles and responsibilities for all parties involved. Labor has also stressed the importance of matched funding pools to ensure that all partners, whether they are in the government or the not for profit and private sectors, make their contribution to achieving targeted outcomes.

A key aspect of Labor’s social inclusion agenda will be a focus on a broad participation agenda that tackles the core reasons for Australians not participating in the workforce.

**Participation and Employment**

Australian jobseekers need and deserve an employment services system that is properly designed to target assistance where it is most needed, to get the best results.

A range of deficiencies in the way the Job Network’s services are delivered have become evident over its lifespan. The Auditor-General has released six separate reports that are critical of the Job Network.

Labor believes that meaningful support for job seekers is vital. Without a support network that genuinely helps people find jobs, many Australians will be excluded from making the most of the opportunities our economy can offer.

Labor is committed to maintaining and improving the Job Network and the Disability Employment Network.

They will be reviewed against clear principles and in consultation with stakeholders, including service providers. The principles are:

- Early intervention to minimise the number of long-term welfare dependent Australians of working age, starting with a review of the Job Seeker Classification Instrument;
- Providing services that are relevant to the circumstances and needs of the job seeker;
- Ensuring job seekers who are struggling the most get the most intensive assistance;
- Providing meaningful incentives for training which will improve the employability of job seekers;
- Ensuring there are means for job seekers who are in need of training to get that training;
Providing the greatest rewards when Job Network providers find sustainable jobs for job seekers as fast as possible;

Ensuring there is a performance management and tendering system that properly accounts for quality performance; and

Minimising the amount of time and money spent on administration.

Work for the Dole is one of the Federal Government’s labour market programmes. It is the worst performing programme, with only one in three participants finding a job, but still provides an important part of the mix of services.

Labor is committed to retaining the program but will ensure that it is significantly improved. In particular, its approach to skills acquisition should be considered in the light of its performance.

**Skilling Australia**

A Federal Labor Government will close the skills gap – the gap between the demand for and supply of skilled workers.

Skilling Australia will increase and deepen the skills capacity of the Australian workforce and ensure demand for skills and skills training are matched.

Federal Labor’s plan for our future skilled workforce will close the skills gap in the Australian economy in three key ways:

- Fund an additional 450,000 skilled training places over the next four years - 200,000 more than the Howard Government

- Ensure that 90 per cent of these places lead to a higher qualification than the Howard Government’s proposed new training places.

- Place industry demand at the heart of the skills training system – so that training providers equip Australians with the skills that industry needs.

Under Skilling Australia, skilled training places for those outside the workforce will be available from April 2008. This will ensure that some of these courses could be completed as early as June 2008 thus stimulating participation in the workforce.

One-third of the additional places will be allocated to people currently outside or marginally attached to the workforce; to equip them with the skills they need to gain employment.

Skilling Australia will support up to 65,000 apprenticeships over the next four years.

**Job Capacity Assessments**

From 1 July 2007, Job Capacity Assessments determine a person’s capacity, their income support entitlement and the services to which they are referred.

There have been many concerns raised about the efficacy of this process, including the appropriateness of the qualifications required of Job Capacity Assessors and the guidelines for Job Capacity Assessments, which, among other weaknesses, are believed by advocates to discourage referrals to appropriate specialists.
Given that this is the tool that determines a person’s level of income support and level of assistance, Labor believes it is essential that this assessment process is reviewed and its flaws remedied.

**Jobs, Education and Training Child Care fee assistance**

Jobs, Education and Training (JET) Child Care fee assistance provides extra help with the cost of approved child care to support parents while they undertake study, work, or job search activities.

JET Child Care fee assistance can help meet the cost of child care by paying some of the ‘gap fee’ – the difference between the total fee charged and the amount covered by Child Care Benefit, for care related to JET Child Care fee assistance approved activities.

At present, an individual can only receive JET Child Care for study or training of up to 12 months durations.

Labor will commit $20 million to extend this assistance to 10,000 recipients already receiving JET Child Care who are studying to receive the benefit for two years.

**A national strategy for mental health and disability employment**

Labor believes that people with a disability or mental illness who want to work should be encouraged. However, many find that they encounter a range of barriers that make it harder to gain and keep work.

These barriers can be very diverse, including resistance from employers in hiring people with a disability, difficulty accessing appropriate transport, the costs associated with managing a disability, and the unpredictable nature of some disabilities and illnesses. Labor understands that attitudes must significantly change to ensure that those with a disability or mental illness are given the vocational and employment opportunities they deserve. But more can be done to facilitate and promote employment opportunities.

Labor recognises that helping people with a disability or mental illness gain and retain work requires more than changes to welfare rules; it requires a coordinated national effort to tackle the many reasons why people with a disability find participation difficult.

In Government, Labor’s Social Inclusion Board will be required to develop a national employment strategy for those with a disability and mental illness, in close consultation with people with a disability, employers and experts.

**Early Childhood and parenting**

Federal Labor will work with the Brotherhood of Saint Laurence to establish 50 community groups across Australia – in disadvantaged communities -- to help parents to prepare their children for school, through investment in the Home Interaction Program which will provide support for 3-5 year olds getting ready for school.

The early detection of health problems is critical to maximising children’s ability to learn and develop at school. This is why Labor has already announced a Healthy Kids Check, a commitment to assess Australian kids’ basic health such as teeth, hearing, balance and sight and a commitment to oversee the national rollout of the Australian Early Development Index from 2008.
Housing

Homelessness and unaffordable housing are also taking their toll on families and those who are marginalised. In response to the housing crisis Labor has committed to closing the gap between requests for accommodation and the current supply of emergency housing over the next decade, with an interim target to halve the current turn away rate within five years. Labor will provide $150 million over five years to create an additional 600 homes for people who are homeless.

Closing the digital divide

Labor’s commitment to a national broadband plan that will deliver an affordable fibre to the node network to 98 per cent, coupled with the education tax rebate, will also help all Australians access the 21 century toolbox to maximise educational opportunities and outcomes. The digital divide has been recognised as a significant barrier for those with a disability, the unemployed and elderly, and people from a non-English speaking background.

Labor’s National Secondary School Computer Fund will also provide access to every Australian student in years 9-12 to their own computer, irrespective of whether they attend a Government, Catholic or Independent school. This will ensure that no child misses out on the learning and career opportunities that computers provide, irrespective of whether they choose an academic or trade pathway.

Working in partnership

A Federal Labor government will also work in partnership with business, unions and the community to develop employment opportunities for groups who are under-represented in the workforce.

Labor’s approach to increasing workforce participation will include both supply-side policy measures that address the barriers to participation – such as childcare and investment in skills and education – and demand strategies that encourage employers to provide employment opportunities for these Australians.

Labor believes that closer integration of education and training, employment services and income support is the basis for employment and skills development. This is the best insurance policy the nation has against unemployment in the long-term. It also helps rebuild Australia’s skills base and provide a secure future for those who are low skilled or have low levels of educational attainment.

In contrast, the Howard Government’s Work Choices industrial relations laws have resulted in AWAs being used to reduce pay and conditions for some who are already low paid, who must now work longer and more irregular hours to secure basic standards of living.

The role of the community sector

The community sector will have a critical role to play in delivering an Australian social inclusion agenda.

In 2004, 2.5 per cent of all employees in Australia were working in community services - the full time equivalent of over 200,000 people. The community services workforce increased by 22.6 per cent between 1999 and 2004, double that of the average of all occupations. More than 80 per cent of the community sector workforce are women and of the occupational
groupings, the largest employer is child and youth services workers, with over 100,000 workers, followed by aged or disabled care workers, with just over 50,000.

A survey of the community sector this year confirmed that despite Australia’s current economic prosperity, the sector is facing increasing demands for its services and turning away 1 in every 16 people who are eligible to access a service due to a lack of resources. Some of the areas where people are being turned away, include those areas where the need is most acute, including:

- disability supported accommodation – where 1 in 4 people who are eligible are being turned away; and
- community legal centres – where 1 in every 5 people who are eligible are being turned away.

The community sector is important, sizable and under pressure. Part time workers make up over half of the entire workforce, reflecting both the increasing structural shift to part time and casual labour but also the demand amongst the community sector workforce for flexible arrangements to meet workers caring and other responsibilities.

The impact of Work Choices is also being felt by the community sector workforce. It has created confusion and complexity for employers and the removal of skills based classifications, which has impacted upon the retention of skilled and qualified workers in the sector, already struggling to compete with the private sector.

A well trained, skilled and resourced community sector is a critical aspect of the delivery of social services in Australia. But maintaining and growing a high skilled workforce in the community sector is not just important for the millions of people it services every year. It is also critical to building the social capital which will underpin Australia’s social inclusion agenda. Community and government programs which focus on investment in human capital ultimately build social capital, because by building capabilities in communities and disadvantaged groups we are reducing social isolation.

While community sector organisations vary widely in their activities and structures, many have lost core funding and now rely on purchase provider contracts. This has reduced the capacity for the sector to invest in equipment, facilities and assets that enable them to both deliver their services and remain viable and competitive as employers. Given the sector’s critical role in combat disadvantage, a better balance needs to be achieved between accountability and the regulatory and administrative burden.

The community sector also plays a critical role in advising and developing public policy and advocating on behalf of the often marginalised groups it services. Both the 1995 Industry Commission Inquiry into the role of charitable organisations and the Charities Definition Inquiry of 2001 recognised the legitimate role of peak community organisations as representative organisations that advocate for their members.

Despite these findings, the Howard Government has attacked both the right and capacity of community sector organisations to advocate and has rejected their contribution or role in public policy development or debate. The breakdown of the relationship between the community sector and government diminishes Australia’s democracy but also undermines our capacity to effectively combat disadvantage.
Labor believes that policy must reflect a range of perspectives and be based on evidence based outcomes, and rebuilding trust and reciprocity will form the foundation of a new relationship between a Federal Labor Government and the community sector. The consideration of the role of the community sector in a social inclusion agenda will also involve the restoration of the sector’s right to advocate and participate actively in public debate. To this end, Labor will examine contracts between not for profit service providers and government with a view to removing clauses that constrain this advocacy role.

Furthermore, Labor will consult with the sector about whether such a compact, such as those that operate in Canada and the UK, could or should be developed in Australia, and what might be included in such a partnership.

Labor will also commission the Productivity Commission to construct a new tool to measure the contribution of third-sector organisations to our economy as the starting point for maximizing the sector’s contribution to social inclusion, employment and economic growth.

Finally, Labor will abolish the Howard Government’s Non Profit Australia and replace it with a truly independent and effective voice for the community sector.

**Conclusion**

Twenty-two of the world’s 30 OECD nations have approached the challenge of disadvantage by adopting action plans, involving cross-departmental work, targets and deadlines. It’s time Australia had new leadership on social inclusion.\(^\text{12}\)

As acknowledged by Tony Blair, prosperity “…masks a tail of under-achievers, the socially excluded. The rising tide does not lift their ships. This issue of social exclusion is common throughout Western nations” \(^\text{13}\)

Labor’s social inclusion agenda will take the lessons learnt from other prosperous economies to ensure that Australia is actively addressing social disadvantage in Australia. We need to take action to promote a social inclusion agenda not despite our sustained period of economic growth but because of it.

The impacts of social exclusion are a serious blight on our prosperity and restrict Australia’s future economic and social development. They include the economic costs of the numbers of people left out of the productive workforce due to the lack of skills now required to compete in a globalised, information based and technologically advanced economy and the need to maximise participation due to population ageing.

They include the high social costs of supporting excluded people and the cross generational exclusion which occurs when the children of excluded families are likely to remain out of the workforce. They include the high costs to cohesion of having whole communities excluded as we have seen in our cities and regions.

It will require leadership in government and leadership in the public service, but it will also require the involvement of the community sector and business if we are to mainstream Labor’s social inclusion drive.

Labor is prepared to commence the process of re-engagement with both the issues and the sectors involved to make this happen. Labor will govern in a way that sees its people as an
investment and will do all it can to foster people's capacity to participate in work and to gain purpose through work.

If we are to meet growth challenge in the face of an ageing population, in the face of climate change and fiscal pressures emanating from health then we must do all we can to address social disadvantage in a constructive manner, which puts an inclusion agenda at the heart of our social and economic policy.

After a decade of neglect, and a decade of growth, there is no longer any excuse to not accept this challenge; no longer any excuse to turn our backs on those Australians who need us most – and those who can contribute to making Australia's current prosperity – continue in the future.
Endnotes

1 Vinson, T., Dropping off the Edge: the distribution of disadvantage in Australia, Jesuit Social services; Catholic Social Services, 2007.

2 HELP, 37,000 babies at risk each year, Brotherhood of St Laurence, August 2007.


6 The labour underutilisation rate is the sum of unemployed and underemployed and expressed as a percentage of the labour force.

7 ABS Catalogue No. 6265.0 Underemployed Workers, September 2006.

8 Parliamentary Library estimations based on ABS September 2007 Labour Force Survey

9 ABS Catalogue No. 6222.0 Job Search Experience July 2006

10 ibid

11 ABS catalogue No. 6265.0 Underemployed Workers September 2006
