

## **Submission Senate Inquiry Re Unemployment**

The Unitarian Peace Memorial Church is very concerned about the lack of meaningful support for the unemployed, including those who are underemployed and those who attempt to exist on various forms of welfare payments.

### **CRISIS**

We are immersed in a deep crisis when the gap between the haves and have nots is wider than ever. The unemployed are very poor, below the respected Henderson Poverty Line and attempt to live from week to week. This is not their fault, in fact they are the victims of a failing system. A system where there are 16 people for each and every job vacancy. Yet more often than not, ways are found to cut their welfare payments or remove their income benefits.

### **RICH AND POOR**

As Bernie Fraser former Governor of the Reserve Bank stated in 2015 “Australia is approaching a dangerous point where the gap between rich and poor has become so vast that it could have awful far reaching consequences at every level of Australian society.” At a time when the unemployed are forced to raid the dumpsters for leftover foodstuffs, the rich list billionaires have never had it so good. According to the “Australian Financial Review” newspaper’s Rich list 2011-2017 the total net wealth of these rich and powerful individuals has risen by 195%. According to business entrepreneur Dick Smith “Australia’s wealthiest 1% own more than the bottom 70% or 17 million Australians.” The unemployed, underemployed and various welfare recipients are included in that 70%. Smith recommends the reintroduction of a 15% inheritance tax on the richest 1%.

### **POVERTY**

Poverty is not just a major city problem. In rural areas like South Gippsland the unemployed tell us ‘The Aldi dumpmasters are open in daylight hours, so we have to raid these near the car park to take expired eggs or other foodstuffs whilst being seen by regular customers’. In other places like Korumburra, unemployed parents tell us they cannot send their daughters to school on their period days, because of lack of financial access to sanitary napkins. Thus local

support groups provide strategically located containers for donations of these necessary items in shopping centres and libraries. Living standards are in decline other than for the wealthy and this is a catastrophe.

At our church we bear witness to the problems of unemployment. Each Sunday we provide lunch to a regular group of mainly men. Our church veranda serves as sleeping quarters for an unemployed homeless man and we have provided bedding and seating facilities to him. This is horrific particularly over the winter months, but we are also concerned about his security and safety after hours. We need a system and economy that benefits everyone not just the wealthiest 1%, enabling all Australians young and old to have a full time career and a decent standard of living. The Australian Bureau of Statistics shows that Real Net National Disposable Income per capita fell by 3.6% for a typical Australian on \$56,000 per annum. For the unemployed this is even worse.

### **TAX CONCESSIONS FOR THE WEALTHY**

The Federal Government is pursuing a policy of massive handouts and tax breaks to big business, much of it overseas owned. They claim the trickle-down effect will create jobs and motivate the unemployed to work. This is a con job as the tax on the wealthy, consistently lowered over the last 30 years from 45% in 1970 to 30% in 2010 has shown little examples of job creation and a redistribution of wealth in favour of the unemployed. Some companies make no secret that they have paid no tax at all. The "Sydney Morning Herald" April 20, 2017 quotes the Australian Tax Office as follows " 48 Australian millionaires earned \$118 million...paid accountants and lawyers \$22.2 million to reduce their taxable income to zero dollars and paid zero tax."

### **GOVERNMENT INTERVENTION**

In the 1960's and 70's government departments like the Post Master General's Department and Telecom created thousands of paid apprenticeships for school leavers. A church member recalls 500 Technicians In Training being recruited in January 1965 and another 300 that same year just in Victoria. Thousands were recruited Australia wide. This could happen again if there is a Government will and a redistribution of wealth.

## **BLAME THE VICTIM**

The unemployed are treated like criminals rather than victims. The so called outsourcing of “Job Ready” agencies to private companies and some religious organisations appear to not be there to find jobs for the unemployed. Despite being heavily subsidised by the taxpayer these agencies operate as the “cop on the beat” to monitor compliance. In one incident an unemployed person was given two job interviews at different places at the same time of day. Naturally the person could not attend the second interview and was subsequently penalised by removing their benefits for non attendance at that interview.

It is clear with the explosion in new technology such as robots, computers and their like there would be less jobs than ever before. This means that we should consider reducing the working hours without reduction in remuneration. The benefits of new technologies should be shared by everybody with reduced hours and the unemployed taking up the slack.

## **AUWU**

The Australian Unemployed Workers Union (AUWU) has around 11,000 members and represents the interests of the unemployed and those on welfare payments. They have spoken at our church on numerous occasions and provided many examples of the problems facing the unemployed. The AUWU are doing their best to help welfare recipients to protect their rights, entitlements and conditions. We have raised money for the organisation and they receive some support from unions and other church groups. We are aware that in AUWU supported communities their members are better placed to defend their circumstances. The AUWU has produced a help guide booklet to assist the unemployed which they distribute for free. We would argue that the AUWU should be given Government support and be represented at the various policy forums held by Government bodies.

## **CONCLUSIONS**

We would support the following Government policy initiatives....

- Cancel any proposed tax cuts for the wealthy.
- Pursue the Tax cheats along the lines of the Royal Commission into the Banking and Insurance Commission.

- An inheritance tax of 15% on the wealthy 1%, as is the case in the USA and UK.
- Increase the company tax rate to 45%
- CEO's wages to be limited to the average salary paid by the company.(In the 1970's BHP's CEO was paid 7 times the average salary, now he earns 89 times that figure)
- A reduced working week at the same remuneration for employees.
- Encourage Union membership particularly of the AUWU
- Eliminate the outsourcing of "Job Ready" to outside providers and have it re-established as an in house Government service