

WesleyVoice

Investing in Children Call to the Parties, 2010

A South Australian election will be held in March 2010. This edition of Wesley Voice proposes 22 priorities for building South Australian community over the life of the next Parliament; all parties are encouraged to commit to this call.

While, most likely, much of the debate in the lead up to the election will concentrate on the development of the State's physical infrastructure, UnitingCare Wesley believes that building the social infrastructure of the State is a greater priority.

Context for the 2010 South Australian Election

The next South Australian Parliament faces a number of daunting issues including:

- Economic uncertainty due to the global financial crisis and uncertainty about the timing and speed of economic recovery
- The growing gap between average income households and poor households
- Ongoing impacts of a long drought, and longer-term concerns about climate change and water security
- Some seemingly intransigent social issues, including Indigenous disadvantage and the rising number of child abuse notifications

There are also some areas of continuing strength including:

- the likely medium term strength of the SA economy, particularly due to mining
- a well-established SA Strategic Plan that sets a number of state-wide priorities, with indicators and audits progressing the Plan targets

UnitingCare Wesley suggests that there are three priority areas in which the next South Australian Government can make a significant difference to the quality of life for it's citizens:

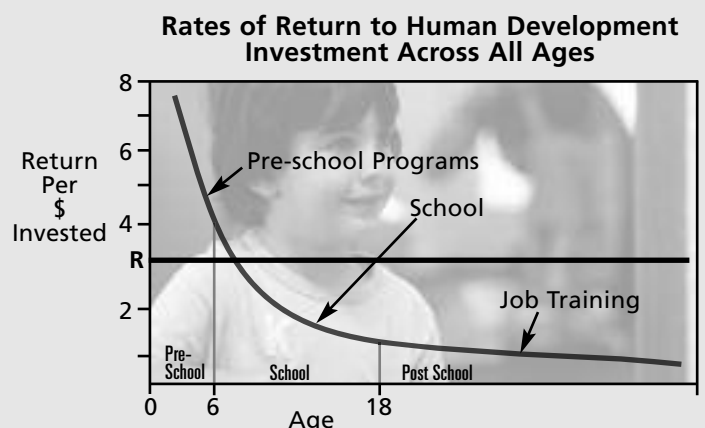
- Investing in Children
 - Reducing Disadvantage
 - Catalysing Opportunities

Investing in Children

Current Situation

In 2007, Adelaide's Thinker-in- Residence, Professor Fraser Mustard encouraged the South Australian Government to recognise "the economic and social value that derives from providing the very young with the foundations for a healthy and successful life." Professor Mustard warned that this recognition was "essential to South Australia's future."

In a similar vein, James Heckman, the 2000 Nobel Laureate in Economics, has argued that any government wanting to maximise social investment should "invest in the very young" (see Graph 1).



Graph 1

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Investing in Children

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For an extended period of time, the rate of notification of possible child abuse has been rising, with substantial growth in recent years. This trend suggests community opposition to child neglect and abuse has strengthened over time. The increase in notifications is generating considerable pressure on government and community agencies tasked with ensuring that all children are safe. In 2008, Justice Ted Mullighan released two significant reports that deal with child abuse. The first report considered the abuse of children in State care. The second report examined the incidence of child sexual abuse on the Anangu Pitjantjatjara Yankunytjatjara (APY) Lands.

On April 30th 2009, the SA Government was part of the Council of Australian Governments' launch of a National Child Protection Framework.

Priorities for Action

1. **Double the number of Children's Centres in SA, to 14, with at least 3 in regional locations.**
Dr Mustard recommended putting in place "universal integrated early childhood development and parenting centres" with programs linked to primary schools that begin early in infancy, that are of high quality, and that continue into the early years of schools. He said that the centres should help parents 'learn parenting by doing' as well as linking parents to support networks as needed. As part of the National Child Protection Framework, 7 Children's Centres have been established.
2. **Establish an Independent Council for Early Childhood Development and Parenting**
This was also a proposal from Dr Mustard and provides an approach for the state to systematically improve child well-being, with particular attention being given to prevention of child abuse and neglect.
3. **Increase funding to Families SA and community service organisations to respond to child protection notifications**
There is an urgent need for government commitment and additional funding to ensure that all reports of potential child abuse are responded to promptly with the immediate focus of ensuring safety of children.
4. **Ongoing commitment to implementing a comprehensive response to the recommendations of both the Mullighan Inquiries.**
5. **Improve Aboriginal early childhood funding**
Particular focus should be given to developing local, community based strategies and additional intensive support playgroups in regional and remote centres.



Reducing Aboriginal Communities

Current Situation

On 13th February 2008, Prime Minister Kevin Rudd offered a broad apology to the Stolen Generations and, more broadly, to all Aboriginal Australians for their "profound grief, suffering and loss." In October 2008, the Council of Australian Governments agreed to six "concrete targets" designed to "close the gap", including to:

- close the gap between Indigenous and non-Indigenous Australians and improve life expectancy within a generation;
- ensure all Indigenous four years olds in remote communities have access to early childhood education within five years;
- halve the gap in employment outcomes between Indigenous and non-Indigenous Australians within a decade.

Priorities for Action

6. **Commitment to provide the necessary funding to ensure South Australia plays its part in meeting national "Close the Gap" targets.**
7. **Commitment to release, by early 2011, a dedicated strategic plan designed to improve Aboriginal well-being.**
8. **Commitment to sustain the momentum for tackling child sexual abuse on the APY Lands and other Aboriginal communities.**

Household Financial Pressure

Current Situation

A half of South Australian households are experiencing financial pressure with about 12% of households living in poverty; 31.2% of South Australian households rely in government pensions or benefits as their primary source of income.

One approach to stave off financial pressure for many households has been to use credit extensively. Australian credit card debt was \$45.4 billion in April 2009. Credit card interest rates have not been reduced in line with reductions in Reserve Bank interest rates. The current global financial crisis has resulted in additional households experiencing financial stress.

A growing number of non-bank lenders have attracted financially stressed households with some "Pay Day Lender" interest (and fees) rates over 1,000% when annualised.

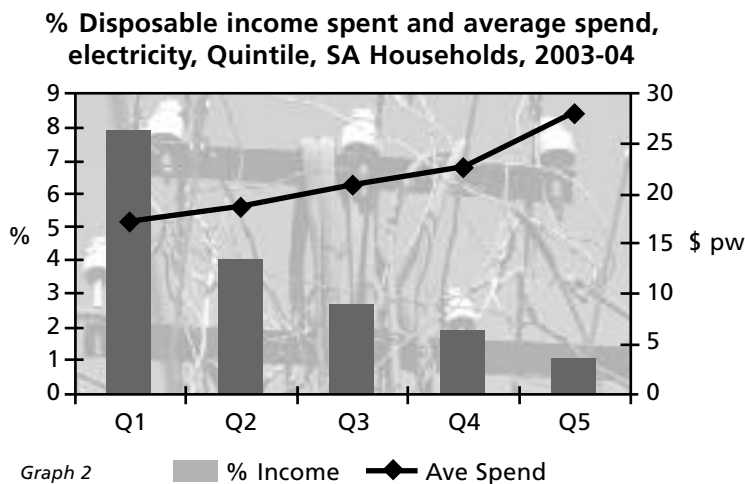
Utilities Stress

Current Situation

Over the last decade, residential energy costs have increased by over 70% and increases of at least 50% are almost certain over the next 3-5 years. Already low income households are spending more than 10% of their income on electricity, an essential service. Drought and eastern states over-allocation of Murray-Darling water will also cause residential water costs to rise.

The cost of essential services is looming as a major contributor to poverty across Australia. It is possible that lowest income households will be paying up to 30% of their income on essential services by the end of the next SA Parliamentary term.

Graph 2 shows that low income people, particularly the poorest 20% of households, pay a much higher proportion of their income on electricity than middle and higher income households, despite using less electricity (the line in the graph). The situation has worsened since the data reported in the graph was collected.



Priorities for Action

A national consumer credit code is being developed to reduce usury by 'fringe lenders.'

9. Commit to establishing a Consumer Credit Legal Service in South Australia

Consumer credit legal services exist in other states and have been very effective in assisting people with specific consumer credit issues and advocacy for policies that assist consumers, particularly disadvantaged consumers.

10. Establish a Debt Hotline service

This would be a free telephone service able to assist people across the State with debt and household financial support.

11. Commit to advocating for a national cap on annualised interest rates.

This action would be a part of the emerging national consumer credit code. Setting annualised caps (interest plus fees) on pay day lenders and similar fringe lenders would help to reduce financial exploitation.

Climate change is also requiring strong action to reduce greenhouse emissions. South Australia has shown clear leadership in setting a renewable energy target of 33%, while a national Carbon Pollution Reduction Scheme will be implemented over the next couple of years. Since about a half of all Australian greenhouse gas emissions come from the generation of electricity, and changes in electricity prices disproportionately impact on low income households, climate change policies will impact on low income people. Australia's poorest postcodes (as reported by Australian Tax Office) are mainly rural postcodes in lower rainfall areas that will be affected by predictions that global warming will leave these communities hotter and drier. Climate change is likely to have significant, adverse impacts on many poor people.

Priorities for Action

12. Increases in Utility Concessions will need to be significantly increased.

Demand management in the use of utilities will be important; however, for the medium term at least, low income households will need more assistance in paying utility bills, through concessions. Concessions will need to ensure that low income households are able to pay for a reasonable level of essential services, specifically energy and water.

13. Commit to establishing a South Australian Collaborative Research Centre in renewable energy.

This has been recognised by the Economic Development Board as a driver for future economic growth for the state, while also contributing to global greenhouse gas reductions.

14. Commit to further developing the State's public transport infrastructure.

This enables less polluting electrification of public transport and facilitates transport orientated development. This development approach enables housing to be built on affordable land, (not close to the central business district), with the advantages of efficient public transport enabling residents access to employment, schools, the city and recreation, with reduced reliance on cars. Low income people are often forced to spend more than other households on petrol due to a lack of public transport.

15. Major roll out of Solar Hot Water.

The capital cost of energy saving actions, including installation of insulation and solar hot water is prohibitive, even with government rebates for modest income households. However, governments working with community organisations and electricity retailers could install solar hot water services, and even grid connected solar panels, with the savings on bills used to pay off the capital cost, over time. Insulation and solar hot water are the two most cost effective measures to assist households to reduce their energy costs.

Housing

Current Situations

Housing is the largest expenditure item for most households and houses are the major holding of wealth for most citizens. People who are homeless generally have poorer health and are more likely to experience mental illness than people with secure housing. Affordable housing is critical for well-being. While the recent global financial crisis has contributed to lower interest rates for mortgagees, rents and house prices in the 'affordable segment' of the housing market have remained high.

In December 2008 the Australian Government released its homelessness white paper, "The Road Home", which outlines a national plan to reduce homelessness. Affordable housing will be crucial in enabling homeless people to also gain housing.

Priorities for Action

16. Commit to 5000 new houses for public and community housing stock.

Providing affordable housing is a role in which South Australia has traditionally shown national leadership. After a couple of decades of reducing public housing stock, it is appropriate that parties commit to increasing affordable housing.

Addictions

Current Situations

Poker machine gambling in hotels and clubs still accounts for 80% - 85% of problem gambling in South Australia. There are also new and emerging forms of gambling which can also cause considerable harm, these include: Poker, and in particular Texas Hold 'em Poker, Internet gambling - including Betting Exchanges and interactive television / mobile phone gambling.

Priorities for Action

17. Commit to introducing a 'venue card' to enable gamblers to pre-commit their money and time spending.

Significant progress is being made, through trials, that show that card based gambling can be implemented at a modest cost with information about the most effective measures to reduce gambling emerging.

18. Commit to reducing the number of poker machines by a further 3000.

19. Reduce venue hours from any 18 hours of the day to fixed times of 10.00am to Midnight, each day.

20. Extend the current (limited) ban on Internet gambling and ensure that no new forms of gambling enter South Australia.

Mental Health

Current Situation

The "Australia's Health 2006" report states that "Mental health is one of the leading causes of non-fatal burden of disease in Australia" and accounts for 22% of years of healthy life lost. While physical health is of vital importance, improving mental well-being cannot be relegated to lower priority status.

Priorities for Action

21. Commit to the 7 strategic directions from the SA Social Inclusion Unit's report on Mental Health, called "Stepping Up".

Work has begun on addressing this report, but continued political will and state resources are still needed. The 7 directions from the report are:

- Understanding the people who use the mental health system.
- Implementing a stepped system of care with community services at its centre.
- Developing a workforce for the future.
- Focusing on prevention and early intervention.
- Redeveloping Glenside as a centre for state-wide specialist services.
- Encouraging agencies to work together – partnerships for participation.
- Tackling stigma and discrimination.

Catalysing Opportunities

Social Innovation

The most difficult challenges that the South Australian Government of 2010 – 2014 will confront will be long standing, complex social issues including child abuse, poverty, "closing the gap" on Aboriginal disadvantage, social isolation and addictive behaviours.

Geoff Mulgen was the Thinker in Residence in 2007/08 who focused on Social Innovation and made 6 recommendations for action. Implementation of some of these has already commenced, including the establishment of the Australian Centre for Social Innovation.

Priorities for Action

22. Commitment to Deepening the Relationship with Civil Society.

This is the final, and arguably the most important recommendation from Geoff Mulgen's report.

Government alone will be unable to forge the progress needed on our social challenges. The parties need to commit to deeper partnerships with business and community organisations, in particular, to identify priorities for action, the development of innovative responses and collaboration in implementing solutions.