

# Will the commission of audit lead to a good society?

National Welfare Rights is one of the many community and welfare organisations who made submissions to the Government's Commission of Audit. We hope the future well-being of millions of people living on low incomes in Australia is given careful consideration by the Commission. Unfortunately, its Terms of Reference with respect to cutting government expenditure and the history of other such audits would indicate that people on low incomes will be hit.

Submissions to the Commission of Audit are limited to 15 pages. That's not much space to detail the critical importance of many government and government-funded services to our society and analyse the effectiveness of government spending including via unfair taxation concessions. Hot topics are co-payments by individuals for some services, privatisation, and users pays.

National Welfare Rights believes that, in the best case scenario, the Commission could lead a national dialogue about expectations of what governments should do and what they should be expected to provide. Broad community engagement in that dialogue would be critical especially if the discussion was about what makes a good society. The Commission should issue a white paper setting out the options to be canvassed and also release statistical data on budget programs and trends.

The Commission needs to fairly address the structural deficits that underpin the budget.

Lifting people out of desperate poverty should be a national priority, as is an increase in the base rate of Newstart Allowance by \$50 per week.

There is no evidence to support blanket, compulsory income management of certain groups of people receiving social security payments. There is no link between being income managed and securing paid employment. Over half a billion dollars has been spent on income management to date with little hard evidence to suggest that it is having a positive impact on people's lives.

Commonwealth tax expenditure in 2011-12 was \$111 billion. This tax expenditure is revenue that the Government chooses to forgo by providing certain concessions and exemptions. It is concerning that the Audit will not undertake a comprehensive examination of all taxation-related expenditures. They act to reduce revenue that otherwise would have been collected and available to address community needs. They were included in the 1996 Audit.

The Commission of Audit process should not impede either the National Disability Insurance Scheme or the school funding improvements programs, which have wide community support and are good examples of nation-building reforms.

The income support review should not be about Government's forcing people with disabilities to live below the poverty line on the Newstart Allowance. Instead, it must address the proper support structure to help people with disabilities into employment. Indexation of payments is an important protection against poverty. Some have suggested winding back existing indexation for pensions or freezing payments (either temporarily or permanently). National Welfare Rights supports indexing all payments to wages growth.

Employment assistance must be strengthened, housing affordability issues and homelessness must be a priority. Similarly, strategies are needed to address entrenched disadvantage for Indigenous peoples.

Ongoing, progressive tax reform is critical, and we must not seek to duplicate previous work.

Taxation and superannuation arrangements for retirement must be based on fairness, equity, sustainability and intergenerational fairness, where assistance is provided on the basis of need and not age alone.