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Dr Cassandra Goldie
CEO – ACOSS
Locked Bag 4777
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13 June 2016

Dear Dr Goldie

Thank you for your recent letter, and for the opportunity to participate in your election survey. Responses on behalf of the Australian Greens are below:

A balanced approach to budget repair

1. Will your party develop and adopt a headline national goal to ensure that the benefits of economic growth are fairly shared, for example through a national poverty reduction target?

Yes. The Greens fundamentally believe that measures of national progress should include indicators of ecological sustainability and social wellbeing. As part of our commitment to develop a National Anti-Poverty Strategy, the Greens will adopt national anti-poverty targets to be reported annually in Parliament. The Parliamentary Budget Office has costed our National Anti-Poverty Strategy at \$12.3m over 3 years.

2. Is your party committed to restoring the Federal Budget to surplus over time? If so:

(a) What is the precise formulation and details of any associated commitments you are making in relation to revenue and expenditure?

The Greens believe it is crucially important to have a budget in structural surplus, where Treasury's expectations are to close the gap between spending and revenue over time.

Budget deficits should be kept to a limit of 3 per cent of GDP, but it should move counter to business cycles.

Especially in times like now when the impact of monetary policy is far less potent than fiscal policy.

It is the sustainability of the budget position that matters. Timelines for reaching a surplus are a fool's errand; obtaining a surplus is only possibly depending on the context of surrounding global and domestic events.

(b) Will you make a commitment that low income households (the bottom 40% of the population by income) will not be disproportionately affected (as a share of their income) by measures to restore the Budget?

Yes. The Greens alternative budget is aimed at reducing government spending and addressing tax breaks enjoyed by higher income earners. These measures will pay for the reversing of booked savings from family tax benefit payments, as well as boost Newstart and Youth Allowance by \$55 a week and restore the single parent payments to before the Gillard government cut them back.



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(c) Will your party commit to restoring the Budget by increasing overall revenue as well as improving the cost effectiveness of expenditure?

Yes, the Greens balanced budget aims to address the current revenue problem by reducing a few targeted areas of spending significantly, as well as raise taxes on those best placed to deal with a slight reduction in income.

(d) Will tax expenditures be subject to the same degree of budget scrutiny as direct expenditures?

While direct expenditures such as the Private Health Insurance Rebate and the Fuel Tax Credit are the main areas of direct expenditure the Greens will be focussed on, we are also clamping down on tax expenditures such as making our superannuation system progressive, and removing the capital gains discount entirely over time.

Improving the integrity and equity of the tax system

3. Will your party commit to ensure that everyone pays their fair share of income tax? Specifically:

(a) What are your party's policies to achieve this, including measures to tax incomes more consistently or close inefficient or unfair tax shelters and loopholes?

We are relying on a Buffett Rule so that incomes over \$300,000 per annum will have a floor tax rate of 30 per cent of the total (pre-tax income). We are also taxing trusts as corporations to reduce the manipulation of tax arrangements through splitting income, moving assets and the timing of capital gains and income.

(b) Specifically, what action would your party take, if elected to:

- **reduce the anomalies in the tax treatment of capital gains and other investment income, especially where investments are financed by debt (negative gearing arrangements)?**

We are grandfathering negative gearing and not permitting property from being deductible against income for any transactions entered into. We are phasing out the capital gains tax discount completely over five years.

- **Curb the avoidance of company income tax by international and Australian companies through international profit, debt and cost shifting strategies?**

Yes. See our detailed tax avoidance policy here:

<http://greens.org.au/sites/greens.org.au/files/Tax%20Avoidance%20Package.pdf>

Towards a fair and sustainable retirement incomes system

4. Is your Party committed to improving the fairness of superannuation and ensuring that the associated tax concessions are fit for purpose? If so:



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(a) What action does your party propose to take to reduce the disproportionate share of tax concessions going to individuals with high incomes?

Yes. See our policy to make superannuation contributions progressive, largely mirroring our progressive income tax system:

<http://greens.org.au/sites/greens.org.au/files/Greens%27%20plan%20for%20progressive%20tax%20for%20super.pdf>

(b) What action does your Party propose to take to curb the use of superannuation tax concessions, especially in the retirement phase, to avoid personal income tax, including Capital Gains Tax and the tax payable on transfers of remaining superannuation balances to adult children?

We are willing to work with any future government to address the current inequities in the tax treatment of retirement income.

(c) What other action does your party propose to take to ensure that the future cost of superannuation tax concessions is sustainable, especially in the retirement phase as the population ages?

We are willing to work with any future government to address the current inequities in the tax treatment of retirement income.

(d) What action does your Party propose to take to extend tax concessions for contributions to low-income earners who pay tax at less than 15% on their wages?

The Greens progressive superannuation policy extends the LISTO so that a 15% tax benefit is available to people whose pre-tax income is below the tax free threshold. The government will make a further 15 cent co-contribution per dollar up to the tax free threshold (up to an additional \$270 per person per year).

Improving support for people who are unemployed

5. Is your Party committed to improving the adequacy of income support for people most in need, especially those with little or no private income? If so, what are your Party's priorities in this area including action to improve the adequacy and indexation of Allowance payments including Newstart Allowance for single people?

The Greens are committed to fighting poverty and inequality. Increasing payments is an important first step. The Greens have committed to:

- Increasing the single rates of Newstart Allowance and independent Youth Allowance by \$55 a week;
- Changing the indexation for these payments from the consumer price index (CPI) to the higher of CPI, Male Total Average Weekly Earnings, or the Pensioner and Beneficiary Cost of Living Index.

This will help more than half a million people struggling with poverty across Australia. The Parliamentary Budget Office has costed this measure at \$10.2 billion over four years.



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The Greens will also move more than ninety thousand single parents from Newstart Allowance to Parenting Payment Single, by increasing the qualifying age of the youngest dependent child from eight to 16 years. This will give single parents an increase of up to \$166 a fortnight. This change, and removing the pause in the income threshold indexation, will cost \$1.9 billion over four years.

6. Is your party committed to reducing unemployment, especially long term unemployment? If so, what are your Party's key policies to achieve this including:

(a) Personalised employment services with lower caseloads and appropriately skilled staff?

(b) Meaningful and effective programs, especially paid work experience in regular jobs together with relevant training, for people unemployed long term?

(c) What protections does your Party propose to ensure that unemployed people participating in these programs are not exploited and existing employees are not displaced?

The evidence is clear that punitive approaches to income support, training and work experience aren't effective. Work for the Dole is an expensive program that has barely any impact. The Greens will remove Work for the Dole, and these savings will be redirected into community based initiatives that provide genuine support to deliver real employment outcomes. Approaches such as those developed by the Aboriginal Peak Organisations Northern Territory or the Brotherhood of St Laurence focus on the needs of individual jobseekers. Appropriate consultation and a focus on community led initiatives ensures services that respond to local opportunities and challenges to deliver real outcomes.

The Greens have significant concerns about the Government's PaTH program. We are deeply concerned that this program will lead to exploitation of young people, we want a program that pays workers real wages not \$4 per hour.

7. What is the evidence that any of the above programs you propose are effective in improving the paid employment prospects of people disadvantaged in the labour market?

A focus on community based initiatives reflects combined recommendations from ACOSS, the Business Council of Australia and the Australian Council of Trade Unions, in their 2014 paper, Partnerships to secure jobs for disadvantaged jobseekers. That report recommended the appointment of '... regional employment brokers to promote and coordinate partnerships', and '... establishing regional employment boards or networks in regions with high unemployment to promote employment partnerships...'. This regional focus, including local community organisations and providers, reflects the Greens commitment to finding solutions that reflect community challenges and opportunities, rather than adopting a top-down, punitive approach.

8. Is your Party committed to reducing child poverty? If so, how would you express this commitment and measure your Party's progress towards reaching that goal? What specific policies does your Party propose to reduce child poverty, including:



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(a) improvements in the adequacy and indexation of family payments for families on low incomes, particularly single parent families?

(b) policies to ensure that children at greatest risk of poverty have access to quality early education and care and that cost and other barriers to such care are removed?

The Greens are committed to reducing child poverty, and would require annual reporting on poverty targets, including child poverty, as part of the Greens National Anti-Poverty Strategy.

The Greens are committed to providing Parenting Payment Single to parents with a child aged under 16. This will provide an increase of up to \$166 a fortnight to single parents. The Parliamentary Budget Office has costed this change at \$1.9 billion over the forward estimates.

The Greens have also announced a childcare policy that would provide a guaranteed 24 hours of subsidized care per week at a cost of \$370m per year in addition to cost of the Government's proposed childcare overhaul. The Greens will also provide \$200m over four years to help early learning centres cut waiting lists.

The Greens support a strong family payment system that provides support to vulnerable families, and help combats child poverty. The Greens have campaigned strongly against the Coalition's ad-hoc cuts to family payments that cut away support from the most vulnerable. The Greens have also announced an initiative to provide guaranteed access to social services.

Access to basic services for all who need them

9. Is your Party committed to a strong role for the Commonwealth in ensuring that everyone who needs it has access to essential health care and quality schooling, regardless of their income and where they live?

Yes, we are funding the full Gonski school funding package \$5.4 billion and the Greens are the only party to have a disability funding policy for schools based on the Nationally Consistent Collection of Data (NCCD). In the absence of data held by the states being public, we estimate to be \$4.7 billion dollars bringing total schools funding to \$10.1 billion over the estimates.

We also recognise the importance of the Commonwealth having an equal role to play in funding the growth in costs of running our hospitals, having committed to reinstate the funding formula which sees the Commonwealth fund 50% of efficient growth in public hospitals. We have also committed to legislating this commitment to lock in Commonwealth funding – to protect against further cuts and the inevitable cost-shifting between levels of government.

10. If so, is your Party committed to:

(a) Adequate indexation of Commonwealth health grants to States and Territories (please define and explain 'adequate' in this context)?



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The Australian Green's commitment to hospital funding reestablishes the funding formula under the 2011 National Health Reform Agreement (NHRA), which sees the Commonwealth committed for the long term to fund 50% of the efficient growth of the cost of providing hospital services over time and a return to Activity Based Funding (ABF). This formula ensures adequate and equitable funding across the country, in line with the growth in costs.

(b) An adequate Commonwealth contribution to State and Territory schools budgets to ensure sufficient resources to guarantee all children access to a quality education based on their needs? Please define and explain 'adequate' in this context.

In addition to continuing the needs based funding formula for schools, the Greens are targeting the current equity gap – disability. Currently less than half of all students with a disability in Australian Schools are funded for the extra school resources they need to support their education. The Greens believe this is unfair, unacceptable – it fails our students and schools.

11. What are your party's policies to ensure access to community services in areas of high need?

The Greens have announced a commitment to work towards guaranteed access to essential community services. As part of this, the Greens will:

- Invest an additional \$200m over four years for essential community services, and reverse Coalition cuts of \$304m over four years, for a total of \$504m in increased funding over four years.
- Map community service needs, to identify which areas have unmet need and where community services need to be expanded.
- Develop a plan for guaranteed access to essential community services, working with state and territory governments.

Ending the housing crisis

12. Is your Party committed to improving the affordability of housing, especially for people with low incomes? If so, how does your Party propose to measure progress towards the achievement of this goal and what policies does your Party propose, including to:

- * Stem excessive growth and instability in housing prices (mortgages and rents) during housing booms?
- * Increase the supply of affordable rental housing including through direct investment and investment incentives?
- * Improve the adequacy of Rent Assistance payment rates and indexation?

The Greens have a National Housing Affordability Plan to address Australia's housing crisis. This sets out an achievable vision to ensure housing is within reach for everyone.

- Reforming negative gearing and capital gains tax discount: Removing negative gearing for future investments, while grandfathering existing investments, and removing the capital gains tax discount, will save billions of dollars that can be invested in affordable housing.
- Increasing rent assistance by 30 per cent: Reflecting recommendations by ACOSS and other peak bodies, we will increase Commonwealth Rent Assistance by 30 per cent on current levels by 2019-20. This will provide significant assistance for people who are struggling with rental stress, and improve housing affordability for more than a million recipients across Australia.



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- **Funding homelessness services:** The Greens have committed to doubling the federal funding for homelessness services (\$507 million annually), and to signing a new ten year National Partnership Agreement on Homelessness (\$320 million annually). This will ensure that homelessness services are able to help the most vulnerable.

There will be additional announcements in the coming weeks in relation to other policies to boost the supply of affordable housing.

In addition to continuing the needs based funding formula for schools, the Greens are targeting the current equity gap – disability. Currently less than half of all students with a disability in Australian Schools are funded for the extra school resources they need to support their education. The Greens believe this is unfair, unacceptable – it fails our students and schools.

A strong, independent and diverse civil society

13. Is your Party committed to supporting a strong, independent and diverse civil society including by adequately funding peak representative bodies representing marginalised groups and ensuring Government funding is not subject to restrictions on advocacy?

The Greens support a strong, independent and diverse civil society, including funding for peak representative bodies, supporting advocacy, and providing secure and adequate funding.

The Greens have fought to retain the ACNC, and want to build on its important work.

The Greens have announced major community service funding increases, including:

- An extra \$556 million over four years, to reverse Indigenous Advancement Strategy funding cuts.
- An extra \$504 million over four years, to reverse DSS discretionary grant program cuts and an additional investment of \$200 million
- An extra \$507 million per year for specialist homelessness services.
- An extra \$36 million a year for legal services, as part of our response to domestic violence challenges.

The Greens have already announced a commitment to refund the National Congress of Australia's First Peoples by providing \$15m over four years, and funding for a peak body in relation to domestic violence by providing \$8m over four years.

14. What are your Party's policies to address climate change and ensure that people on low incomes and people who are vulnerable are protected, and able to adapt to the impacts?

The Greens support an economy-wide carbon price being re-implemented. Just like last time, we will introduce household compensation for lower income earners to ensure that the increased gas and electricity costs will be covered by increased government payments.



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15. Specifically how will you take positive action to:

*** Ensure people on low incomes and vulnerable can make the most of energy efficiency technologies and access affordable housing which is energy efficient?**

*** Ensure people and communities are resilient to the impacts of extreme weather events and able to adapt?**

The Greens recognise Australia's lowest income households are the most vulnerable to the rising cost of living and to the impacts of global warming, with hotter, longer summers and colder winters becoming the norm. Targeting public and community housing represents one of the greatest opportunities to reduce pollution and dramatically increase the quality of life and cost of living for some of the most vulnerable Australians.

Our proposal is to upgrade Australia's entire public and community housing stock by 2030 by providing a \$2000 capital upgrade at \$60m a year for every dwelling for solar PV systems, energy efficiency upgrades, and secure screen doors and window fittings for cross ventilation.

The Greens also propose a right to solar for private renters. The Greens around the country will advocate for national harmonisation of state laws to give tenants in rental properties or commercial leases a 'right to solar' allowing them to apply for no up-front cost solar and ensuring that a landlord cannot unreasonably refuse.

The Greens also have a comprehensive climate adaptation policy -

http://greens.org.au/sites/greens.org.au/files/Living%20with%20Global%20Warming_final_.pdf

Thank you again for the opportunity to participate in your election survey, and best wishes to ACOSS on your important work into the future.

Kind regards,

Senator Richard Di Natale

Leader of the Australian Greens & Senator for Victoria



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