

# Introduction

## Overview

*If growth does not provide properly for the well-being of all Australians, if it does not contribute to the solution of existing social, cultural and environmental problems, if it increases disadvantage, produces new inequities, and further despoils the environment, then it not only causes pain and hardship to those affected but also undermines the fabric of the society and the future potential of the economy<sup>1</sup>.*

The Victorian Government, through its overarching strategic framework, *Growing Victoria Together* and its supporting policy and action plans, has used the triple bottom line of balancing economic, social and environmental outcomes as its guide for governing and building a fairer Victoria.

In 2009-10 VCOSS, the organisations it represents and those members of the Victorian community for whom it advocates, are seeking budget outcomes that deliver inclusiveness, liveability and sustainability.

While it could be argued that in both cases the ends may be the same, VCOSS contends that in aiming for inclusiveness, liveability and sustainability there needs to be a greater emphasis on community development, social inclusion, the delivery of universal services as well as attention to broader challenges such as climate change.

VCOSS believes that in aiming for a future Victoria that is inclusive, liveable and sustainable, the Victorian Government will be able to bring services, and those who provide them, closer to those who need and receive them. In doing so, it will facilitate greater understanding and respect and importantly, help close the widening gap between advantage and disadvantage.

Only then, can we really start talking about a fairer Victoria, a more inclusive Victoria and a more productive Victoria.

In this year's Budget Submission, VCOSS has taken the three imperatives – inclusiveness, liveability and sustainability – and applied them to current policy and spending priorities across the major Victorian Government portfolios. In doing so, we have identified and articulated gaps in policy frameworks, services, service delivery and resources – both financial and human – and made a series of recommendations. These are below and then outlined in detail, in the following chapters.

For the first time, we have added a section on Climate Change and we have also added a section on Cost of Living.

Addressing the issue of climate change brings with it many challenges, not the least being the need to urgently address the tension between the mandating of a range of measures that have the potential to increase the cost of essential services and products and protecting low income and disadvantaged groups from these additional imposts. VCOSS believes

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<sup>1</sup> D Yencken & L Porter, *A just and sustainable Australia*, ACOSS, Sydney, 2001, p.6.

there are a range of initiatives that can be introduced by the State Government to ease this tension – from improving the level of education around more efficient use of gas, water and electricity, through to improving public transport options, and increasing community resilience in the lead up to the introduction of carbon pricing programs.

Cost of living pressures have reached critical levels for many low income Victorians, while many middle income earners are now also feeling pressure. This reflects the unique situation that has arisen out of the current economic conditions - including global credit issues, a decrease in the value of superannuation savings, higher petrol prices, high interest rates and low housing affordability. The pain is growing and spreading, and requires targeted and swift Government intervention to at the very least, minimise the harm.

This year we have also highlighted the critical importance of service policy and delivery frameworks that place greater focus on prevention and early intervention within an integrated service continuum – particularly for families, people with mental illness, young people and those with the potential to develop chronic diseases.

The 2009-10 budget will take place about half way through the term of the current Commonwealth Government. The spirit of genuine engagement and co-operation at the Council of Australian Governments meetings, particularly around issues affecting low income and disadvantaged Australians, has been encouraging. VCOSS recognises that many of the policy areas addressed in our submission are areas of joint Commonwealth State work and often funding. For all Victorians there is much riding on significant Commonwealth funding contributions especially in areas of policy reform like Close the Gap, Climate Change, housing and homelessness, health care and even areas of emerging discussions, including public transport. However this submission and its recommendations focus on areas in which the Victorian Government is best placed to make a positive and lasting investment.

## **Revenue**

While VCOSS recognises that there are many calls on the budget, especially at a time of global financial uncertainty, we believe that our submission provides a solid foundation for a budget that delivers a more inclusive and ultimately more productive State. The Premier, at the 2008 ACOSS Congress in Melbourne, acknowledged the link between a strong society and a strong economy. This submission provides a series of recommendations to enable both of those important objectives to be achieved.

Budgets are as much about revenue as they are about expenditure. While the largest share of State funding comes from Commonwealth grants, including the GST, the decisions that the State makes about State taxes and charges are significant beyond the amount of money that they raise. On that front VCOSS has been concerned that, over recent years, the Government has substantially cut property and business taxation without any attempt to present a rationale for them on equity grounds.

VCOSS recommends that there only be tax cuts if there is money left over from the

necessary social spending that the people of Victoria need. Low income and disadvantaged Victorians are rarely the beneficiaries of tax cuts. VCOSS believes that should the Government view tax cuts as a necessary part of the budget, that they must be targeted to achieve broader sustainability or equity goals. For example, payroll tax cuts could be provided to businesses that are environmentally sustainable or that employ and retain people with a disability or mental health issue. Land tax cuts could be contingent on residential landlords passing on those cost reductions to tenants in lower rents. The lack of such targeting to date has called into question the extent to which these cuts have contributed to greater productivity or efficiency, and indeed whether they have been made at the expense of better quality spending decisions. VCOSS will be analysing this budget carefully on both the revenue and expenditure side to ensure they both contribute to the goals of an inclusive, liveable and sustainable State.

## Future Victoria

### ***Inclusive***

Allowing people to participate in and engage with their community to the fullest extent possible is a fundamental plank of any society that sees itself as fair and equitable. Facilitating social inclusion should be the thread that weaves itself through everything that governments do.

Social inclusion is more than ensuring that a transport system is compliant with the *Disability Discrimination Act*. It is about identifying all the social, cultural, economic and environmental barriers to community engagement and developing and implementing policies and programs to systematically address them.

What stops an elderly person from visiting their local shopping centre? Why are young people in the outer suburbs not engaging with education? Why are a significant percentage of people with mental illness unable to participate in the workforce? Why is there still such a wide gap in health outcomes between Indigenous people and other Victorians?

The VCOSS State Budget Submission 2009-10 highlights some of the more pressing barriers to social inclusion that we, and our member organisations, have identified and recommends ways forward for government – in partnership with the community and non-government sector, and where appropriate with the Commonwealth Government.

### ***Liveable***

VCOSS, in its submission and advocacy to the Victorian Competition and Efficiency Commission (VCEC) inquiry, positively influenced the thinking around liveability. The outcome was a draft report that recognised that liveability was not just a term related to economic or physical infrastructure; it was a range of factors including social inclusion and

connectedness that made an area liveable.

On that basis, while Melbourne continues to rate well internationally as a liveable city, there are many Victorians living in the city, the outer suburbs and in regional and rural areas for whom such a description has a very hollow ring.

The housing affordability crisis has pushed many people from more liveable communities to areas that contain less physical and social infrastructure and services. The lack of government investment over decades in transport, utility and community service infrastructure has resulted in networks and systems that can no longer cope with the requirements of an increasing population. In addition, there has been relatively little investment in new infrastructure to reach out and connect the ever expanding metropolis and our regional centres and towns.

Access to affordable reliable, safe, regular transport is a major enabler of social inclusion and economic security. While VCOSS has welcomed the public transport initiatives outlined in the Eddington Report, we would like to see the Government expand its thinking and funding priorities well beyond the East-West corridor of Melbourne to address public, private and community transport needs across the whole state. Initiatives need to be developed based on a thorough analysis of current and future land use, and current and future population and employment growth and needs. Appropriate budget provision for all transport initiatives should be made in the 2009-10 Budget and in Forward Estimates.

There is now not only a need to better integrate land and transport use, but to more carefully plan our cities, towns and suburbs to reflect changes in employment patterns, the challenges of climate change, changing demographics – particularly the aging population – and the need to easily access services such as childcare, educational and medical facilities, shops and community centres.

The VCOSS State Budget Submission 2009-10 continues to advocate for a focus on the interconnectedness of all aspects of government policy and the need to ensure that wherever possible, approaches to policy development, implementation and funding are undertaken in a way that best leverages knowledge and support across the whole of government.

Only by harnessing and focusing all the Government's resources in policy development and implementation will Victoria be truly liveable for all Victorians.

## **Sustainable**

The OECD's *Sustainable development: critical issues* report highlights that an integrated framework of effective institutions is essential for sustainability.<sup>2</sup> To build this framework, the Government needs to:

- integrate policies across the economic, social and environmental spheres;

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2 OECD, *Sustainable development: critical issues*, OECD website < [www.oecd.org](http://www.oecd.org) >, 2001

- engage the community in a significant way in the process of policy making and implementation; and
- have a strong political commitment to a long-term perspective.

The report further notes that achieving sustainability requires ongoing assessment of the social, environmental and economic implications of development strategies and a commitment to respond with appropriate policies and investment.

A sustainable Victoria needs to deal urgently with the impacts of dangerous climate change. In doing so it needs to ensure that responses promote social equity. Sustainability recognises and manages community, family and individual resilience to accommodate change, as well as the provision of community and government support.

Without strong social capital, the Government cannot create the effective government–community partnerships that are needed to build a strong and sustainable community.

Sustaining a fairer Victoria means that community infrastructure, such as housing, transport, health, education and community services need to be available, affordable, inclusive, in convenient proximity and timely. Community infrastructure also needs to be delivered within a framework of long-term strategies to address the structural issues of disadvantage.

In the VCOSS State Budget Submission 2009-10, the issue of sustainability has informed all our thinking and been built into all our recommendations. We call on the Victorian Government to also place sustainability at the centre of its response.

