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VOLUNTARY SECTOR**

SPEECH

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“Tackling Social Exclusion”

Acknowledgments

- The Wurundjeri people of the Kulin Nations—traditional owners of this land.
- Mr Michael Horn—Senior Manager, Research and Policy, Brotherhood of St Laurence, and chair of this session
- Major David Eldridge AM—Community Response Taskforce and Territorial Social Program Secretary of the Australia Southern Territory of the Salvation Army.
- Dr Rosanna Scutella—Ronald Henderson Senior Research Fellow, the Melbourne Institute.

Thank you to the Melbourne Institute and *The Australian* for inviting me to open the session “How to Tackle Social Exclusion”. I am pleased to be participating in a panel discussion with Michael, David and Rosanna as they each represent organisations that have made significant and enduring contributions to our understanding of and responses to social disadvantage in Australia.

Can I acknowledge the wonderful contribution of Professor Mark Lyons to our collective knowledge of the third sector and to Australian social policy. Mark died yesterday and he and his family are in our thoughts and prayers.

As we discuss our strategy for economic recovery, it is easy to forget that the financial crisis created a deep-seated paralysis of the world economy and the work of the G20 suggests that it will be a long and winding road to global recovery. It is the developed countries that will do better, and Australia is leading the developed countries in that regard.

While it's clear that Australia has performed much better than the rest of the world in the worst global recession in 75 years, we still face huge challenges. From the Treasurer down, the messages from government have been about the challenges of the recovery phase.

Chris Richardson from Access Economics recently suggested that we sailed through the global financial crisis on a sea of stimulus but that the smaller downturn will be accompanied by a weaker recovery.

And, we are seeing evidence of that. In Australia, many people continue to face employment uncertainty, businesses report having reduced working hours of many employees to keep them in work, while others simply find they can't get a foot hold in the jobs market – especially if they are just starting out or are mature age workers.

At the same time, for some Australians, talk of economic recovery is completely irrelevant. For these people, recessions and recoveries have passed them by.

These are the people who Professor Tony Vinson identified as “dropping off the edge” in his 2007 report on deep disadvantage in Australia. His research was conducted over more than a decade, during Australia's boom years, which made his findings that deep, entrenched disadvantage stubbornly persisted in Australia, so much more confounding.

Professor Vinson found that 3 per cent of Australia's localities account for a disproportionate amount of disadvantage. And that compared to other areas, these disadvantaged localities had at least twice the rate of unemployment, long-term unemployment, disability support recipients, psychiatric admissions, criminal convictions, imprisonment and child maltreatment.

For people in these circumstances, while the booms of the past had made little difference to their lives, the economic downturn may have further exacerbated their marginalisation and disconnection to mainstream opportunities and services.

The lesson from previous recessions is that although some groups maintain their participation during the hard times, others do not. And once people lose their connection to economic and social life, they risk becoming part of that long tail of disadvantage.

So with this degree of entrenched disadvantage existing before the economic downturn, the government's response, is not simply about bouncing back to where we were before. Because "before" wasn't good enough - not when it left untouched pockets of populations of people who held little hope of a brighter future.

Instead, the government's social policy response to the economic downturn has been shaped by the values and principles that underpin our social inclusion agenda, with its goal of every Australian having the right and opportunity to learn, work, engage and have their voice heard. This response is shaped on the premise of helping individuals to build resilience – that's really the end goal of investing in strategies and programs that help in preparation, early intervention, skills building and coping with change.

As important as our social welfare safety net is, we know we need to use these difficult times to develop and build new ways of responding to those

who are disadvantaged. To prevent further generations of welfare dependency, our responses need to encourage the active participation of people in decisions about their own lives and future and to equip them with the skills they need to do this, rather than being passive consumers of an array of mismatched and generalised services.

David Cappo, the South Australian Commissioner for Social Inclusion captures this well when he says – “(it’s) about building up the capacity of individuals and families to participate in the economic and social life of the community.”

And the British researchers whose definition of social exclusion captures the challenge of this approach:

“Social exclusion is a complex and multi-dimensional process. It involves the lack or denial of resources, rights, goods and services, and the inability to participate in the normal relationships and activities available to the majority of people in society, whether in economic, social, cultural or political arenas. It affects both the quality of life of individuals and the equity and cohesion of society as a whole.”

I was reminded of this listening to a program on Radio National earlier this week, describing the intensive and interesting approach being developed in a Drugs Court, and the reporter’s observation about the messiness of people’s lives when they are living in such precarious circumstances.

It was a good reminder about how our priorities may not be theirs!

The Drugs Court is an excellent example of effective responses to poverty and marginalisation that involve people themselves not only being active participants in solutions, but also having to believe that this is possible and they can shape their lives.

The Government acknowledges the importance of this approach in our social inclusion agenda, which emphasises the goals of giving every Australian the right to engage and have their voice heard.

But these goals throw out challenges to governments and to community organisations:

- How do you give profoundly marginalised and disconnected people and communities a voice?
- A voice in what?
- How do people who use services such as Centrelink, the Employment services, child protection services have a voice in shaping not only policy but the services they receive?

Making government more citizen-centric is a challenge that the Government has set itself. The Prime Minister, in announcing the Advisory Group on Reform of Australian Government Administration recently, articulated the need for the Australian Public Service to develop a culture of innovation in policy development and to renew its efforts in delivering of people- centred services.

A very current and excellent example of this commitment to innovation and new ways of responding to the challenges of the recovery, with our citizens in mind, is the new taskforce established by the Deputy Prime Minister to consider how best key agencies working together, can play a more effective role in strengthening government service delivery to be more innovative, place-based and joined up – more citizen-centred.

The Taskforce will consider how a ‘work first’ approach can help job-ready job seekers into work , will take best practice examples of recovery and active labour market strategies that form part of the ILO’s Global Job Pact to focus on jobs, fairness and social protection;

The Taskforce is basing its approach on our knowledge and experience of previous recessions, when the long-term unemployment rate grew rapidly, spiked, then didn't recover quickly. And we are all expecting our unemployment rate to grow in the coming months.

And we all know that certain groups of people are more at risk of becoming part of this statistic than others.

For example, young people transitioning from education to work can be hard hit. This is particularly concerning because of the long-term effects on their future if the transition to work is not successfully made.

And people at the other end of the age spectrum are also more at risk of long-term unemployment if they lose their job. Employers need to be encouraged to value, retain and take on older staff.

For people living with disability or mental illness, the challenge is even greater in finding work even before the economic downturn. How do they even get the chance to prove themselves in a shrinking labour market?

And, let's not forget the children of families touched by the downturn. A lost job can eventually mean a lost home, disrupted education, a broken family, and a vulnerability that may lead them to become the unemployed of the future. That's a spiral of disadvantage that we want to prevent.

So as we take early steps along the road to recovery – the yellow brick road – there are certain groups in our community that will struggle more than others to benefit from the improved economic environment.

This understanding that some people face greater challenges than others, and are more at risk of exclusion than others, is a fundamental principle of the government's social inclusion approach to tackling exclusion.

We established the Australian Social Inclusion Board, a group of eminent social policy specialists to provide advice to the government on our social inclusion agenda. Their work and their advice has positioned Australia well to deal with the new challenges that accompanied the global recession.

Well before the extent of the economic downturn hit Australia, the Board had identified six priority groups most at risk of exclusion in our community and who required the joint attention of government, business and the community sector. These were:

- Jobless families
- People living with a mental illness or disability
- Homeless people
- Indigenous Australians
- Communities experiencing concentrations of disadvantage and exclusion
- Children at risk of long term disadvantage

The Board's work in producing a Compendium of Social Inclusion Indicators has been a significant contribution towards comprehensive performance measurement and evaluation of social inclusion in Australia.

Just as Professor Ronald Henderson, sought to measure disadvantage and monitor social progress, and became a national advocate for change in public policy to address poverty, so too have the Social Inclusion Board members been driving new policy approaches. We are employing new language, new ways of thinking, evidenced-based approaches and a suite of comprehensive performance management and evaluation in our social inclusion agenda.

In the government's early days, we embarked on the reform of employment services designed around social inclusion principles.

Minister Plibersek led the development of a white paper to tackle the complex problem of growing homelessness in Australia. The Prime Minister and Minister Macklin committed the government to closing the gap on indigenous disadvantage and the government as a whole committed itself to a radical review of the nation's social security payments system.

Parliamentary Secretary Bill Shorten began consultations on a dramatically different and powerful Disability and Mental Health Employment Strategy.

The Social Inclusion Board was engaged with identifying the locations of deepest disadvantage in Australia as the basis for targeted programs in these areas. And a suite of work was being initiated in the early childhood development field.

So when impact of the economic collapse was felt by Australians, we were building the foundations of this new approach, and were well positioned to leverage the economic stimulus package to prevent a greater social crisis at home.

Learning from the lessons of the past and familiar with the most vulnerable groups in our community, we were able to craft an approach that targeted unemployment measures at the most "at risk" groups.

The focus was first and foremost on employment because of the recognition that a job is much more than just an income. A job represents the opportunity to connect and participate, and is a source of self-respect and dignity. And as my colleague Nick Sherry said at the time, we knew that unemployment is not just a symptom of an economic crisis, it is the crisis itself.

This is why preserving and creating jobs became a central focus of the government's economic stimulus response - the early and decisive action to invest in nation building infrastructure and introduce the jobs and training

compact with retrenched workers and Australian communities affected by the downturn.

Using the Social Inclusion Board's priority locations, we identified 20 priority employment areas already suffering longstanding disadvantage and at risk of joblessness becoming further entrenched.

We appointed local employment coordinators to each of these areas to act as a link between business, not for profits organisations, government at all levels and people in need of a job.

These co-ordinators have been assisted by the Keep Australia Working forums that we rolled out in these areas. The forums have brought together all levels of government, local employers, business leaders, unions and community organisations to discuss and develop on-the-ground solutions to local employment issues.

As well as this location-based work, we have begun a trial of family centred employment projects, aimed at moving at least one family member from a jobless family into education or employment.

And we have forged a compact with those young people in their final years of schooling; that promises them work or training to ensure that as the recovery comes, they will have the skills for new employment opportunities.

So, informed by our social inclusion principles and the work of the Board, we have developed a range of new, innovative approaches to addressing disadvantage and pre-empting "at risk" groups from disengagement.

Our approach has been not to waste the opportunity that the crisis has presented for audacious, ambitious action and innovation. This includes our commitment to strengthen the base of the social enterprise movement in Australia.

To date, through the \$650 million Jobs Fund and the \$41 million Employment Innovation Fund, the government has already supported around 75 social enterprises. These are estimated to provide up to 3000 work and training opportunities – and a second round of the Jobs Fund is set to open very soon.

The Social enterprise movement has a long history in Australia but was often unrecognised in terms of its contribution to social and economic sustainability and independence for many people and communities. Third Sector organisations such as the Brotherhood of St Laurence and Jesuit Social Services have been quietly engaging in it for years but now the time is right to move social enterprise into the centre stage as one of the key responses to social exclusion. Biscuit factories, green retro-fitting of social housing, recycling computers for neighbourhood use – are all excellent examples of innovation at its best in the social enterprise space.

The government is supporting the development of a vibrant social enterprise sector because of the opportunity it offers for investing in people and their communities in a new way. We recognise that for some people, direct entry into the traditional work place is too difficult, and that other approaches are needed to support and mentor people into engagement in training, working or other forms of community participation.

This is about recognising that not everyone will be able to be engaged in traditional workplaces and work-spaces, and, as I have said before, that work is not just about the job, it is about the social connection and sense of worth, that work can bring.

Further, social enterprise can create an intermediary space between business and the third sector, in which new alliances between business and service providers become possible - Alliances that draw from the resources

and skill sets of business, investing them in third sector organisations and building their capacity so they can better work with their communities.

And the social enterprise sector is one which is innovative, responsive and has capacity to respond to individual needs. It creates important transitional spaces for those people who may not otherwise get the chance to build skills and confidence to move on to mainstream employment.

As some of you may know, I'm currently leading the development of a national compact, developed to enhance the relationships between the Australian Government and the nation's third sector organisations.

For the past two years we've been working with the sector to create a framework for this new relationship. This is very important to us and to the sector, and we know that it will help us all to find new and better ways to tackle social exclusion and build a fairer Australia.

And critical to this is ensuring that as we recover from the global recession, this time around, we bring all Australians with us.

If we take our lessons from the bushfire recovery process, the lessons learnt from that crisis are that we can't go back. We have to build resilience and responses in a new context. The lives of the bushfire communities have been changed forever. It is not too dramatic to say that for this applies in the aftermath of the global financial crisis. We are seeing new social movements that are about **being** more, not **having** more. The orthodoxy of economic theory has been turned on its head. The approaches that we have depended on in the past are now no longer appropriate – so we have to learn, adapt, change, renew and reconnect in new ways.

The road to recovery can't mean business as usual - Business as usual will continue to produce a very unequal Australia. Research tells us that equal societies are also more prosperous societies for everyone.

As the national government, we are working hard to ensure the road leads us not to where we started, but instead to a fairer place, where no one is left to drop off the edge; and where every Australian is able to realise their right to a meaningful life.

Perhaps the road less travelled, but worthy of the detour.

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