

A Fair Australia

A fair society is a good society. Fairness engenders trust, hope and co-operation, ensuring that individuals are treated with equality, respect and dignity. Fairness is also essential for a functioning society so that conflicts of interest are resolved, scarce resources are distributed in a reasonable and fair manner, and social cohesion and harmony strengthened. According to the British Commission on Urban Life and Faith, “Countering social inequality, and trying to reduce it, is the litmus test of a society’s moral adequacy.” A fair society will more effectively cope with major societal upheavals such as climate change, reconciliation, economic downturn, and natural disasters because citizens can see that sacrifices are being asked equally of rich and poor and that harm and injury will not solely affect the least-advantaged members of society.

Fairness can be described in a number of different and overlapping ways, including:

1. fairness in the legal system (procedural and substantive fairness; e.g., a “fair trial”);
2. fairness in rules and standards (e.g., consistency and conformity);
3. fairness in equality of opportunity and outcome (e.g., access to a decent standard of living); and
4. fairness in relationships with others (e.g., freedom from discrimination, dishonesty and crime).

Peter (Robert) Saunders has used the example of Monopoly to illustrate different approaches to “fairness”. At the outset of the game, each player starts with an equal amount of money. The game ends when one player has a monopoly of property and the other player(s) are bankrupt. The player who loses his/her money to the winning player may feel that the outcome is unfair and that the money should be redistributed. The winning player, on the other hand, will think that the game was fair because each player started out with equal resources and the rules were adhered to; it would, therefore be unfair to redistribute the money and

property. The philosopher, Robert Nozick, would argue that the Monopoly game was fair even if large inequalities resulted, as long as there was equality of opportunity and free exchanges between consenting adults in the first place. By contrast, the philosopher John Rawls would likely have argued that the game was fair only if the resulting inequalities benefited the least well off.

A more fundamental criticism of Saunders’s Monopoly analogy is that all people do not start out with the same opportunities. Moreover, only a callous society would fail to care for those seriously in need, whatever the cause of those needs. The concept of distributive justice further expands the argument, proposing that societies should take active steps to reduce inequalities in wealth, income and power. At the same time, however, it is widely accepted that merit/talent and contribution of the individual to society should be rewarded. Equality of opportunity, together with comprehensive anti-poverty measures and adequate safety nets for those in need, should therefore be one of the main goals of social policy.

A Fair Go: Fairness and equality in Australia

A 2006 Roy Morgan survey found that 91 per cent of respondents thought that a “fair go” was an important Australian value. Professor Marian Sawer has, however, argued that fairness is being pushed aside by governments today, who are now judged by “how lightly they touch the purse” instead of how far they promote equality.

One way of judging fairness is to measure unfairness. Poverty is a good indicator. Poverty refers to the condition in which a person lacks the essentials of life or the minimum standard of well-being. This may include food, safe drinking water, shelter, secure housing, education, and health care, often manifested in poor physical and mental health and exclusion from society.

In the latest Measures of Australia’s Progress (MAP) report

(2009), the Australian Bureau of Statistics (ABS) has shown that in the last decade in Australia: life expectancy and education have improved; the unemployment rate has generally declined; real net national disposable income per capita has grown; and the real income of those less well-off and the middle income group has increased. The United Nations Human Development Report (2007/08) listed Australia third out of 177 countries (after Norway and Iceland) in terms of life expectancy, education and standard of living. This measurement does not, however, take into account inequality, respect for human rights and political freedoms. The vast disparities of income and wealth in Australia reveal that many Australians continue to live in conditions of poverty in spite of the growing wealth of our country.

The Australian Council of Social Services (ACOSS) has estimated that the number of Australians living in poverty has increased over the past decade or so, with approximately 2.2 million people, or 11.1 per cent of Australians, living in poverty in 2006, compared with 9.9 per cent in 2004, and 7.6 per cent in 1994. See the fact and issue sheet "Poverty and its Causes". Some prominent indicators of unfairness within Australian society are detailed below. These facts illustrate the importance of renewed efforts in building a fairer Australia. (Note: a variety of sources from the ABS, ACOSS, UN and other individuals/organisations are used here):

The gap between the rich and poor

The growing gap between the haves and the have-nots is usually cited as the clearest evidence of inequality and unfairness.

- In 2007, the richest 200 people in Australia had a combined wealth of \$A128.6 billion, up 27 per cent from 2006;
- In 2005-06, the wealthiest 20 per cent of households in Australia accounted for 61 per cent of total household net worth (with an average net worth of \$1.7 million per household); by contrast, the poorest 20 per cent of households in Australia accounted for 1 per cent of total household net worth (with an average net worth of \$27,000 per household);
- In 2005-06, 26.1 per cent of households relied on pensions or allowances as the principal source of income. Over 400,000 people in Australia received unemployment payments that were below the poverty level.

Indigenous people

Indigenous Australians suffer systematic inequalities in health, education, employment and housing:

- Life expectancy for Indigenous females is 10 years less than for non-Indigenous females, and for males the difference is 12 years;
- Infant mortality is about 3 times the rate of the non-Indigenous population;
- In 2006, 21 per cent of 15 year old Indigenous people were not participating in school education;
- In 2002, 1 per cent of the Indigenous people had a higher education;
- In 2006, Indigenous students were half as likely as non-Indigenous students to continue to Year 12;
- 16 per cent of the Indigenous population is unemployed, compared with 5 per cent of the non-Indigenous population;
- Indigenous people have much higher levels of criminal convictions with the imprisonment rate for Indigenous women increasing by 34 per cent between 2002 and 2006;
- The level of kidney disease is ten times higher amongst the Indigenous people than non-Indigenous people.

To Indigenous people, rights represent another important area of marginalisation and injustice. The rights sought by Indigenous people include the right to make decisions about their lives, formal recognition as the first people of Australia, and symbolic measures such as the national apology (for past mistreatment as a consequence of official government policy) that was granted on 13th February 2008.

Education

In Australia, preschool, primary, secondary and tertiary education is under-resourced and under-funded. A lack of education increases the risk of unemployment which can then lead to poverty and other problems such as substance abuse and crime:

- In 2005, public expenditure on education in Australia was 4.3 per cent of GDP, compared to the OECD average of 5.0 per cent, and 7.2 per cent in Iceland, 6.8 per cent in Denmark, 6.2 per cent in Sweden, and 5.9 per cent in Finland.

- In the 10 years to 2004, Australia was the only country in the OECD to reduce its public investment in tertiary education, recording a fall of 5 per cent, while the OECD averaged an increase of 49 per cent.
- In 2002, only 36 per cent of three and four year olds received pre-school education.
- Australia, alongside the United States, is among the lowest spenders on early childhood education and care in the developed world.

Employment

Although Australia's official unemployment rate was 5.8 per cent (as of June 2009), this figure does not take into account the problem of *underemployment*. ACOSS estimates that the overall level of unemployment in Australia is about twice the official figure since the official employment rate includes any one who is employed for more than 1 hour a week. Currently, the labour force underutilisation rate (unemployed plus the underemployed as a proportion of the labour force) stands at 13.4 per cent. Furthermore, the official rates do not show the locational differences in unemployment and underemployment, for example, their concentrations in the outer suburbs. Some employment statistics are:

- There are low participation rates for prime-age males, women of child-bearing age and older men and women.
- The proportion of casual employment (i.e. those without paid leave entitlements) rose from one fifth to one quarter between 1992 and 2003;
- Australia (and the US) are the only OECD nations without legal provisions for paid maternity leave;
- In 2006, 540,000 young Australians were not in full-time learning or full-time work; and
- Over 100,000 people on Newstart or Youth Allowance have lacked substantial work for 5 years or more.

A contentious issue in the lead up to the 2007 federal election was the Howard Government's Work Choices legislation, enacted in 2006. The Act abolished protection against unfair dismissal, heavily restricted union representation and negotiation, and allowed individual workplace agreements called AWAs (Australian Workplace Agreements) to exclude award entitlements such as redundancy pay, penalty rates and holiday pay. In 2008, the newly elected Rudd

Labor government began the dismantlement of the Work Choices legislation. The first piece of legislation, the Workplace Relations Amendment (Transition to Forward with Fairness) Bill 2008, passed the Australian Parliament on 19 March 2008.

Health

Mental illness, obesity, drug and alcohol dependency and disability disproportionately affect the poorest people within society:

- Approximately one million adults and 100,000 young adults live with depression each year in Australia;
- On average, one in five people in Australia will experience depression at some point in their lifetime;
- In 2007-08, 68 per cent of men and 55 per cent of women were classified as "overweight" or "obese";
- In 2007-08, 21 per cent of adults consumed alcohol that would be risky to their health;
- Australia is in the bottom third of rich nations for oral health for adults;
- Total health spending was 8.7 per cent of GDP in 2006-07 (slightly lower than the OECD average of 8.9 per cent).

Housing

The current housing crisis in Australia affects all Australians, but most severely, the poor. Rising housing prices, increasing interest rates, rising rental prices, access to public housing and homelessness present serious challenges to the vision of a fair Australia. The lack of adequate housing and soaring prices for rent and home ownership are related to problems of poverty, unemployment and health:

- In 2001, 100,000 people were homeless;
- Around 1 in 2 (or 54 per cent) of adults and 3 in every 5 children (or 60 per cent) were turned away from services for the homeless provided under the Supported Accommodation Assistance (SAAP) Program;
- Over 1 million low and middle income families and singles spend more than 30 per cent of their income on housing (defined as "housing stress");
- In May 2005, the national waiting list for public housing was 204,000 persons.

Tackling unfairness in Australia

Australia's present-day welfare system includes cash welfare benefits such as old-age pensions and unemployment benefits, and in-kind welfare services, such as health or childcare services. Over the past three decades, Australian welfare policy has moved from welfare provision and income support to policies aimed at bringing welfare recipients back into the workforce. Currently, the Mutual Obligation scheme means that income support, facilities and referral services are provided by Centrelink, but recipients must actively look for work, accept suitable work offers and undertake extra activities to improve their chances of finding a job.

In other countries there is more purposeful action to combat poverty. The European Union (EU) encourages member countries to develop National Anti-poverty Action Plans. An example of a national anti-poverty strategy is the Irish strategy. Ireland's National Anti-Poverty Strategy is overseen by the Combat Poverty Agency. It concentrates on understanding the causes of poverty and social exclusion, providing an explicit definition of poverty and setting a global poverty reduction target and five sub-targets in the areas of educational disadvantage, unemployment, adequacy of social transfers, disadvantaged urban areas and rural poverty. The global target relates both to the numbers below relative income poverty lines and experience of basic deprivation (lack of access to necessities).

Australia does not have an anti-poverty strategy of a similar kind. The Australian Council of Social Service (ACOSS) recommends that a holistic approach to addressing poverty and the causes of poverty should be likewise developed through a National Anti-Poverty Plan. Specifically, ACOSS has made the following recommendations:

- Improve the health and housing conditions of Indigenous Australians;
- Improve access for all to basic health services (including dental care) and community services (including childcare);
- Develop whole-of-government plans to increase fairness, reduce poverty and financial disadvantage;
- Increase the supply of low cost housing for low income households;

- Improve the employment prospects and incomes of disadvantaged jobseekers, especially those affected by the 2006 Welfare to Work policy changes;
- Improve access to commercial buildings by people with disabilities;
- Recognise the relatively high costs of raising teenage children in the income support systems;
- Improve access to affordable community based legal services, including for Indigenous women.

Useful sources

Australian Council of Social Service (ACOSS)

<http://www.acoss.org.au>

The Australian Council of Social Service is the peak council of the community services and welfare sector. This website includes papers and discussions on fairness in Australia.

See also ACOSS 2009 National Conference papers; in particular: Ian McAuley, *Fairness Matters*, 2nd April 2009,

http://www.acoss.org.au/upload/publications/papers/5793__ACOSS%20Conference%20Papers%20Day1.pdf,

and Dr Ken Henry, *How Much Inequity Should we Allow?*, 3rd April 2009, http://www.acoss.org.au/upload/publications/papers/5794__ACOSS%20Conference%20Papers%20Day2.pdf

Australia Fair

<http://www.australiafair.org.au/public/Default.aspx>

A website to promote a fairer Australia.

Brotherhood of St Laurence

<http://www.bsl.org.au/main.asp>

The Brotherhood is an Anglican organisation that fights for an Australia free of poverty. It also works for social change and a sustainable society. The Brotherhood publishes information sheets and reports.

Rawls, J. (1971) *A Theory of Justice*, Cambridge, MA:

Belknap Press of Harvard University.

In *A Theory of Justice*, John Rawls, one of the most influential political philosophers of the 20th century, sets out his theory of "justice as fairness".

Saunders, P. (2005). *The Poverty Wars: Reconnecting Research with Reality*, Sydney: UNSW Press.

Peter (Gordon) Saunders argues that ending poverty in Australia comes down to choice.

T H E A U S T R A L I A N C O L L A B O R A T I O N

Saunders, P. (2004). "What is Fair about a Fair Go?" The Centre for Independent Studies: <http://www.cis.org.au/POLICY/autumno4/autumno4-1.htm>

Peter (Robert) Saunders questions the link between the notion of the "fair go" and support for egalitarianism.

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