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PRIME MINISTER

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**SPEECH BY THE PRIME MINISTER
CONFERENCE ON CHILD POVERTY
MELBOURNE - 8 APRIL 1988**

In thanking you for your invitation to address this National Conference on Child Poverty, I want to congratulate you on your initiative in convening the conference and to wish you well in your deliberations.

It is inevitable that a major focus of your attention today and tomorrow will be the new cash payments available for low income families as a result of a campaign pledge I made during the Federal election last year.

It is inevitable because the new Family Allowance Supplement is, quite simply, the largest and the most effective assault made by any Australian Government upon poverty among our children.

I will have some comments to make about the Family Package shortly.

But at the outset I want to underline forcefully that the new program is not the only weapon the Government is using in combating child poverty.

Nor did our determination to combat poverty and to improve living standards of Australians - and especially the living standards of the least well-off members of the community - suddenly begin last December when the first Family Package payments were made.

From our earliest days in office, I made it clear that, though we had some hard economic decisions to take, there was a clear and vital purpose to that economic strategy.

That purpose, as I put it in my address to the National Economic Summit shortly after we took office, was "the maintenance and, through time, an improvement of ... standards of living."

That ambition was expressed as well in the Prices and Incomes Accord between the Federal Government and the trade union movement which recognised the significant contribution to living standards made by social wage increases.

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We in Government - as a Party, a Ministry, and a Cabinet - have never lost sight of that purpose of maintaining and through time improving living standards.

Indeed as a Government facing extraordinarily adverse international economic conditions, I believe we have been singularly effective in working towards that purpose.

But politics is not only about policy achievement. It is also about effective communication of those achievements.

As the recent defeat of the Unsworth Government, and the anti-Labor swings in the two South Australian Federal by-elections made clear, we seem to have been less successful in that important communications task.

I accept the need for better communication - and it's a task in which groups such as yours have certain responsibilities as well.

What I do not accept is that our achievements themselves are in question - that we have failed not only in communication but in the more basic task of structural reform and redistribution.

Labor today is presented with a two-fold communications task.

We must make clear the continuing necessity for the economic strategy we have had to follow.

Because our economic difficulties, our need to restructure, the imperative to become a more competitive and productive nation will not disappear overnight. Our economic strategy is bearing fruit. Australia is turning the corner. But there is still a long haul ahead of us.

At the same time, we must make clear the ways in which that economic strategy is intimately tied in with, is dependent on, and is allowing substantial progress in, our strategy for the achievement of social justice in Australia.

Labor's economic and social justice strategies have simply been two sides of the same coin: creating a prosperous Australian community and distributing that prosperity throughout the community.

For example, an integral part of the Government's economic strategy has been the securing of wage restraint.

This has helped make Australia a more competitive exporter and thus has enabled us to fulfil the basic task of paying our way in the world.

But it has also created the circumstances whereby Australia has been able to record a job growth of more than twice the rate of the Western industrialised world, and four times the rate under our conservative predecessors.

Over one million new jobs have been created since Labor came to office in 1983.

It is an established fact that the best route out of poverty and dependence is employment. So one million extra jobs means one million Australians providing for themselves and their families.

Of particular relevance to this conference, it means a significant number of children who are not living in poverty who might otherwise have done so had their family been unemployed.

Similarly, there have been important social justice implications from Labor's taxation and welfare reforms.

By introducing the capital gains and fringe benefits taxes, we created not only a more efficient taxation system but a fairer one.

By eliminating welfare payments to those who did not need them - such as through the assets test on pensions and means testing of family allowances - we have been able to target more assistance on those welfare recipients who are in greatest need.

As a major step in the Government's new effort to communicate our social justice achievements and future directions I will shortly be launching a Government report on social justice called Towards a Fairer Australia.

It will demonstrate beyond question that the real wage declines suffered by Australian workers have been matched by significant improvements in the social wage, especially for those on the lowest incomes.

In other words, and despite media claims to the contrary, there is no simple equation between those real wage cuts and declines in living standards of individual families.

And the new report will also demonstrate that the very real improvements which have been made since 1983 in the quality and quantity of services provided by Government have not been introduced in a random fashion.

They have not been band-aids applied to social problems only as they happen to arise.

Rather they have been part of a consistent, carefully thought out and properly funded strategy to improve social justice in Australia.

Nowhere is this clearer than in the measures we are taking to wipe out the need for Australian children to live in poverty.

As you know, the new payment offers, on a means tested basis, significant cash assistance to Australian families struggling to make ends meet.

It recognises in a tangible way that parents incur heavy costs in raising children.

Eligible families receive a maximum tax-free payment of \$22 a week for each child under 13 years old; children aged 13 to 15 receive \$28 a week.

Currently nearly 115,000 low-income working families are receiving the new payment - still well down on the Budget projection of 200,000 families but currently rising with 8,000 new claims being received each week.

The new payment is also being received by another 400,000 families who receive a social security pension or benefit.

In all, over one million Australian children will benefit from the Family Package.

The new payment has received favourable comment from all the organisations sponsoring this conference.

And it was described by Bill Kelty of the ACTU as a breakthrough for working Australians which, if it had to be won by traditional industrial means, would have taken 50 years to achieve.

In fact, for a family earning \$320 a week with 3 children, the new tax free payment of \$66 a week is the equivalent of a wage rise of \$93 a week.

As Bill Kelty has also pointed out, the wages system itself has contained significant biases in favour of the lower paid - with the full support of this Government. These include the awarding of a \$10 per week flat increase to all workers last year and the incorporation of the supplementary payments principle into the new guidelines. Both of these favour the lowly paid relative to higher income earners.

In all, the new Family Allowance Supplement is a significant instalment on our pledge that by 1990 no child need live in poverty.

We have set targets to raise the level of payments under the Family Package so that by 1990:

- children under the age of 13 receive 15 per cent of the married rate of pension;
- children aged 13 to 15 receive 20 per cent of the married rate.

Once attained, these benchmarks will then be maintained to ensure the purchasing power of the Family Package is not eroded by price rises.

But it was never intended that the new Family Package operate in a vacuum in the elimination of the need for children to live in poverty.

That is why it is supported by the range of other measures we have taken to increase the social wage and protect the less well-off.

The Government's record on job creation, as I have already said, promises income security for many Australians whose children would otherwise be in poverty.

Supplemented by the doubling of child care places over the last five years, this record means many families now have the opportunity to work which previously was denied them.

We have alleviated poverty traps which needlessly meant hardship for many pensioners and beneficiaries.

Our reform of education and training programs will also have the long-term effect of reducing the incidence of poverty.

If young Australians are encouraged to complete their education and to undertake quality job training, they will be better equipped to lead satisfying and productive lives in employment.

Under my Government, retention rates at secondary schools have risen from just over one-third to more than half; general recurrent funding for each child at school has risen by 28 per cent in real terms and financial assistance for poor students has been more than doubled.

The restoration of Medicare by this Government brought some two million Australians without health cover under its protection.

This means that families which might otherwise be thrust into poverty through catastrophic illness or accident have the security of insurance against the cost of medical services and access to free hospital care. It has saved the average family \$21 a week in private health insurance premiums.

After unemployment, another major determinant of poverty is the cost of housing.

That is why the Family Package extended rent assistance to all low income families.

The shelter needs of homeless people have also received special consideration. Funding for youth refuges, women's refuges and shelter for homeless people has increased by 76% in real terms since 1984, providing assistance to over 60,000 people in need.

We have also doubled real funding for public housing and introduced the First Home Owners Scheme. Taken together, these have helped about half a million Australian families into public housing or into their own homes. Falling interest rates will also ease the mortgage burden on Australian families.

On this matter, I am pleased to report progress in our efforts to discourage State and Territory Governments from counting Family Allowance Supplement in calculating rent of public housing tenants.

With the introduction of the Family Allowance Supplement, the then Commonwealth Housing Minister wrote to all State Housing Ministers urging that only 15% of this assistance be regarded as income for the purpose of setting rents for Public Housing tenants in each State.

Despite the obvious attractions for the States to increase their rental incomes by taking a slice of the Family Allowance, we have been able to win the co-operation of most States in ensuring that the integrity of the Family Package is maintained and that the real benefits of the allowance flow through to those who need it.

I trust the new Government in New South Wales will honour the commitment of the previous Government to do all it can to ensure Family Package recipients get the maximum benefits from the new scheme.

The only State to adopt a hostile and negative attitude to these proposals has been Queensland, which has a shabby record in public housing stretching back over many years - though even here, we hope to win some acceptance of the purpose of the Family Package.

As an extra measure, following Commonwealth representations in recent weeks, several States are also considering further reductions in rents for low income households with large numbers of dependents.

The final outcome of these negotiations will not be known until the Housing Ministers' Conference next month.

I hope the co-operative attitude most States have displayed so far will be extended to that Conference so that low-income families throughout Australia will be able to benefit fully from the scheme.

The Family Package was intended to help low-income families - not State Government budgets.

Finally, in our efforts to combat child poverty, the Government has established the new Child Support Scheme.

Currently, more than 70 per cent of non-custodial parents do not pay regular maintenance for their children.

This helps explain the massive surge over recent years in the number of sole parent families relying on the welfare system. The Social Security system now supports more than a quarter of a million sole parent families - with 450,000 children - through pensions and benefits.

In the great majority of these cases, the other parent is capable of contributing to the upkeep of his or her child but is not meeting the responsibility to do so.

The new Child Support Scheme, the first stage of which is being introduced in June, will help ensure that parents who have the capacity to pay can no longer abandon their financial responsibility to their children.

It will establish a centralised collection agency and distribution arrangements for maintenance payments. Under the second stage, to be implemented within a year, the Government will develop new arrangements to give greater predictability and fairness to the level of child maintenance payments.

When fully operational the Child Support Scheme will provide secure, regular maintenance for children in these family circumstances. It will be a major step in combating child poverty.

Ladies and gentlemen,

Australians, with the active and constructive assistance of groups such as the convenors of this conference, have long felt it was the decent and compassionate thing to do to help their fellow citizens in need.

They were right. They are still right.

But in the 1980s, we are in an era of harder times and more difficult choices.

Decency and compassion are still powerful and valuable forces. But today, Australians have learned that adequate and carefully costed welfare payments are increasingly recognised as necessary not just for those reasons but on equally powerful grounds of national self-interest.

No society can afford, on grounds of morality or self-interest, to ignore the claims of those of its members who most need help. Because that help, if given in a timely fashion, will be fully repaid in the creation and preservation of a more harmonious and an increasingly productive society.

This is surely the essence of a social justice strategy in times of fiscal restraint, because it encapsulates both what our hearts say we must do and what our minds say we can do.

Nowhere is this lesson more true than in the case of those of our children who live in poverty.

It is essential to realise that a child entering school this year will leave Year 12 on the very eve of the twenty-first century.

So the decisions we make now will be absolutely critical in determining the kind of Australia that child inherits as he or she enters the new century.

If we are incapable of helping that child avoid poverty now, we will be doing an unacceptable disservice not only to that child but to the Australia of the future.
