



# An Economy for Life

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## Our Vision:

Our government makes economic decisions that put people first: decisions that are good for creation, that lift people out of poverty and fairly share our country's wealth. The economy serves the well-being and flourishing of all people.

## Our hopes

- Everyone has a roof over their heads and food on the table.
- People and families living in poverty are not belittled, diminished or demonised. We support each other through our relationships and our economic system.
- All people who are willing and able to participate in economic activity have the opportunity to do so (full employment), and those in paid work receive remuneration and conditions of employment which allow them and their families to thrive.
- We have a fair distribution of wealth supported by a fair tax system. Everyone contributes taxes on an equitable basis so we can have the country we want.
- We have a social security system and universal services that support people to live well. Those people who need income assistance or supports to achieve equal access to a fair quality of life receive them.
- Those that have more wealth contribute more and there are no loopholes in the tax system. Corporations give back to our common wealth too. We all play by the same set of rules, contributing according to our means.
- Taxes collected by governments deliver the things ordinary people care most about, including:
  - » All children have some free access to quality early childhood education and can receive a quality education from their local primary and high schools.
  - » Universities and TAFEs are there for all students, not just the fortunate.
  - » Health, transport, disability and mental health services, aged care and other essential services are well funded and meet the needs of their communities.
  - » Those who are unable to earn an income or who engage in unpaid care are supported by a robust social security safety net.

## Witness from the Bible

- Israel's Covenant law clearly enshrines principles which ensure that all members of society are able to benefit from the economy and the means of production. This includes such provisions as the remission of debts after 7 years (**Deuteronomy 15: 1 – 2**), the return of property in the Jubilee year (**Leviticus 25: 13 – 17**), or rules prohibiting taking a millstone (the means of food production) as a surety (**Deuteronomy 24: 6**). There are also numerous provisions for those in need, such as leaving a proportion of crops in the field (**Leviticus 19: 9 – 10, Deuteronomy 24: 19 – 22**), or laws against withholding the wages of the poor or taking their clothes as surety (**Deuteronomy 24: 14 – 15, 17**).
- Similarly Jesus regularly taught that financial gain was by far secondary to the obedience to God (**Luke 12: 13 – 31**), one significant part of which was the obligation to care for those in need (**Matthew 25: 31 – 46; Mark 10: 17 – 22; Luke 6: 30; 12: 33 – 34; 14: 12 – 14**).
- The early followers of Jesus made a clear priority of sharing their resources so that none should be in need (**Acts 2: 44 – 45; 4: 32 – 35**).
- Paul and other writers of the New Testament epistles regularly highlight the importance of sharing wealth and the blessing that this creates. See for example **2 Corinthians 9: 6 – 12; 1 Timothy 6: 17 – 19; James 2: 14 – 17**. Even Paul's injunctions regarding the Lord's Supper are informed by his concern that differing levels of resource are creating divisions in the Corinthian church (**1 Corinthians 11: 20 – 34**).

## What the UCA has said

### **The Statement to the Nation (1977)**

"We pledge ourselves to seek the correction of injustices wherever they occur. We will work for the eradication of poverty and racism within our society and beyond.

We will challenge values which emphasise acquisitiveness and greed in disregard of the needs of others and which encourage a higher standard of living for the privileged in the face of the daily widening gap between the rich and poor."

## An Economy of Life: Re-Imagining Human Progress for a Flourishing World

“An economy of life is marked by regard for the common good. Individualism, competition and greed deny human flourishing because the fullness of our humanity is not found in wealth but in relationship with each other and the world around us...”

In God’s household people are safe, secure, cared for and valued. The household shares all it has with concern for those most in need...

As we seek to address the failings of the current global economic system, the values of an economy of life would find their expression in an economic system which places the needs of people and the planet before profit.”

## The State of the Nation

### Our Tax System favours the wealthy

- Australia is a low-taxing country by comparison to other wealthy countries. Australian Governments collected 28.7% of Gross Domestic Product (GDP) in tax in 2018, compared to the average of wealthy (OECD) countries of 33.9%. Amongst OECD countries, only the governments of the USA, Korea, Turkey, Ireland, Chile and Mexico collect less tax as a proportion of GDP<sup>34</sup>.
- The distribution of wealth in Australia is deeply unequal. The highest 10% of people have almost half of all household wealth while the bottom 60% have only 16% of the wealth<sup>35</sup>.
- Many features of our tax system favour people who are already wealthy and add to growing inequality. These include negative gearing on rental properties, the Capital Gains Tax discount that taxes profits on investments at half the rate of income generated by work and the superannuation system with its flat tax rate of 15%.
- These tax arrangements encourage speculative investment in assets such as housing, leading to growing wealth inequalities and undermining economic resilience. Capital Gains Tax concessions and negative gearing benefits people who can afford to invest, increasing wealth inequalities, driving up house prices and household debt, and leaving people living on low incomes languishing in an expensive rental market. Removing these unfair tax breaks will not only help grow the revenue base to fund services but will redirect money away from tax sheltered locations into

productive areas that support a stronger economy and more equitable wealth distribution.

- Current tax and superannuation arrangements compound gender-based inequalities in income and wealth, and this contributes to the wealth inequalities that women experience over their lifetime<sup>36</sup>. Future cuts to personal income tax will further deepen these gender-based inequalities
- Personal income tax cuts legislated to commence in 2024 will only compound inequalities and future budgetary pressures<sup>37</sup>. They will increase the gap between rich and poor and doing little to support economic growth, while at the same time leaving a massive hole in government revenues.
- Billions in tax credits and subsidies support fossil fuel industries each year, including the fuel tax credit scheme and direct subsidies to specific industries<sup>38</sup>.

### Key actions:

1. A fairer tax and superannuation system including the introduction of laws which target tax evasion and avoidance.
2. Greater transparency on corporate tax.
3. Addressing growing inequality in access to decent and affordable housing.
4. Phase out fossil fuel subsidies and ensure tax arrangements support the transition to a clean economy.

### Poverty and inequality continue to grow in Australia

- There are just over 3.24 million people (13.6%) living below the poverty line of 50% of median income – including 774,000 children (17.7%). In dollar figures, this poverty line works out to \$457 a week for a single adult living alone; or \$960 a week for a couple with two children<sup>39</sup>.
- Many of those affected are living in deep poverty – on average, this is a staggering \$282 per week below the poverty line<sup>40</sup>.
- The group of people experiencing poverty the most are those relying on Government allowance payments<sup>41</sup>.
- Age Pensioners who rent are also at greater risk of poverty<sup>42</sup>.

- In the 2016 Census, over 116,000 people were homeless in Australia<sup>43</sup>.
- Renters are almost twice as likely to live in poverty as home-owners, with public housing tenants at greatest risk. Among low-income households in the private rental market, 50% are facing rental stress and are therefore at risk of homelessness<sup>44</sup>.
- The rate of poverty for First Peoples remains higher than the broader community<sup>45</sup>.
- In 2021 the Federal Government increased JobSeeker and related payments by \$50 a fortnight, lifting the base rate to \$44 a day, still leaving people in poverty<sup>46</sup>.

### Key actions:

1. Better support for people to re-enter the workforce, particularly for vulnerable groups exposed to compounding risks for long term unemployment.
2. Raising, and appropriately indexing, the single rate of Jobseeker, Youth Allowance and Parenting Payments, and related payments including rental assistance.
3. Remove taxation and other subsidies that add to inflationary pressures in the housing market and commit to a significant boost in funding to build and maintain more social housing.
4. Continue to review and address inequities in superannuation arrangements so that every worker benefits from an increase in financial security on retirement

### ***Stagnant wages and more insecure and precarious work are contributing to in-work poverty***

- The number of people in Australia with insecure and precarious work is growing<sup>47</sup>.
- Women are more likely to be underemployed or in insecure employment, with ramifications for the gender pay gap and superannuation inequity. Women are also concentrated in industries with lower overall rates of pay, such as the care workforce<sup>48</sup>.

- Care work – both paid and unpaid – is overwhelmingly undertaken by women. The undervaluing of caregiving and underinvestment in our social care infrastructure has implications for women’s workforce participation and economic security. While our social security system fails to adequately support those who engage in unpaid care, including single parents, the underfunding of the care sector has meant that paid carers, such as personal support workers in aged and disability care, tend to be low paid and often insecurely employed<sup>49</sup>.

### Key actions:

1. Government policy must aim to not only reduce unemployment and underemployment, but also to improve the quality and stability of new jobs.
2. Labour standards should be maintained, or strengthened where necessary, to ensure the quality of work: ensuring employment is safe, sustainable and fair. Workers should have jobs they and their families can rely on, with fair and predictable pay and hours of work, and access to important protections and conditions.
3. Investment in the care workforce should not only increase employment opportunities but should be sufficient to increase pay and improve conditions.

### Discussion starters

You may like to ask one or more of the following questions in a small group discussion or select one or more to put to MPs or community leaders.

1. What should be done to ensure that multinational corporations pay the taxes they should?
2. What priorities will your party or organisation focus on to direct government revenue back into the community?
3. What can and should be done to address homelessness and housing affordability in Australia?
4. How can we increase support for people who experience barriers to gaining paid work?

5. What reforms should be introduced to the tax and superannuation systems to improve economic fairness in Australia?
6. What local initiatives are there, or could there be to assist people in your community who are experiencing financial hardship or homelessness?

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## Thanks go to...

This document is a **UnitingJustice** project, a collaboration of those engaged in the justice work of the Uniting Church, coordinated by the Assembly Resourcing Unit.

### *We thank the following contributors:*

UnitingCare Australia

UnitingWorld

VIC/TAS Synod

Uniting (VIC/TAS)

Synod of WA

Synod of SA

Uniting Communities

Queensland Synod

UnitingCare Queensland

Uniting (NSW/ACT)

In developing this document, we drew on the excellent work already done in **Australia Remade** by the A24 Alliance, a collection of individuals and diverse organisation with a shared commitment to put people and planet first. We also considered some of the excellent work being done in the **Australian National Development Index (ANDI) Project**.

Uniting Church members are encouraged to visit the websites of all the above groups to further explore the issues and questions that arise as we consider what it means to live and act justly.