

# Future To Fight For

Building An Economy That Puts People First



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This document was prepared on land belonging to the Gadigal people of the Eora nation. Its authors pay our respect to their elders past and present, and recognise that their sovereignty was never ceded.

We also acknowledge that Aboriginal and Torres Strait Islander peoples throughout this land are engaged in centuries-long and ongoing struggles for sovereignty. Generations of genocide, dispossession and marginalisation have caused Aboriginal and Torres Strait Islander people to be disproportionately affected by economic, social and political inequality. This can only be overcome when they are returned self-determination over their land, cultures and lives.

*Future to Fight For* is an ambitious proposal for transformational policies that aim to challenge our basic assumptions about this country's economy, and transform it for the better. It is also a starting point.

In compiling these policy suggestions, we have taken the unequivocal position that no future will be worth fighting for unless the vision we work towards – and the fight to realise it – supports the self-determination of Aboriginal and Torres Strait Islander peoples.

The following policies should be read with the understanding that Aboriginal and Torres Strait Islander sovereignty is critical if we are to achieve progressive change.

# Being Bold Again

For the first time in human history, we have the resources, technology, and skills to build a society where no-one is forced to subsist in poverty. Where a secure, well-paid job is available to all who want one. Where all our energy comes from clean, affordable sources like the sun and wind. A society in which everyone has a place to call home, and the skills to build the life they want to lead.

This is an unapologetically bold vision, but it is built on the hope of past generations who were equally bold.

Australians were among the first to secure the eight-hour working day and guarantee workers both a living *and* a life. Previous generations stood up to demand free education, and *won*. And as a nation, we built a world-class healthcare system where a doctor will see you regardless of your bank balance.

What holds us back today is not scarcity, but the stranglehold of powerful corporations who for too long have taken far more than their fair share. Corporations who have exploited a corrupt political finance system to seize control of our politics, and shout down the voices and needs of everyday people. Corporations who promised us that deregulation, privatisation, and balanced budgets were a prescription for prosperity — that putting our faith in an unregulated market would bring stable jobs, falling prices, and more wealth for us all to share.

After 30 long years of corporate control, we can judge the results for ourselves:

- The top 1% now control as much wealth as the bottom 70%<sup>1</sup> of Australians *combined* — income inequality is worse now than at any time in the past 67 years.<sup>2</sup>
- Company profits are up 32% in the last two years<sup>3</sup>, yet real wages rising 0.03% in the same period.<sup>4</sup>
- Over 1.8 million Australians are willing and able to work but don't have a job or don't have enough hours at their job.<sup>5</sup>
- 25.3% of the Australian workforce are trapped in casual jobs — a whole generation has never known the right to take a paid sick day.<sup>6</sup>

But we don't need statistics to know that our economy is rigged against us. We see it every single day.

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<sup>1</sup> Oxfam, [Growing Gulf Between Work and Wealth: Australian Fact Sheet](#) (2018)

<sup>2</sup> Andrew Leigh, [Battlers and Billionaires: The Story of Income Inequality in Australia](#) (2013)

<sup>3</sup> Australian Bureau of Statistics, 2018, [Business Indicators, Australia](#), Time Series Spreadsheet, cat. no. 5676.0

<sup>4</sup> Australian Bureau of Statistics, 2018, [Wage Price Index](#), Australia, Time Series Spreadsheet, cat. no. 6345.0; Australian Bureau of Statistics, 2018, [Consumer Price Index](#), Australia, Time Series Spreadsheet, cat. no. 6401.0

<sup>5</sup> Australian Bureau of Statistics, 2018, [Labour Force](#), Australia, Time Series Spreadsheet, cat. no. 6202.0

<sup>6</sup> Greg Jericho, ["We should be concerned about the casualisation of full-time work"](#), The Guardian, Australia, 16 January 2018

It's the car window repaired with duct tape, or the overcrowded bus that gets us to work late. It's the forgone family holiday, and the postponed trip to the dentist. It's the oppressive feeling that there is never enough – enough work, enough money, enough time with those we love. This isn't normal. And it isn't something we just have to accept

We need a new vision for our society – a charter of economic rights that replaces the narrow interests of corporations and wealthy elites with our collective interest as citizens. **We need to recognise the simple truth that we don't exist to serve the economy, the economy exists to serve us.**

## Rethinking what's possible

Up until the age of 18, everyone is guaranteed a seat at a school desk at a government-funded school. It's a powerful idea that deeply resonates with our deeply held belief in a fair go. No matter who you are or where you come from, we're all entitled to a decent education that will help us reach our potential and play a fulfilling role in society.

It wouldn't be acceptable for the government to run out of the money required to provide enough seats for every child who wanted to go to school. Nor would it be acceptable for the government to cut funding to students because they didn't meet a particular academic standard, or had differing needs. Because we've collectively decided that a education is a right, our government guarantees it – no matter what.

Before the turn of the 20th century, Australia was able to make basic education universally available, despite the challenges of funding, staffing, and administering such a large and complex program. Now, at the start of the 21st century, we must radically expand our social guarantee to meet the challenges of the modern world

We can guarantee people a decent job, a decent income, and give them lifelong access to education, training, and childcare. We can ensure everyone has access to safe and secure housing, basic utilities powered by clean energy, and banks that don't exploit us.

We have to step beyond the narrow vision of what we're told is "politically possible" and fight for the future we want. It's time to be bold again.

## The failed neoliberal experiment

Over the past decades, our collective wellbeing has been increasingly entrusted to the whims of corporations and the market. Decades into the privatisation experiment, the results are in: **study after study has found little to no evidence of increased efficiency in markets subjected to privatisation.**<sup>7</sup>

A recent study showed that across 34 OECD countries, the average price for energy charged by private companies is 23.1% higher than that charged by public utility firms.<sup>8</sup> Over

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<sup>7</sup> Christopher Stone, [False economies: unpacking public service efficiency](#), Centre for Policy Development, 2014

<sup>8</sup> Transnational Institute, ["The winners and losers in EU's great privatisation fire sale"](#), 2016

the last few decades, Australian people lost control over some of our most vital public infrastructure – and saw their essential services deteriorate.

Allowing corporations to control essential services will *a/ways* fail because corporations are motivated by profit, rather than people. They serve their investors, at the expense of everything, and everyone else – driving wages lower, corporate taxes lower, environmental safeguards lower – in order to enrich a growing billionaire class.

**We can see this everywhere.**

Woolworths and Coles have engaged in unrealistic price wars over essential goods like milk, while neglecting the impact of low prices on struggling farmers

Qantas call themselves the spirit of Australia, but they haven't paid a cent in corporate tax for close to a decade - shirking their responsibility for our schools, our roads and our hospitals.

Uber and Amazon provide insecure contractor work, while moving to automate altogether the jobs they create. Their success is built upon the exploitative conditions of the gig economy.

To build an economy that puts people first, we need to reduce the power of corporations, and empower government to build an economy that ensures every single person is able to live a healthy, happy and fulfilling life.

We need to make the case for government, because government is best placed to do the greatest good, for the greatest number - and it's accountable to all of us. An active, empowered and truly democratic government can and should mobilise our nation's resources for the common good. It should serve the interests of all of us, rather than of a small number of wealthy corporate investors.



# 1. Job Guarantee: Well-paid work for all who want it

## What is a Job Guarantee?

A Job Guarantee is a federally funded, locally administered initiative to directly end involuntary unemployment and underemployment.<sup>9</sup> Anyone who wants to work would be able to accept employment in a publicly funded position at a living wage. Crucially, these jobs would come with all the workplace rights of full-time employment: holiday leave, sick leave, and overtime.

In the same way people are entitled to a seat in a school until age 18, people should be entitled to a job *after* age 18. We don't want to waste people's potential and subject families and communities to the massive social, psychological, and economic damage that unemployment brings.

## What would people do?

As long as we need public services, we need people to provide those services. Imagine living in a world where our transport network didn't run into constant delays due to understaffing. Or where you could call Centrelink and not have to wait hours for someone to answer. Or where aged care and childcare were offered as plentiful and affordable public services - and all our parks and public spaces were kept clean. Imagine if registered charities could offer government-funded jobs to people, instead of relying on volunteers to do the important work feeding the hungry, restoring degraded land and rivers, and giving shelter to people fleeing family violence. Imagine if our crumbling roads were maintained, and our kids went to school in proper buildings instead of stifling demountables.

**Everywhere you look there are opportunities to connect the untapped potential of people with the unmet needs of the community.**

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<sup>9</sup> Pavlina Tchnerva (2018), "[The Job Guarantee: Design, Jobs, Implementation](#)", Levy Economics Institute, *Working Paper 902*; Victor Quirk et al. (2006) "[The Job Guarantee in Practice](#)", Centre for Full Employment and Equity, Working Paper No. 06-15.

## Why do we need one?

Until the 1970s, providing every person with full-time, meaningful work was a core pursuit of the Australian government's economic management.<sup>10</sup> High levels of public investment drove industrial expansion, and a thriving public service prioritised equipping people with in-demand skills.<sup>11</sup> In the 1980s, however, following the disastrous model of Thatcher and Reagan, the government abandoned its commitment to people in favour of deregulation and privatisation - drastically cutting our public service. In 1997 Australia became the first OECD nation to *completely privatise* our public employment services.<sup>12</sup> And successive governments have since deliberately reframed unemployment as a personal failing, rather than the reality of being locked out of paid work.<sup>13</sup>

But the data tells a different story. Private corporations consistently fail to provide enough demand for people's skills. Labour force statistics for the start of 2018 show that there were only 201,600 private sector jobs being advertised for the 725,200 people looking for paid, full-time work.<sup>14</sup> That's almost four unemployed Australians competing for every available job, without even taking into account the 1.1 million Australians who want more hours.<sup>15</sup> Attempts by politicians to punish jobseekers into work by pushing income support payments well below the poverty line ignore this basic reality: *corporations aren't providing enough jobs*.

There's so much good work to be done building stronger, better communities. We're not reinventing the wheel. We're arguing that the government - already the single largest employer in the Australian economy - should do what private corporations can't: **ensure that nobody is left out or left behind.**

## How does a Job Guarantee support people?

The strength of a Job Guarantee is that it works to support people and communities through periods of economic transition. During economic booms, people will more easily find private-sector employment – equipped with better skills and more confidence from their time in public employment. And when the private sector cuts jobs during a recession, or an industry declines, the government can enlist people's skills to meet community needs. By earning a living wage for meaningful work, people will not be forced to live below the poverty line. Their increased disposable incomes will in turn support and stabilise the economy for local shopkeepers, retail workers, and small businesses during difficult economic times.

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<sup>10</sup> Ellen Carlson & William Mitchell (2001), *Unemployment: the Tip of the Iceberg*, CAER/UNSW Press, Sydney, p193-218.

<sup>11</sup> Herbert Cole Coombs (1994), ["From Curtin to Keating: The 1945 and 1994 White Papers on Employment"](#), ANU Press.

<sup>12</sup> Ibid.

<sup>13</sup> Warwick Smith (2017), ["Unemployment Policy in Australia: A Brief History"](#), Per Capita.

<sup>14</sup> Australian Bureau of Statistics, [Job Vacancies](#), Australia cat. no. 6354.0; Australian Bureau of Statistics, 2018, [Labour Force](#), Australia, Time Series Spreadsheet, cat. no. 6202.0

<sup>15</sup> Australian Bureau of Statistics, 2018, [Labour Force](#), Australia, Time Series Spreadsheet, cat. no. 6202.0

Jobs should be flexibly designed to accommodate people with different physical, intellectual or behavioural needs. **We can measure the economic gain, but what's immeasurable is the feeling of dignity, certainty and empowerment this could bring to millions of Australians and their families.** This is one of the reasons a Job Guarantee may be preferable to a basic income. It's a powerful framework of social inclusion that allows us to broaden our understanding of valuable work. As our society changes, the government could adjust working conditions directly, by shortening the working week, or improving other entitlements.

The bargaining hand of workers would also be strengthened by a Job Guarantee. The threat of unemployment, so often used to corner workers into accepting an unfair deal, would be gone, empowering private sector workers to negotiate better wages and more dignified conditions. Furthermore, private sector employers would have to at least match the conditions of public service jobs or attract workers through other benefits.



## 2. Universal lifelong education and retraining

The rapid pace of industrialisation has brought incredible opportunities. Worldwide, the average worker produces *ten times* more value today than in 1930. Many jobs today are safer, more creative and more enjoyable than at any point in history.

But unless we take action now, all these gains will be eroded. The world is in a state of flux. New industries rise and fall rapidly on the back of changing technologies. And even as we've become more productive and technologically capable, we've done a poor job of liberating people from long hours and exploitative conditions. This is because corporations take advantage of increased productivity to boost their profit margins, while forcing workers to compete for their jobs against increasingly sophisticated machines. Far too many people have been displaced by technological advances they could never have planned for.

Rapid change is the reality of the modern economy. **And because the world of work is changing, workers must be equipped to change with it. All education and retraining should be free, universal, and accessible throughout the entirety of a person's life.**

To build thriving communities in the twenty-first century, we need to give every single person the opportunity to access new skills and unlock new opportunities, no matter how much education they've previously had – or how old they are. Australia currently invests just 0.23% of GDP on programs designed to retrain people back into work – almost nine times less than comparable economies abroad.<sup>16</sup>

We need to understand that investment in people is investment in the future of our nation. Proper retraining of labour displaced by automation would boost the Australian economy by **\$1.2 trillion** over the next 13 years.<sup>17</sup> When people skill up and find new and better jobs, they produce more goods, earn higher wages, and contribute more fully to society. **The reality is, we can't afford *not* to invest in the education of the Australian workforce.**

### 1. Reverse the disastrous privatisation and corporatisation of TAFE.

Technical colleges should be the centrepiece of our future education system. TAFE is able to facilitate flexible education throughout a person's working life because of the short, skills-based courses they offer. People should be able to dip in and out of TAFE throughout their career, to re-skill, skill up, or change direction. TAFE colleges should become recognised centres of excellence for skills we need to develop for our economy to thrive – rather than being

<sup>16</sup> OECD, (2015) "[Public Expenditure on Active Labour Market Policies in 2015](#)".

<sup>17</sup> AlphaBeta, "[The Automation Advantage](#)", Insights, August 2017.

neglected public colleges or run by exploitative private providers.

- 2. Robust support for apprentices.** At the moment, apprenticeships are *penalised*, with workers' hourly rates sitting significantly below a living wage. This discourages many Australians from learning valuable occupational skills, often highly sought after in the community. Apprenticeships should be funded by the Australian Government under a Job Guarantee program – so those who want to learn are given a decent living wage.
- 3. Publicly funded university, at any stage in a person's life.** While university was once the domain of the privileged - the advanced skills, critical thinking and problem solving that a university education provides have become necessary staples of the modern employment market. No-one questions the role of the government in providing free K-12 education because we all benefit when every child is equipped with basic numeracy and literacy skills. And we will all benefit from individuals equipped with the skills to demand higher incomes and more than pay back the cost of their education over their tax-paying lives. Our universal education guarantee should be extended to include university.



### 3. Universal Access to Early Education and Childhood Learning

Parents should know that, no matter what their life circumstances, their children will have access to the early education and care they need to get the best start in life.

As wages fail to keep pace with the cost of living, more households *need* two incomes to make ends meet. One parent used to be able to support a family by working 5 days a week. Now many households contribute 10 days of work a week between two parents, and still struggle – with much of the benefit of the second income eaten away by the rising costs of early childhood learning and care.<sup>18</sup> Ironically, families may need to work more, and see their children less, to help cover the costs of early childhood learning. This is even more challenging for single parent families, since more two-income households also means a greater demand for childcare, which leads to a scarcity of places and higher costs – especially when for-profit operators form the majority of the market.

It's also clear that women who want to work are still bearing the burden of unpaid work at the cost of their careers. In February 1978, only 43.4% of women had a job or were seeking employment.<sup>19</sup> Today 66% of women are working.<sup>20</sup> This leap has been transformative for our society. But women still face structural barriers, exclusion and oppressive workplace cultures. **61% of women with a child under five work part time, while only 8% of men with young children do the same.**<sup>21</sup>

A full year of paid parental leave and universal access to free public early childhood learning would empower more women to pursue careers. Two-income families would regain the benefit of their second income, which could actually give them the freedom to work *less* and spend more time with their children. And single-parent families would no longer be forced to make impossible choices between working to support their children and obtaining care and early childhood learning for them.

We need sensible, 21st century policy arrangements so that families can provide their children with the best start in life, while creating more gender equality in the workplace:

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<sup>18</sup> [Natsem modelling](#) shows that a second low-income parent returning to work full time, will earn just \$4.55 per hour after taking into account taxes, childcare costs, and lost government support.

<sup>19</sup> Alexandra Heron, "[More women than ever are in the workforce but progress has been glacial](#)", The Conversation, 16 March 2016.

<sup>20</sup> Australian Bureau of Statistics, [Labour Force](#), Australia cat. no. 6202.0, February 2018

<sup>21</sup> Australian Bureau of Statistics, [Gender Indicators](#), Australia cat. no. 4125.0, September 2017

## 1. A full year of paid parental leave:

The ability to spend time with a newborn child is vitally important to parents and to the child - and in an economy as prosperous as ours we should not be forced to choose between our work and important time as a family. Parental leave should be paid at 80% of a person's full time salary, capped at a maximum \$60,000 payment for the year.<sup>22</sup> Three months should be reserved separately for the mother and father as a non-transferrable allocation - to encourage men to play a greater role in early childhood.<sup>23</sup> The remaining six months can be split between the parents as they see fit, and taken concurrently or consecutively.

## 2. Universal, public kindergartens:

From the age of one, all children should be guaranteed a space in a publicly funded kindergarten or daycare centre - allowing both parents to work a normal working week should they wish to, or because they need to, without worrying about the cost of childcare.

In Norway, 90% of all children under the age of 5 are in a public kindergarten - for an average of 35 hours per week. The cost of admission is capped at \$395 per month, with a 30% discount for a second child, and 50% discount for the third.<sup>24</sup>

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<sup>22</sup> Similar to the Swedish, Icelandic, Nordic and Finnish systems.

<sup>23</sup> Apolitical, ["How a parental leave policy changed the way Sweden sees fatherhood"](#), Case Study, June 2017.

<sup>24</sup> Kristin Holte Haug & Jan Storø, ["Kindergartens in Norway: From care for the few to an universal right for all children"](#), Child Research Net, February 2013.



## 4. Guaranteed Basic Income

Despite decades of uninterrupted economic growth and a once-in-a-generation mining boom, successive governments have left millions of people trapped below the poverty line. Since the early 1990s, our income support payments have been slashed relative to the cost of living – denying millions of people who are locked out of paid work the right to a dignified life.<sup>25</sup>

Right now, 2.9 million Australians live below the OECD standard poverty line, and 731,000 of them are children under the age of 15.<sup>26</sup> Worse, these numbers are trending *upwards*, driven by unacceptably low income support payments that push people into poverty.

There are different proposals that use different terminologies in this field. Unlike a **universal basic income**, which is provided to everyone regardless of their financial circumstances, a **guaranteed basic income** is a targeted, simple, accessible safety net above the poverty line. Combined with a jobs guarantee, a guaranteed basic income safeguards the value of work by providing ongoing skills, a sense of purpose, and social inclusion – while ensuring that no-one is forced to live in poverty.



Figure: Government benefits versus poverty line

<sup>25</sup> David Richardson & Matt Grudnoff, [Inequality & poverty in Australia: The case against the removal of the clean energy](#), The Australia Institute, 2016.

<sup>26</sup> Australian Council of Social Services, [Poverty in Australia](#), 2016

**As far as possible, we need to depoliticise poverty as far as possible, and simplify assistance. To achieve this, the following steps should be followed.**

**1. Agree upon an amount of money required for a household to live in dignity.** The Minimum Healthy Living Index,<sup>27</sup> produced by the University of New South Wales, takes the approach of calculating the cost of living a dignified life by looking at the price of all the things a household might need to survive comfortably. This is significantly higher than our current income support payments, because they are woefully inadequate and leave people languishing in poverty.

**2. Payments should be unconditional and automatic.** The current cost of monitoring payments is huge. We can save money, and provide people with a better service, by radically simplifying access. A single declaration, once a month, of how much a person earned in the previous month will entitle people to a weekly payment of the gap between what they earned and the indexed rate for the subsequent month. No cashless welfare cards, no work-seeker requirements - just timely help for the people who need it most.

**3. No penalties for finding employment.** To maintain an incentive to work, there won't be any penalties for people who find work after making their monthly declaration. That means you won't have to repay money you earned that put you above the indexed rate. Instead, your payments will just be reduced the next time you make your declaration to reflect your new circumstances. We should invest time in helping those who need it, not chasing up minuscule amounts of money from people who have finally found paid work.

**4. Accommodate different living circumstances accurately.** People living in different areas face different costs. We can accommodate these nuances with existing information about cost of living. We can also accurately model the changing costs of raising children as families grow and ensure that the arrival of a new baby doesn't take food from the mouths of their elder siblings.<sup>28</sup>

**5. A Basic Income works in unison with a Job Guarantee.** Many people desperately *want* the connection and sense of contribution that work provides. A Job Guarantee is sufficiently flexible to provide people with disabilities or who need workplace support with opportunities to engage and be included in meaningful work in a way that the private sector has historically failed to provide. Fewer people will need to access a Basic Income in our world.

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<sup>27</sup> Peter Saunders and Megan Bedford, [“New Minimum Income for Healthy Living Budget Standards for Low Paid and Unemployed Australians: Summary Report”](#), August 2017, UNSW Social Policy Research Centre.

<sup>28</sup> Ibid.



## 5. A roof over every head

Access to stable, affordable housing - connected to public transport, schools, and good jobs - should be a non-negotiable government guarantee. People should know they have somewhere to sleep each night, and that they won't get kicked out of their home at short notice, or have the rent put up without warning or justification.

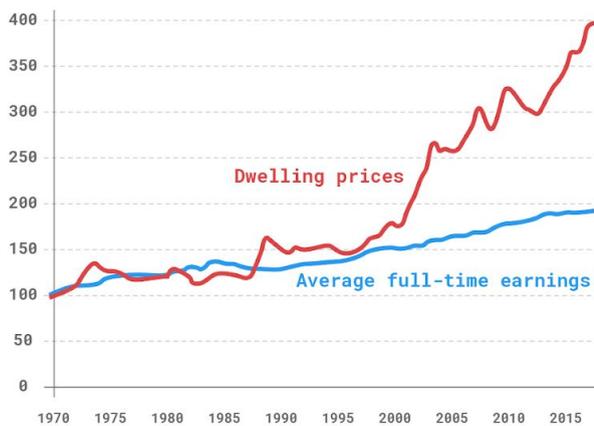


Figure: House prices have grown much faster than incomes since the mid-1990s  
Sources: Yates(2011), ABS(2017c) and ABS(2017d)

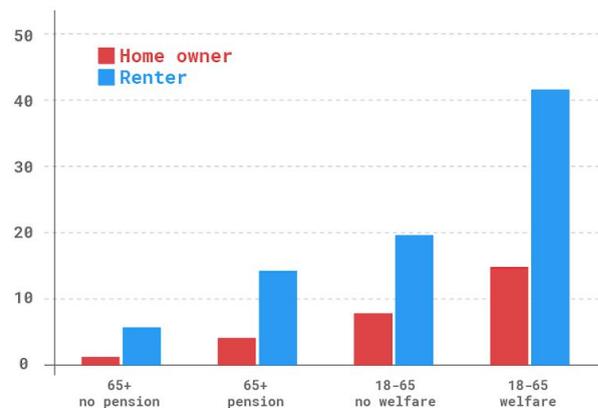


Figure: Renters tend to be more financially stressed than home owners  
Per cent of households facing at least one financial stress, 2015-2016

In June 2016, there were 194,000 people languishing on the government waiting list for social housing, forced to compete for *just 8,111 vacancies*.<sup>29</sup> On any given night, over 100,000 Australians go to sleep uncertain about their housing situation.<sup>30</sup> Almost 18,000 children don't have a place they call home.<sup>31</sup> And across the country, home ownership is being made less affordable, leading to increased financial stress, especially among renters and low income households.<sup>32</sup>

<sup>29</sup> Australian Institute of Health and Welfare, "[Housing Assistance in Australia 2017](#)", Australian Government, 13 July 2017.

<sup>30</sup> Homelessness Australia, [Fact Sheet](#), 2016

<sup>31</sup> Ibid.

<sup>32</sup> John Daley & Brendan Coates, "[Housing affordability: Re-imagining the Australian Dream](#)", Grattan Institute, Report no. 2018-04, March 2018



**Figure: Percentage of New Dwellings Funded by the Government**

We need to transform our public housing programs, stop rent-gouging at the hands of wealthy landlords, and strengthen the rights of tenants.

## A Massive increase in funding for affordable housing supply

Just 30 years ago, the Australian government was responsible for funding the construction of 12% of all new dwellings.<sup>33</sup> Today, that number has fallen to just 1.5%.<sup>34</sup> As a result, the proportion of social housing stock has been decreasing, despite already being extremely low, relative to other wealthy nations.

In this time of unprecedented wealth, the Australian Government can once again afford to prioritise social housing, and focus the construction of new housing in areas that are close to public transport, good schools and public amenities. The government could also purchase private housing developments that are lying empty, to ensure that every person who needs one has a roof over their head.

<sup>33</sup> Australian Bureau of Statistics, [Building Activity](#), Australia cat. no. 8752.0, December 2017

<sup>34</sup> Ibid.

## Commonsense housing reform:

- Replace stamp duty and property taxes with a broad land value tax on everything, including owner-occupier properties.
- End negative gearing, and lower the capital gains tax discount to 25%.
- Abolish “no grounds” rental evictions, unless the landlord intends to use or sell the property or there has been a serious breach of the tenancy agreement.
- Cap rent increases for existing tenants at a single annual increase in line with inflation.
- Ban “rental bidding” to ensure fair access to rental properties at their listed price for people on lower incomes.
- Improve tenant entitlements, including allowing pets in all properties and permitting tenants to make modifications without permission, provided they don't decrease the value of the property.



## 6. Household Energy Guarantee

We should all be able to heat our homes in winter, keep our food refrigerated, and enjoy a hot shower without worrying about being able to pay for it. Yet far too many Australians find themselves unable to afford the energy and hot water they need for a healthy and comfortable life.

Since the 1980s successive governments have privatised, corporatised, and deregulated many of the essential services people depend upon. Unaccountable CEOs have replaced elected representatives – and everyday people are paying the price. Private generators withhold supply and drive prices sky-high.<sup>35</sup> Network companies abuse their monopoly over the poles and wires to inflate prices.<sup>36</sup> And retailers pad their profit margins by adding markups unrelated to the cost of service to their customers' bills.

Energy is a fundamental necessity of modern life. And access to it should be guaranteed – free of charge. To do this, we need to replace the existing privatised tangle with a national, publicly-owned public-interest system that delivers 100% renewable, affordable energy to every single household in Australia.

### Energy for every household:

**A free connection to the electricity grid should be guaranteed to all.** On top of this, the government should provide everyone with a sufficient daily energy allocation to keep the house lit, the food fresh and enough water warm to serve everyone's needs. Using grid data and smart metering, the government can calculate the basic requirements for any given household, taking into account geography and family size.

A basic energy guarantee is common-sense. Currently, fixed fees make up a huge proportion of people's electricity bills, with discounted rates given to heavy users. This is designed to incentivise maximum energy use – and boost the profits of energy corporations. Instead, we should provide the basics free of charge, and charge progressively more for those who use excessive amounts. By changing the current tariff structure, we can guarantee people's basic energy needs – and recoup some of the cost through higher tariffs on heavy users.

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<sup>35</sup> Bruce Mountain, [“Dirty Power Games”](#), GetUp, 2016

<sup>36</sup> Nicky Ison & Miriam Lyons, [“Homegrown Power Plan”](#), GetUp and Solar Citizens, April 2016

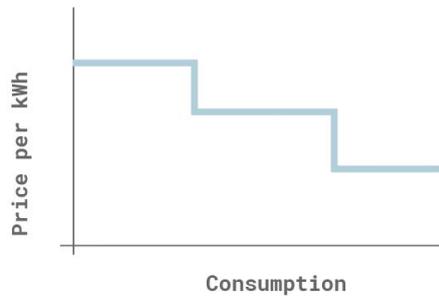


Figure: Profit (and usage) maximising tariff structure

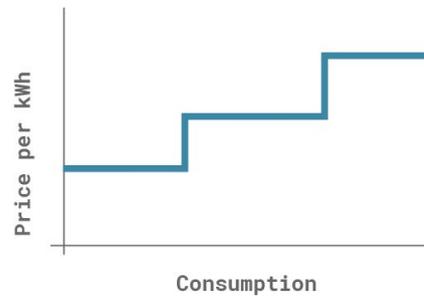


Figure: Conservation and equity maximising tariff structure

## A public-interest energy system:

We can replace our dirty, expensive and unreliable energy system with one that delivers clean and affordable energy for all by the following means:

- **Federal investment in publicly owned renewable energy generation and storage:** Australia already produces enough renewable energy to supply 70% of Australian homes. That comes as no surprise when solar and wind energy are now cheaper to build than coal, and the combination of renewables and storage is already cheaper than burning gas for electricity. We need to rapidly accelerate investment and get to 100% renewable energy by 2030.
- **An electricity grid owned and run in the public interest:** Regulators have failed to stop network companies abusing their monopoly over the poles and wires. We should return that monopoly power to an elected government who can be voted out if they fail to run them well. Governments are also best placed to manage a smooth transition from a grid dominated by big, centralised power stations to one with widespread local rooftop solar and storage, and to ensure that old energy heavy-weights don't use their market power to squash the newcomers.
- **A public option in the retail market with a mandate to provide 100% clean, affordable energy to households:** Retail markups account for a significant proportion of the price increases that have been forced on consumers in recent years. Corporate investors shouldn't amass wealth at the expense of people who can't afford to turn the heater on during winter – and a public option would force private sector retailers to compete at the lowest possible profit margins. Additionally, a public clean energy retailer could help households lower their usage by investing in efficiency measures like solar panels or hot water systems – reducing costs and further cutting climate pollution.



## 7. A public-interest banking system

Banks are vital to life in the modern economy. They are where we deposit our salaries and store our life savings. They provide the credit we need to make urgent repairs to a car or pay for an unexpected trip when a parent falls ill. And if we wish to buy a family home or start a family business, access to credit gives us the autonomy to be the architects of our own lives.

Despite the systemic importance of banking, control of our financial system has been handed over to large for-profit corporations. They've exploited their privileged position by charging their customers exorbitant fees, selling deceptive insurance and handing out negligent, self-serving financial advice – all the while accumulating more and more of *our* money for themselves. And anyone whose current income or previous financial mistakes paints them as a risk to banks' profits is refused service, and cast out into the unforgiving world of loan sharks and predatory payday loans.

**It is high time Australians had access to a Public Interest Bank that would operate both online and through existing government infrastructure such as our post offices.**

The government already provides public financing in many areas of the economy. It acts as a low-cost lender for education through the Higher Education Loan Programme (HECS-HELP), and provides access to cheap credit for renewables projects through the Clean Energy Finance Corporation. It's time to take things one step further.

A Public Interest Bank would provide many benefits:

- **A low-cost, secure destination for people's cash.** Without the need to make a profit, a Public Interest Bank can put people first: providing a safe, no-fee destination to store people's salaries and savings without being gouged by corporate banks.
- **Affordable emergency lending service for those most in need.** Having a low income, or having made a credit mistake 10 years ago, shouldn't prevent people with a sensible plan from accessing credit to fix their car so they can get to work, or make an interstate trip when a loved one passes away.
- **Priority lending for social good.** A Public Bank could encourage social impact investments that improve labour standards, public housing or environmental conditions or fulfil other community needs.
- **Become the standard for banking services.** By being accessible to all, the Public Bank would force private banks to lift their service and ethical standards to compete with a no-fee, fully-guaranteed destination for deposits.

## Public economic infrastructure in public hands

The payments system is the fundamental economic infrastructure that allows funds to be stored and transferred between people and businesses in the economy. When banks were privatised, the payments system was privatised too, and the banks' control of it has given them unwarranted structural importance to the economy. They're too big, and too important, to be allowed to fail – and they know it.

The banks have parlayed their control over the vital payment infrastructure into a unique privileged status in the economy. Their deposits are formally guaranteed by the government, and in times of crisis they are given unrestricted access to public funds. With this privileged status, they've taken risky bets on exotic financial products – pocketing huge profits and leaving the public to pick up the bill when the house of cards inevitably collapses.

As long as for-profit corporate banks are allowed control of the national payments system, they will be able to privatise their profits and socialise their losses. We need to bring the payments system back into public hands – and our economy back under our control.

## How do we pay for it?

### Good debt, bad debt.

In his 2017 budget, Treasurer Scott Morrison made a crucial concession. He admitted there's such a thing as "good debt" and "bad debt". **He argued that it's not the size of the deficit that matters, but what we get for it.**<sup>37</sup> His reasoning: increasing the deficit in a manner that generates growth, productive capacity and higher tax revenues into the future is not only sensible — it should be standard operating practice.

This is a subtle but important admission that breaks down the gross oversimplification of public finance that has dominated our political discourse for decades. It offers us a starting point for funding the policies in this document. Getting people into meaningful work, reskilling them over the course of their lives, investing in efficient, affordable, renewable energy, will directly boost our economy.

For example:

- Reskilling the workforce to deal with automation will have a \$1.2 trillion economic return over the next 12 years and an immeasurable social return.
- Investing in full employment will shorten economic downturns by acting as an automatic stabiliser for the economy - injecting more money when the private sector shrinks, and less when the private sector is booming. This shortens downturns, and keeps people skilled up and ready to re-enter private sector jobs when they become available.
- Ensuring everyone has a living wage is the best thing we can do for jobs and innovation. Businesses don't invest, expand or create jobs unless they know there are customers who can afford what they produce. A more generous social wage supports local small businesses where those wages are spent.

### We can afford anything, just not everything.

History has shown that the Australian government can comfortably spend more than it takes in from taxes. In fact, Australia has *never* run meaningful government surpluses, nor has it needed to. **Since Federation, we have been in deficit 77% of the time, and our deficits have always been significantly larger than our surpluses.**<sup>38</sup> This simple fact isn't discussed enough - although it is widely understood by central bankers. A government that issues debt in a currency they control is *never* at risk of default.

Deficits only become a problem for governments when the economy is approaching its productive limits. At that point, injecting further money into the economy without other checks, such as a robust progressive tax system, risks inflation. Inflation, not revenue, is the

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<sup>37</sup> David Sharaz ["Morrison's 'good, bad' debt claim under fire ahead of the Budget"](#) SBS, 27 April, 2017

<sup>38</sup> Ashley Owen, ["Running up and paying off government debt"](#) Philo Capital Advisers; ABC, ["Was Labour responsible for a record deficit"](#), ABC Fact Check, 2016.

real constraint on government spending. But Australia is a long way off reaching our productive capacity. Investing in a more generous social wage will benefit of all of us.

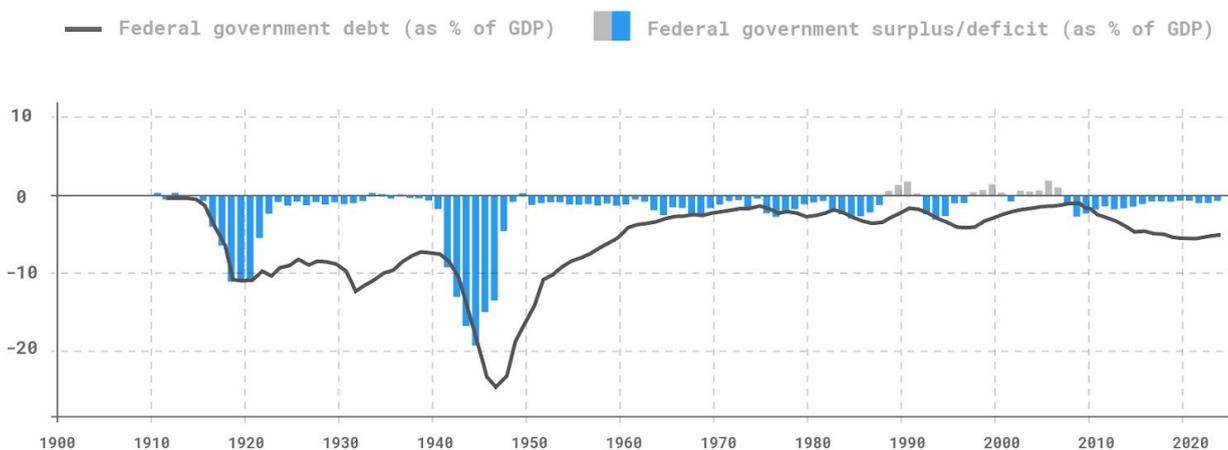


Figure: Federal Government deficits and debt since federation  
- this country was built on deficits

## We can't afford not to.

The status quo is expensive. We pay *extraordinary* amounts to avoid fixing problems. When considering this vision, it's important to bear in mind all the money it saves as well as the money it requires.

We spend billions on job incentives that don't create jobs.<sup>39</sup> We spend billions on the healthcare system and law enforcement, addressing the symptoms of poverty and homelessness rather than preventing the causes.<sup>40</sup> We spend billions helping people reskill at shonky private colleges, and then millions more investigating why it went badly.<sup>41</sup> And while people may have lower taxes, they have higher energy bills, childcare costs, and bank fees because corporations continually ramp up the prices of services we depend on.

And it's also worth noting that the costs of these proposals are shared. The more people who engage with a job guarantee, the fewer people who will require income support. If early education, energy and housing become more affordable, the indexed level of income support will be reduced.

Finally, conservatives never feel the need to explain how they'll pay for proposed \$65 billion dollar corporate tax cuts. They never feel the need to justify the \$17 billion dollars spent on fighter jets. We don't need to justify the cost of this agenda - we simply need to do what they do: **Argue it's value.**

<sup>39</sup> Rick Morton, "[Failing job sites branded a mess](#)", *The Australian*, October 2017

<sup>40</sup> Ellen Witte, "[The case for investing in last resort housing](#)", Melbourne Sustainable Society Institute, *Issues Paper No. 10*, March 2017.

<sup>41</sup> [Report of the Senate Education and Employment References Committee](#), "Getting our Money's Worth: The operation, regulation and funding of private vocational education and training (VET providers in Australia)", October 2015.

## Conclusion

The meteoric rise of Bernie Sanders and Jeremy Corbyn showed us what's possible when we think big and put people at the centre of everything we're fighting for. The shocking win of Donald Trump is evidence of the consequences when we don't offer compelling solutions to the real challenges of a changing world.

The GetUp community knows that politics is too important to be left to politicians.

In July 2017, 17,000 GetUp members took part in a national survey of the changes they wanted to see in their economy. Many of them dedicated at least half an hour to describing their vision of a fairer, and more just society. Their most popular ideas were put to leading economists, researchers and partner organisations to understand how we can bring those ideas to life. This document is only the first step in a journey that began with GetUp members' ideas.

And it's only a single step in what will be a long journey.

Re-imagining what's politically possible is a process that takes time. Yet the only way real change has ever happened is by everyday people to coming together and fighting for the future they want.

Despite the division and cynicism that sometimes engulfs our politics, most people know we can do better. While we might not vote the same way, we share common hopes. While we may all come from different places, we all want to move in the same direction: towards good schools and good jobs, decent healthcare and housing, affordable childcare and affordable energy.

These aren't radical ideas. In a country as wealthy as Australia, they're common sense and basic decency.

Thank you to every contributor -- GetUp member, researcher, academic and campaign partner -- who's helped to make Future to Fight For a reality.