

Session I: Setting the Scene

Discussion and Questions

Julianne Schultz: Thank you, James. That was terrific. I can well understand why you've been chosen to lead that Scanlon Report. I'm sure you'll do an excellent job in the coming years. What I'd quite like to do now, if I've got the capacity to do that, is to draw in some questions from the audience. There's been a lot of talk from up here, so if anyone's got any questions, this would be a good opportunity.

Louise Edwards: Thanks very much. I'm Louise Edwards from UNSW and also the Academy of Humanities. I've got a question for Professor Holden. I was really interested in the discussion about the economics of wellbeing and the costs that are often invisible to economic modelling. For example, you mentioned the relative cheapness of curriculum reforms compared to intensive tutoring for school changes. I'm wondering whether that actually is because the labour of the teachers doing the curriculum reform is invisible to economists and it's one of the reasons people are leaving teaching in droves. Even with the universities, we see that a great idea at the department level becomes a cascade of work by the time it's rolled out as to the classroom, so people have to invent new scaffolding for their classes.

They have to introduce new activities, they have to actually prepare all their classes, and teachers are actually just spending all of this time because somebody in policy had a great idea, and lots of teachers are now kind of keen to actually become the department rather than be at the coalface. I think it's really important, for those teachers already employed, that the time they spend is actu-

ally factored into economic models and not just part of this invisible labour. And as a side anecdote, I have a friend who is surprised that people had to clean bathrooms. He said, "We don't clean our bathroom. It's always clean." He literally never saw his wife cleaning the bathroom; therefore, it did not count. We need to be careful that we don't do this to our teachers because there will be no one left teaching.

Richard Holden: Thanks for that. That's an incredibly important point that the piece of research, which is not my work, but some scholars overseas (those we're referring to) did in fact take account on a fully costed of basis of teacher time. I think the general point that you raise about making sure that we count all the contributions that people make and making sure that those contributions aren't invisible and aren't undervalued is incredibly important. I think on the specific question of teaching, one of the emerging and unfortunate trends, is the amount of time that teachers have to do (and this has been well documented) in compliance and administration and reporting and other things, which take them away from what many of them got into the teaching profession to do, which is to spend time as educators. What many of us as parents want for our children is for those teachers to be doing what they do best, rather than filling in forms. I think it's really important to think about what people do, measure it correctly and make sure we basically keep people doing what they want to do and what's most effective.

Julianne Schultz: Alison, I'm interested in your response to that as a policy person on the panel, not necessarily in the specifics of the teaching, but of just what's counted and what's not in terms of the clever ideas that work their way through the system. That was referenced in an earlier presentation: that when you factored in public housing and public education, that meant that people were less disadvantaged.

Alison Frame: Yes, that's right.

Julianne Schultz: If they can't get access to public housing and the public education's not as good as it might be, it's not actually offsetting to the same degree as it needs to be to make a real difference.

Alison Frame: Yes, that's right. Definitely. That's what I was referring to — consumption inequality — and demonstrating that there are in-kind services that are publicly available and that ameliorate in some way the effect of income inequality. Certainly, from the Government's recent announcements and policies over the last six months, there's been a huge acknowledgement and redirection of funding towards social and affordable housing and the recognition of housing as a fundamental need to address inequality, and to provide the foundation there for opportunity and engagement, economic and social participation. That's a significant aspect of that, which has become more pronounced in the last few months. I'm happy to take any other questions on where the Government's focusing at the moment.

Julianne Schultz: Yes, sure. We'll come back to that.

Kwan Lee: Thank you very much panellists. My name is Kwan Lee from the University of New South Wales. My question here is

around social cohesion, so maybe to James. When I look at social cohesion, I look at example of Norway, I look at the example of Singapore, fantastic policies ensuring that the disadvantaged are not disadvantaged in terms of housing, a very basic need for all human beings. In Australia, it seems to be very expensive. You can't participate in volunteer work if you are struggling with living costs. Then, on top of that, you are disadvantaged because you don't have resources. You can't access private tutoring for education. Therefore, you can't participate competitively in the social structures. What is Australia doing wrong that Singapore and Norway are doing right? Something that comes to mind is the sovereignty fund. We have a sovereignty debt of a trillion dollars. If we switch it the other way around, what could we do to invest in social cohesion, which is an economic pathway? Participation and trust will eventually flow from that. I welcome your thoughts on that.

Julianne Schultz: James, I'm interested in your thoughts, but Kalinda, I'm interested in your thoughts too, in terms of the sort of transfer discussion that you were raising, as well. So, James first.

James O'Donnell: I thought that was very well put. I agree with everything that was said. Housing is emerging — has been over the last couple of years — as one of the big issues in our discussions with communities and is likely an important part of that nexus between financial stress and financial wellbeing and economic disadvantage and their perceived social cohesion, as I was talking about in my address. It's having a real effect on social cohesion, even just things like housing policy and some of the housing affordability stress that is experienced, particularly in disadvantaged communities.

There are lots of things that we can do about it. I don't think we've done particularly badly, but it's something that's emerged in the last couple of years as a big issue around housing affordability and addressing some of those issues around financial stress more generally. We saw a big response during the pandemic to some of the financial support measures, and that had a flow-through effect to people's perceptions of social cohesion in Australia. We know a bit about what we can do and how we can address some of those issues. I think they're going to become increasingly urgent over the next couple of years. Hopefully we can have a strong policy response.

Kalinda Griffiths: There's been limited work on social cohesion in Aboriginal and Torres Strait Islander communities. One of the main reasons for this is that it doesn't fit nicely in regard to communities working together to do what they need to do, and the extreme disadvantage that people may experience, particularly in regional and remote communities. There's a lot of work that I think we need to do in terms of how we measure that social cohesion. There have been discussions across a couple of universities where we want to adopt a model of social cohesion. But ultimately, it's not transferable at this point. You might have a really strong community and culture and understanding, but they're still experiencing rheumatic heart disease, which is a disease of extreme poverty, only ever seen in nations that don't have access to healthcare. We still see it in Australia in remote communities, as an example. There's still a lot of work to do in terms of how we better understand and address this within the complex environment of Aboriginal and Torres Strait Islander communities.

Roger Kerr: Thank you. My name's Roger Kerr from UNSW. Lots of discussion about inequality from panel, which is great, I think. One issue which wasn't mentioned but perhaps alluded to by James was the issue of unemployed people who tend to be coming from a socially disadvantaged group. People are long-term unemployed. Again, a select group of that same group and people who have repeat spells of unemployment and that's an issue which affects maybe a small group of people, but they're come from the same socially disadvantaged groups. Comments, thoughts? Thank you.

Alison Frame: It's a really good point and certainly a recognition that we need to do more. With the level of unemployment at the moment as well, we recognise that there's an enormous challenge, an enormous opportunity to incentivise employment for people who have been unemployed for some time. But that's just not, "Here's the job, go and take it." It requires some quite active support to assist people to participate in those opportunities. We've had reference to housing and other things that are foundational and would be necessary for someone to actively engage in that employment opportunity. You also mentioned the disadvantage associated with unemployment, but what we also know, from Peter Butterworth's studies at ANU and a range of other research, is that if you don't have anxiety or depression when you go into income support and become unemployed, you may likely have that — or you would more be likely have that — one or two years after.

And there's this increased prevalence of mental health deterioration associated with longer-term income support when people don't receive the opportunities that we need to make available to them. There is a deep

recognition in government programs about the need to provide wraparound support to recognise the complexity and comorbidities of disadvantage, and to ensure that it's not a single programmatic service offer, "Here's the job, why aren't you taking it?" The recognition of what other barriers might exist and a comprehensive service offer to genuinely assist people to engage with that.

Richard Holden: Just to add very briefly from a top-down level to those important points that Alison made. We've come to recognise, I think in the last five or six years or so, that the speed limit of the economy in terms of unemployment isn't 5%, it's closer to 4%. And that if the kind of reforms that have led us to that view can continue, we ought to be able to get that speed limit down to closer to 3½ or 3%. That doesn't solve all those problems, but if you think about literally hundreds of thousands of people who on average in steady state are not unemployed, the best way for people to not suffer from long-term unemployment is to be employed. More often than not be out of spells that tend to have a hysteresis effect to them and tend to perpetuate. Those reforms are incredibly important for us to be able to provide those employment opportunities.

Kalinda Griffiths: I just want to speak to some of the work that we are doing in the Northern Territory. In the NT, about 50% of students don't complete high school and about 64% of Aboriginal and Torres Strait Islander people aren't employed. We figured out that this was a pathway issue. Because of that, we developed a program — Menzies-Ramaciotti Training Centre¹ — where we

engage with students across a range of different mechanisms. The systems are there to support people in regional remote areas, but we want students to engage in that program. It's been running for about two years. We've had over 70 people come through and they start at school-age or they can be undergrad and move into higher education as they progress with us as well. We've been able to touch about 2,800 students so far, through engaging them in outsourcing.

We've got a Health Lab that goes out to communities, and they know what options and availability there is for them in terms of training and education. We are trying to gain support from government at this point in time. What we realised is that this isn't necessarily just we need to get people into jobs. We need to have those systems that can work in those environments to grow people on the ground to support them in those communities. And so working with distance education as part of the Department of Education to make sure that people are able to access those services that are there for them. It's really very simple, but at the same time it's quite a complicated process to be able to engage all of those partners. But that's just one way in which we can address some of these issues, particularly in regional and remote areas.

James O'Donnell: It's difficult to pick up in surveys the impact of long-term unemployment and cyclical unemployment. It's something that we need more research on, but I agree with all the points made.

Julianne Schultz: Did anyone want to say something else? Okay. I'm going to end this session now because we're going to have lots

¹ https://www.menzies.edu.au/page/Research/Centres_initiatives_and_projects/The_Ramaciotti_Regional_and_Remote_Health_Sciences_Training_Centre/

of times for lots of more questions. I'd like to thank our panellists. I think what we've managed to do in this session is to go from a very big picture down to a granularity, which is, with no disrespect to your work,

Richard, much more complex and nuanced when you get beyond the big picture pattern and see how these competing factors play out on the ground and in people's lives.

