



Australian Community Futures Planning

The State of Australia 2022

Are we progressing towards a better Australia?

Transcript of Part 1

For more information view the full report on The State of Australia 2022 at <https://www.austcfp.com.au/state-of-australia>

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The State of Australia 2022:

Are we progressing towards a better Australia?

Graphics for this transcript are only available in full in the YouTube version.



Contents

Contents.....	1
Introduction & Episode Outline	2
About ACFP and <i>Australia Together</i>	2
The End of Term Report on progress towards the Vision for <i>Australia Together</i>	3
The <i>Australia Together</i> National Wellbeing Index.....	4
How the End of Term Report works	5
Are we progressing towards a better Australia?	5
Progress towards and away from the Vision for <i>Australia Together</i>	7
Results on the Economy – the failure of neoliberalism	9
Results for our standard of living.....	18
Poverty:.....	18
Hunger.....	18
Homelessness.....	19
Extracts from The State of Australia 2022 – Summary Tables.....	20

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Introduction & Episode Outline

Welcome to this report on the State of Australia in 2022. I'm Bronwyn Kelly, the Founder of Australian Community Futures Planning or ACFP and in this video series I'll be summarising the findings of a major report we've produced which provides Australians with their first comprehensive picture of our wellbeing and security as a nation and our preparedness for the future.

The series comes in two parts:

1. The first part focuses on the report's findings overall and particularly findings about Australia's economic performance and the capacity of our prevailing economic policies to deliver a better standard of living.
2. The second part covers key findings about our society, environment, governance and foreign relations over the last decade and the impact of policies in those areas on our wellbeing, security and economic strength.

About ACFP and *Australia Together*

ACFP was founded in March 2020 as a fully independent research organisation with no political affiliations. It's been founded to help Australians build their own long term plan for a better future. That plan is called ***Australia Together***. It's our first national community-built futures plan and for the last two years ACFP has been providing resources to Australians so that they can build a better and better plan for our nation over time, a plan that expresses our best intentions for the future and integrates all the strategies we'll need to create the nation and country that we want to leave to our kids.

You can find out everything about ACFP and ***Australia Together*** by visiting the ACFP website at www.austcfp.com.au

Australia Together is in what we call its "starting draft" phase. Starting at 2020 it is designed to build a map of the safe paths to the best future we can imagine and aspire to right now. It's designed to help us make that a reality by 2050 or sooner.



The End of Term Report on progress towards the Vision for Australia Together

The report I'm going to talk about here on **The State of Australia in 2022** has been produced to show what if any progress we have made toward the draft Vision of that plan – the **Vision for Australia Together**. [Read the full Vision here](#).

This is an ambitious Vision but it's what Australians have imagined as the best future we could aspire to and it's by no means unachievable. It's possible that with good planning and consistent follow-through and some good fortune in reduction of current global tensions, we could make the Vision for *Australia Together* a reality by 2035. So if you have young children or grandchildren now in your families, we could make a wonderful Australia for them by the time they reach high school or become young adults.

At ACFP we've started helping Australians to draft and refine this vision and commence writing their integrated plan to achieve it by undertaking four main research projects and the results of these are all fully available to the community:

1. The first research project we've completed is development and design of an integrated planning process that Australians can use to build and monitor their plan together. Anyone can get involved in this. Even school children. They're especially welcome, because, after all, it's about giving them the best chance of a better future.
2. In the second project, we've devised a **structure** for the integrated long term national plan itself – one that will be easy to follow. It's been structured as a map of the safe paths to our preferred destination in the future and to that end it has a signpost system useful for selecting Strategies that are the ones most likely to take us reliably, safely and affordably to where we want to go.
3. The third major project, which will be ongoing, is the research to assemble the first **draft of the Vision for Australia Together**; and we've based this on the preferences Australians have already expressed for their future on the occasions they've been asked about that in the last decade. Although politicians never ask us what we



want for the future, other research organisations have done that and we have freely given our answers. These answers have provided the pieces of a picture that we can assemble of a future in which everyone can find a space to live their life as they determine to be meaningful and fulfilling. And when these pieces are assembled what becomes apparent is that, when it comes to the future, Australians – regardless of any political, cultural, economic, gender or ideological differences – are “staggeringly similar” in their aspirations. We all want the same things for our kids, nieces, nephews, and anyone dear to us who is born next in our communities. We all want wellbeing and security and the same opportunities to attain those fundamental conditions. We may disagree about what we want in the present. But we tend not to disagree about what we want as an ideal for the longer term. That’s agreement that we can build on.

4. And to help us build on it, ACFP has also assembled the data to help everyone monitor whether we are moving towards or away from the Vision and whether we need to change course. Like the Vision, this assembled data is also an ongoing research project. It’s called the **Australia Together National Wellbeing Index**.



The Australia Together National Wellbeing Index

In that Index, ACFP has assembled over 260 indicators of:

- our health, wellbeing, security, resilience, and our cohesion as a society and nation;
- our performance as environmental custodians and the health of the natural environment itself;
- the strength and sustainability of our economy;
- our standing as a responsible international citizen; and
- the strength of our democracy at home.

Currently the Index houses data on 265 of these indicators and it’s expected to grow to over 300 indicators in the next couple of years.

The Index **holds factual baseline data** about all these things, data that have been gathered together by ACFP from hundreds of credible sources including the Australian Bureau of Statistics, independent private and public research institutes, universities, and global data bases like the OECD and the United National Sustainable Development Goals. ACFP doesn’t make up these data. We simply transfer them into one accessible space so that we can show the starting points for the plan. These data points are assembled to show us where we are now in the early 2020s and how far away we are from the ideal.

The Index also holds data about the destination of the plan in that it includes Targets and Strategies to help us make the Vision a reality. It holds data about the scope of the task. This means that uniquely, this Wellbeing Index doesn’t just look at us as we are now or as we have been. It also looks forward. We can use it to look back at our performance over recent times. But we can also use it to check if we are travelling forward to exactly where we want to go – as opposed to somewhere we don’t want to go. In that regard it is set up to shed light on our prospects and our ability to make our dreams a reality. It’s about our preparedness for the future.

So it's set up to give us advance warning about where we might be veering away from our preferred destination and time to get back on track before we do too much damage.

How the End of Term Report works

The report on **The State of Australia in 2022** provides insights into the *trend* of changes in the data through time. It does that by a simple system of arrows which show on each data point whether, relative to the baseline, we have moved towards the targets or away from them.

	Red and red arrows pointing left = movement away from the Targets and Vision
	Green and green arrows pointing right = progress toward the Targets and Vision
	Split arrows in both directions = mixed results, stagnation, or absence of data

The system tells us whether we are moving steadily towards what matters most to our ability to make the vision a reality. It doesn't focus at all on whether we might be getting better at something that doesn't matter so much in the long run and won't help us make the vision a reality no matter how well we might do it.

With these sorts of integrated planning and monitoring tools Australians can for instance get back on track to rescue our climate and ecosystems from catastrophic change. We can get back on track with our economy, strengthen our democracy, restore our recently fractured social cohesion, head off – as much as we can – global conflicts, wars, hunger and disease, and even figure out how to finance it all fairly and affordably.

The Integrated Planning system developed by ACFP can help us work out how to achieve the level of wellbeing and security we all want at the lowest long run cost. If you'd like to see how it can do this and how you can play a part in it, you can **view our video explainer series on National Integrated Planning & Reporting on YouTube**. Check out especially [Episode 2 Part 2 about long term national financial planning](#).



ACFP has been established not just to provide these tools. We hope we can help Australians use them to do something with their democracy that they haven't been able to do until now. We hope they can use it to rise above politics – which let's face it has failed us – and to set an agenda for the nation's future that matches our desires and provides a place of security and wellbeing for everyone.

Are we progressing towards a better Australia?

Ok, so let's see how we're going. Are we progressing towards the better Australia that we've said we want – the one described in the Vision for Australia Together? What do the data tell us about our current wellbeing and security and our preparedness for that better future?

First of all, the report shows what's been happening to us and the direction of travel that we have taken – towards or away from the Vision and Targets – over two time periods:

1. One is over the life of the 46th parliament of Australia – that's the Morrison government period from 2019 to 2022. This is why the report is subtitled an "End of Term Report". It sets out how healthy Australia is at the end of the term of office of the 46th federal parliament. In ACFP's integrated planning cycle, Australians will need one of these reports at the end of every federal parliamentary term to help them hold those they elect to account for delivering what we've said we want – rather than what they've said we should want. This makes it not just a report on the Morrison government's performance – although it is – but a report on how well the whole parliament worked together during its term to the benefit of the nation.
2. The second time period reported on is what we call the longer term. It goes back over the last ten to twenty years, wherever data are available.

Reporting across the two time periods makes it possible for Australians to see trends and see them clearly. This is important because **it's trends in the data that are the most instructive things for planning purposes, not little movements over short time periods.**

For instance, data about how unemployment went down in the month of January 2022, which it did, are pretty useless, unless you're a politician trying to get re-elected. In fact short timeframe data like that are often totally misleading. They're like a mirage that implies you've found water when you haven't. It's much more useful to focus on long timeframe data – for instance, data about the extended periods we've actually suffered over the last decade in relatively high unemployment and particularly underemployment – that's the long period since the Global Financial Crisis in which large numbers of Australian couldn't get enough hours of work. These trends can usefully be lined up with other data and information about plausible causes, which can then be used to develop Strategies to reverse the trend.

Sadly for Australia, the trends of performance that have shown up in the data over both these time periods – for the 46th parliament and the longer term – do not signal that we are progressing towards a better Australia, certainly not the one that looks like the **Vision for Australia Together**, the one we have said we want.

In fact, if Australians agree that the draft *Vision for Australia Together* describes the better Australia we might aspire to for ourselves and future generations, then the data in this report say:

No, we are quite definitely not progressing towards a better Australia, we are travelling away from that preferred destination.

The report makes quite confronting reading in that regard. The evidence of decline in our health, wellbeing, security, natural environment, economy, international standing and democratic strength is abundant. And when all that evidence of decline is put in one place, as it is here, it irrefutably adds up to a stark failure of national will and unity. We are not heading in the Direction we have said we want to go. We are tracking towards its polar opposite. In 2022, Australia, in terms of the desires we have expressed, is a nation in decline.

But even so, in all these data there are glimmers of hope, if we organise ourselves well to take full advantage of those glimmers. We do have the means of reversing our current direction as a nation and we have full capacity to switch to much safer paths.

But that requires us to look squarely at where we are now and just how far away we are getting from our preferred destination. This is not the moment to ignore the hard facts. So I'll sum up our lack of progress and our position at the end of the term of the 46th parliament of Australia. From there we can plan our way to something better.

Progress towards and away from the Vision for *Australia Together*

The Vision for *Australia Together* is made up of 17 elements. These are draft statements about the sort of life we wish to be able to lead and the country we wish to live in by 2050 or sooner. **ACFP hasn't made the Vision elements up to suit ourselves. We've simply assembled what Australians have been saying they want in the last decade.** You can read the draft Vision in full on the ACFP website and we hope you will assist us by commenting. We have surveys available for this purpose running all the time.

[Access the surveys on the Vision and Directions for Australia Together here.](#)

Based on the data in the Index the report on The State of Australia 2022 shows that:

- **On balance, we have moved away from rather than towards 15 of the 17 Vision elements.**
- **Progress on the remaining two Vision elements has been stagnant – neither towards nor away from the Vision, on balance.**

Based on the data, the **balance** of the result is not a fine one. It is stark and conclusive. It's been heavily tilted towards the negative. **There are no green arrows here and the data strongly indicate that the nation has been drifting solidly that way for more than a decade.**

But Australia Together is a map helping us make the Vision a reality, so **the Vision also includes 57 draft Direction statements** of the safe routes toward that Vision, including Directions for our society, environment, economy and governance. In *Australia Together*, these preferred Directions of travel are:

- socially inclusive, equitable and intelligent,
- environmentally sustainable,
- economically fair and resilient, and
- democratically open and ethical.

To monitor whether we're moving towards the Vision via these safe directions, we've assembled 265 indicators of performance and gathered baseline data for each of these from all the fabulous research that many other reputable data collection agencies have made freely available. So far, we've only had time to assemble the data for about 65% of the indicators we think we will need to fully monitor what's happening in our travel to a better Australia. Not bad for only two years' work but more is required. Still, the 265 indicators and data points we have at the moment allow us to shed clear light on progress in 42 of the 57 Directions. During the next parliament we will get the data set to a point where it can shed clear light on all 57 Directions.

But in relation to the 42 Directions we can monitor now, the news is not good. On balance over the longer term:

- **In only 2 cases have we moved in accordance with the safe direction of travel.**

- In 4 cases we have moved in accordance with the safe direction but too slowly for safe purposes.
- In another 4 cases, evidence is mixed and progress is stagnant.
- And finally, in 32 cases we have moved contrary to the safe Direction of travel. We have travelled towards the polar opposite of where we want to go.

These results are for the longer term, but performance during the 46th parliament does not suggest that there has been a turnaround in that time. The 46th parliament simply continues the poor trends that started a decade or more ago, and results for the shorter period are on balance negative in all the four quadrants of society, environment, economy and governance.

Taking the results on the direction of movement in relation to the 265 individual indicators in the Index, we can see that:

- **During the 46th parliament,**
 - negative performance (travelling contrary to the preferred Direction) outweighed positive performance by a factor of 255%. That means that for every one time we went forward on a particular indicator, there were and two and a half other indicators where we went backward.
 - In all four quadrants of society, environment, economy and governance, negative performance outweighed positive performance.
 - The **worst performance** by far during the 46th parliament was in the **Environment** quadrant, although only a relatively small number of Indicators were monitored this time around in that quadrant.
 - The **second worst performance** was in the **Economy** quadrant, but here, a large number of indicators were monitored and negative performance outweighed positive performance by a factor of 667%. Economic performance during the 46th parliament was extremely disappointing.
- **During the longer term,**
 - negative performance (travelling contrary to the preferred Direction) outweighed positive performance by a factor of 516%. That means that for every one time we went forward on a particular indicator, there were more than five other indicators where we went backward.
 - In all quadrants, negative performance significantly outweighed positive performance.
 - The **worst performance** by far over the longer term was in the **Economy** quadrant, where a large number of indicators were monitored and negative performance outweighed positive performance by an astounding factor of 5400%. No – that's not a misprint. It's simply counting the number of indicators where we went backwards in our economic performance versus the number where we went forward over the longer term. We went backwards on 54 indicators and forward on only one. The only positive factor in progress in Australia's economy has related to the predisposition of Australians themselves towards the need to re-build equality and fairness. We want things to be more equal and fairer. If we can achieve that it will be good for the economy. But nothing else has been tracking in a positive direction. I'll give some examples of that in a minute.
 - The **second worst performance** over the longer term was in the **Environment** quadrant, although only a relatively small number of Indicators were monitored in that quadrant this time round. Next time there will be more and hopefully we will see a better result.

Consolidated results for the longer term Are we travelling towards the Vision via the safe Directions?				
Quadrant	Indicators, Targets & Strategies monitored	No. of positive, neutral & negative results		
		→	← / →	←
Society	112 comprising 87 Targets and 25 Strategies	17	48	47
Environment	24 comprising 13 Targets and 11 Strategies	2	7	15
Economy	61 comprising 32 Targets and 29 Strategies	1	6	54
Governance	68 comprising 33 Targets and 35 Strategies	11	13	44
Total during the longer term – over the last 10 to 20 years		31	74*	160

* No data were available to update baseline results for 41 of the 74 neutral results.

As I said, this is confronting stuff. But it's a timely wake-up call and it's better that we know it now so that we can do something about it. To do something effective, we have to look squarely at what's causing the decline. These failures testify to the failures of policies that prevailed over that time. The policies that Australia's elected leaders have imposed over the last ten to twenty years have clearly let us down badly. These results show those policies aren't working and it's time we reversed them.

Results on the Economy – the failure of neoliberalism

The first imposed policy that clearly hasn't been working to strengthen our economy is neoliberalism. **Australia's economy in 2022 is testimony to the failure of neoliberalism.**

In the Vision for *Australia Together*, Australians are expressing a preference for:

- a strong, sustainable economy;
- one that is fair and provides justice at work and during industry transitions;
- one where living standards improve continuously for everyone, not just for some;
- where we raise national wealth (particularly taxes) fairly and then share it fairly;
- where markets are designed and regulated to encourage competition not monopolies, or oligopolies or plutocracies or gross inequality or sheer greed; and
- where both the public and private sectors operate at maximum efficiency in service delivery for them.

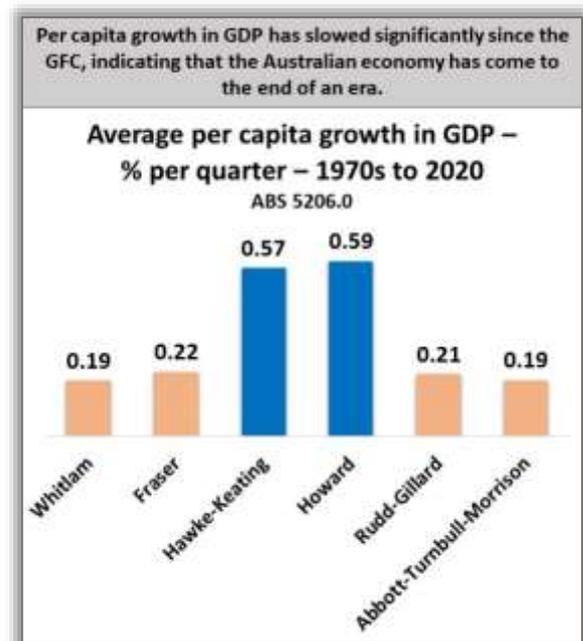
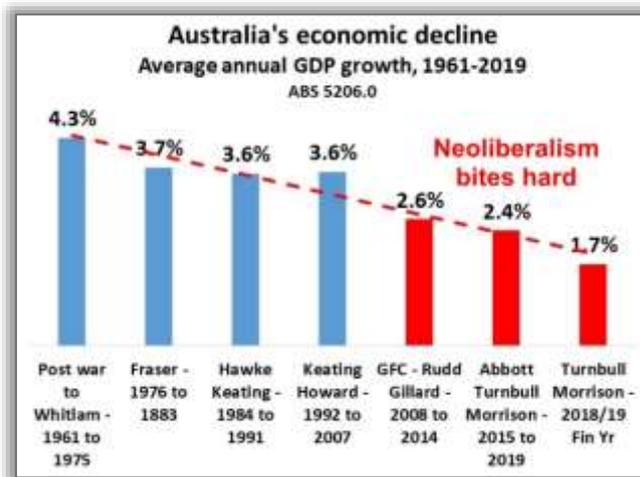
Have we been moving towards all that? On balance, the data says No. Neoliberalism has been wrecking this preferred sort of economy with its emphasis on:

- small government;
- exclusion of the public sector, taxpayers, and many other Australians including welfare recipients and women from participation in their own economy;
- poor regulation of markets;
- unrestrained environmental exploitation;
- taxpayer subsidies for uncompetitive and otherwise unsustainable businesses like fossil fuels; and

- privatisation of public assets that taxpayers have worked hard to build by selling them, often for far less than they are really worth and often as monopolies, to private foreign owned corporations who pay little if any tax.

That's neoliberalism and it's how we've been running our economy for the last twenty years. It's a framework of corruption and theft from the many by a tiny few. And the data show it's not working to deliver the sort of economy we've said we want – one where everybody gets a fair go. Contrary to what Australia's Treasurer John Frydenberg has attempted to assert, the fact is that on all the vital indicators of an efficient economy, ours is failing.

The economy is not growing at a pace sufficient to carry us all to safety. It's now growing more slowly than at any period since the second world war both in total and on a per capita basis.

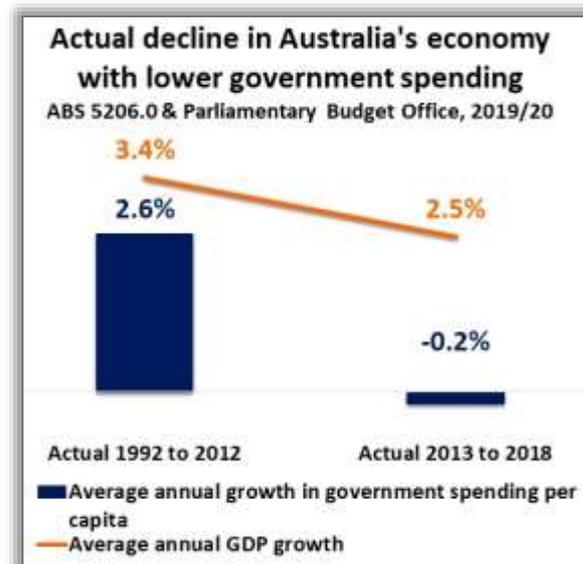


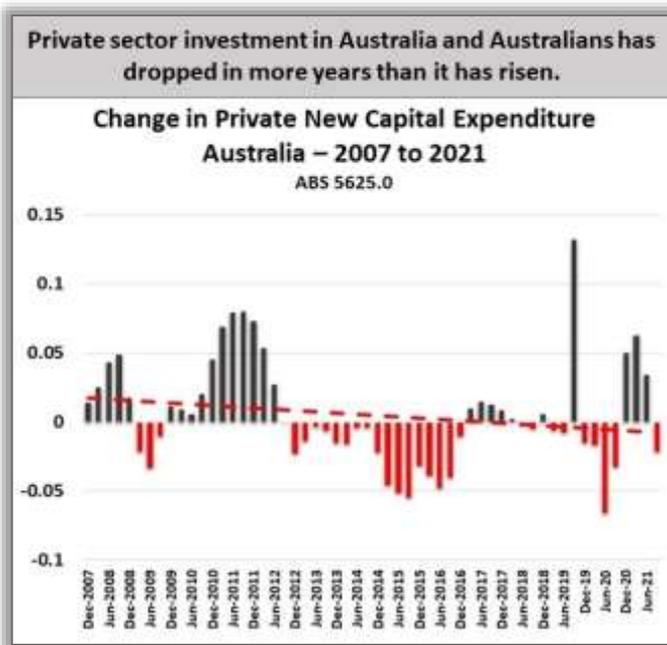
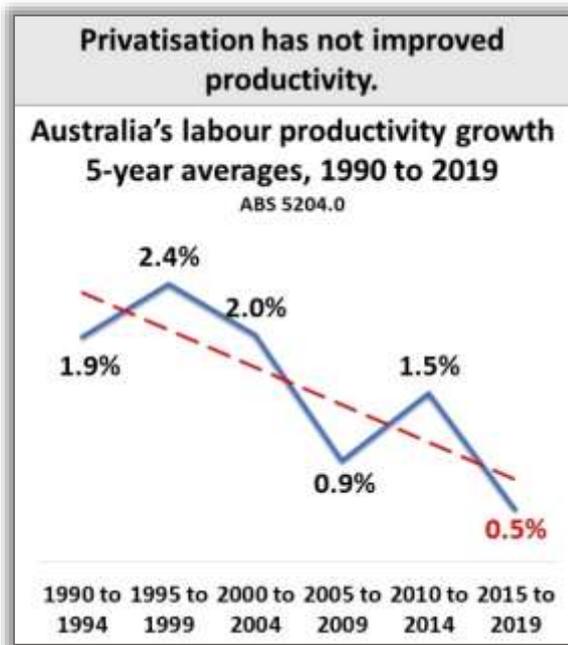
Neoliberal policies of small government have contributed significantly to the problem. **The more the government has shifted to spending less on Australians, the more our economic growth has slowed.**

A smaller economy is the inevitable result of withdrawal of participation by the biggest single player in the economy – the taxpayer-owned government sector. That sector produces 25% of our GDP, often more. If we withdraw it – especially if we withdraw it to favour an inefficient private sector, there's only one possible result - economic decline. On that reckoning alone, **neoliberalism is economic suicide.**

Nor has the sell-off of taxpayer owned assets and services led to an increase in productivity.

Productivity is the vital ingredient for a sustainable economy – one where we use fewer resources for the same or greater levels of production. But our productivity has declined, particularly as the private sector has failed to reinvest its profits in Australia.

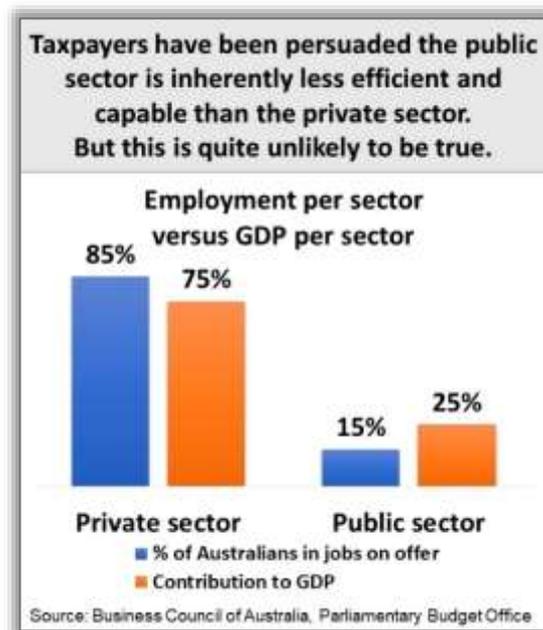




Since 2007, new private capital investment has declined in more years than it has risen. Only in the Rudd Gillard years did the government manage to get the private sector to steadily commit to investing in the Australian economy. Thereafter it's been mostly negative with profits being dragged offshore.

The private sector is also comparatively inefficient in production overall. Its business leaders boast of providing 85% of the jobs on offer in Australia and yet they seem to run it so poorly overall that the sector produces only 75% of the GDP. By contrast, the public sector provides the other 15% of jobs on offer but produces at least 25% of our GDP. None of that attests to the theory that the private sector is more efficient and that we will be better off if we hand over all service control to that severely disorganised sector.

And without the growth in productivity that can only come if **both** the public and private sectors participate fully and competitively in our economy, Australia cannot hope to build a strong sustainable economy.



This isn't to say that the public sector doesn't have efficiency problems. Of course it does. But the public sector concentrates on delivering services for which there is very strong domestic demand. We buy what we need most there for our safety, health, education and connections. Contrary to popular neoliberal myth, that spending doesn't make our economy smaller. It makes it bigger and it gives us more decent and productive jobs. So it makes no sense to run it down or to run funding for it down.

Public funding is what makes huge numbers of jobs for us. And the gross value added by those sectors – funded almost entirely by the public – is in fact not 25% of GDP but at least 37%. Largely it's the tax we put aside and then distribute through the public sector into the wider economy that

Public funding grows the economy and provides decent, productive jobs.

Employed persons by sector

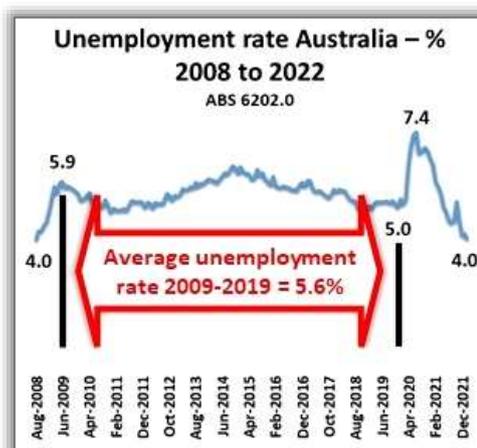
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makes that production possible, even if some of it is delivered by private sector contractors. Imagine trying to live without this organised injection, every year, of public funding. But this is what adherents of neoliberalism like the Business Council of Australia would argue for. They argue that we shouldn't put aside tax ourselves and use it on ourselves. They argue that they should get tax breaks and subsidies from us and that we should get austerity. Trouble is, austerity and private sector free market dominance of the economy hasn't been working. Not only has it not led to decent levels of economic growth, it also hasn't led to improved employment rates.

Since the pandemic recession, unemployment has dropped to 4%, the lowest it's been for well more than a decade. The last time Australia's annual unemployment rate had a "4" in front of it was way back in 2008, before the Global Financial Crisis. So our newfound 4% rate for a couple of months in 2022 looks good.

But we should remember that from **2009 to the start of Covid-19**, the average annual unemployment rate was **5.6%**. On average, that means the equivalent of around two and a half million Australians were locked out of the workforce for at least a month each year and very often for the whole year. All those hours of production were lost, when the economy should have been structured to make space for them, but it wasn't, largely because of a preference for neoliberal policies.

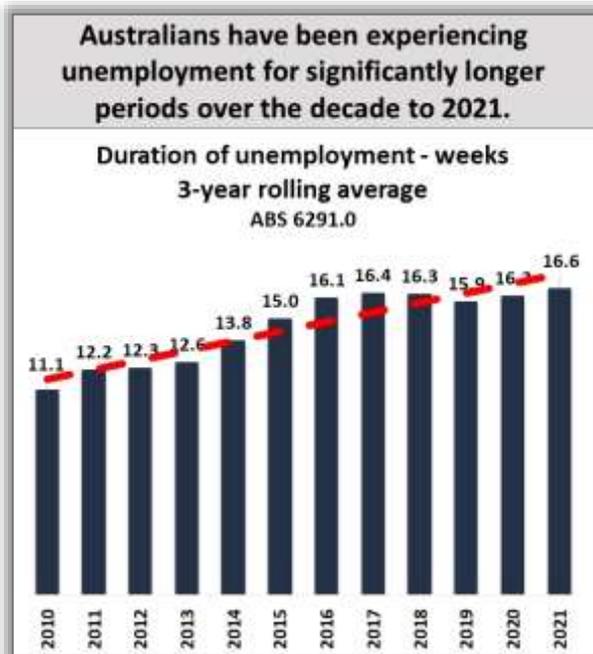
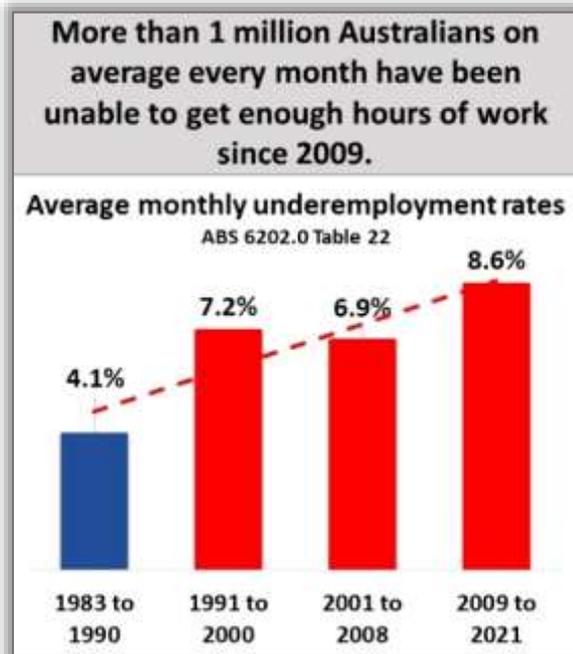
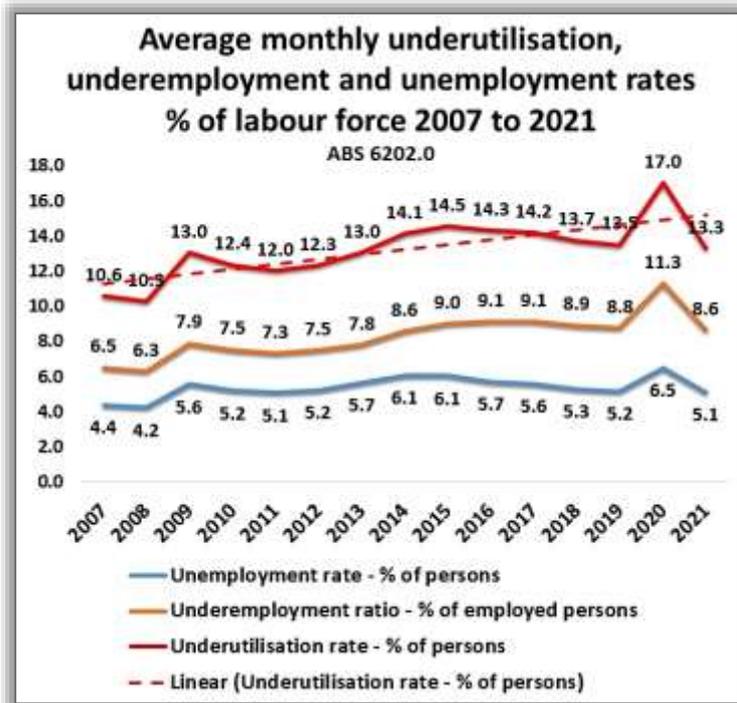


What's more, this understates the real unemployment rate that we were forced to suffer because it doesn't take underemployment into account. When you add underemployment, we can see that the total willing labour force has been seriously underutilised.

Total unemployment, or underutilisation of the willing labour force averaged 13.7% between 2009 and the end of 2021. In January 2022, real unemployment wasn't 4%. It was 10.9% if we take the underemployed into account.

Since the Global Financial Crisis of 2008 just under 9% of Australians on average have suffered through underemployment every month. That's an average of over a million workers every month who couldn't get enough hours of work to meet their needs.

The duration of unemployment also tells us that things aren't good. In 2010 the duration of unemployment was 11.1 weeks. Now it's over 16 weeks.

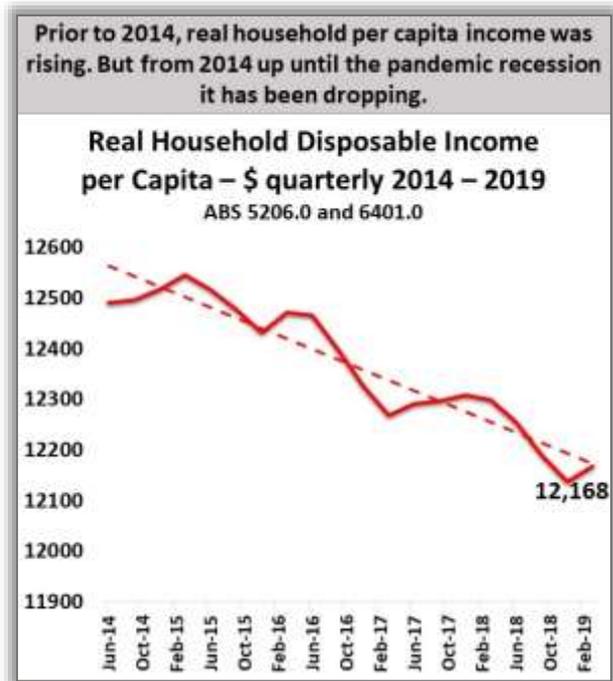


This is part of an embedded trend since the 1991 global recession and it's not getting better. It's a clear sign of an economy with significant structural problems – that is, if we want an economy that gives us enough work to live on. This one, founded on fossil fuels and excessive dependence on

mining and other industries that have not been re-investing the subsidies we give them in us or our country, is not going to carry us through. Our economy is not prepared for the future.

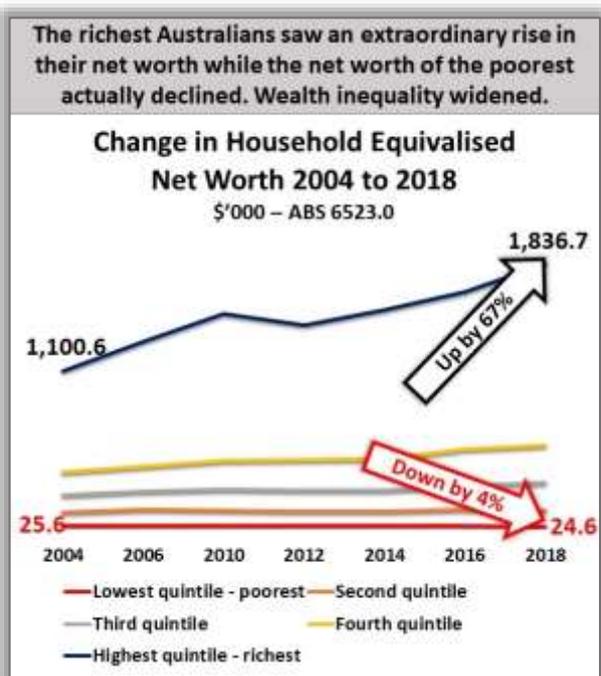
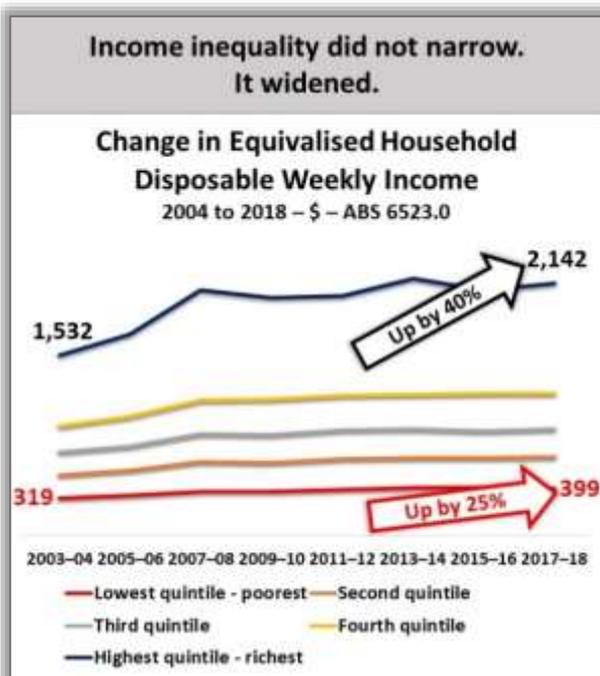
And we are compounding the problem with low wages. Since 2014, contrary to what at least one government minister (Alex Hawke) has attempted to assert, real household incomes have not been growing. They are declining.

And the gap between rich and poor has widened considerably, thanks to neoliberal policies which rely on suppressing wages and increasing inequality as much as they can. Between 2003 and 2018, wages for the poorest 20% of workers increased by 25% but for the highest 20% of earners they increased by 40% – and that’s off their much bigger starting point than those left at the bottom.



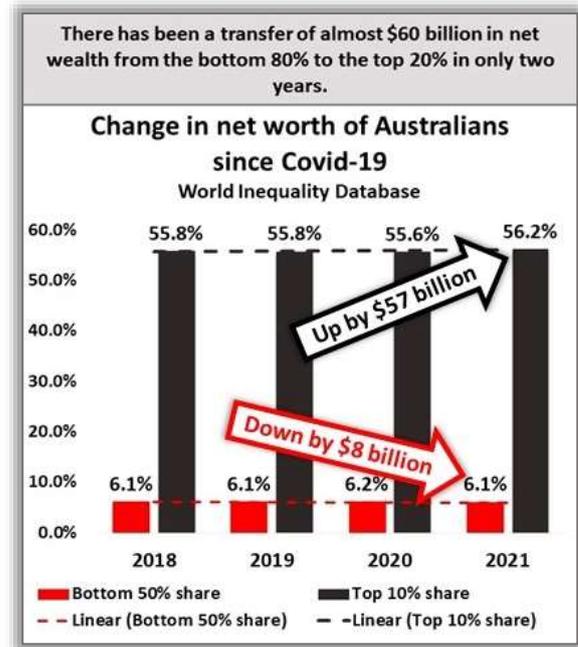
Neoliberalism is designed to embed growth in inequality. It can’t achieve anything else. And because it’s been the dominant policy on economic management for at least the last 20 years in Australia it has embedded gross inequality not just in our annual incomes but in our shares of national wealth.

In relation to wealth, the growth in inequality is even worse than it is for annual incomes. Between 2003 and 2018 the net worth of the top 10% of households increased by 67%. But for the poorest 20% it actually fell by 4%. That might not sound like much of a fall but in fact this gap represents a transfer of several hundred billions of dollars in shares of national wealth from the bottom 80% to the top 20%, who certainly do not need it.



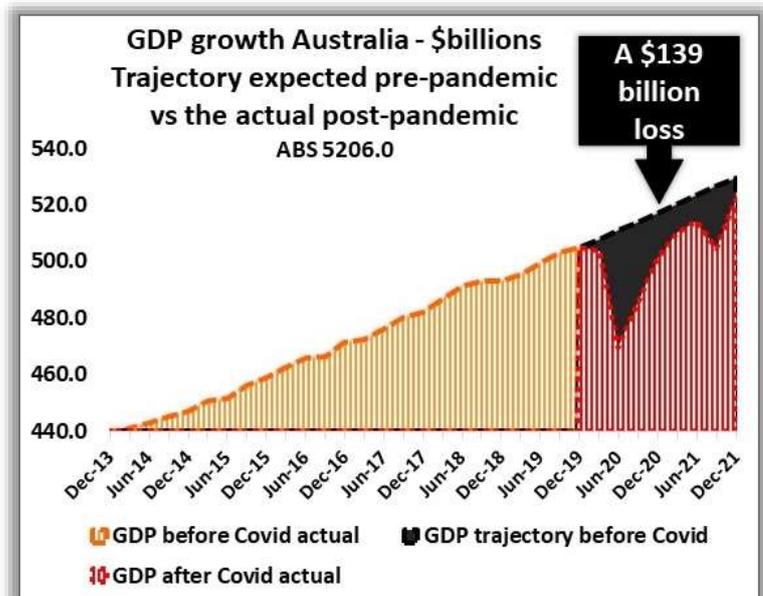
The latest available data from the World Inequality Database shows that in the last two years alone, since Covid-19, there has been another significant increase in inequality with the share of wealth for the top 20% in Australia increasing by approximately \$57 billion, while the share of wealth for the bottom 20% equated to a fall of about \$8 billion.

The intergenerational effect of all this – the effect on our kids – becomes clear when we look at the long term trend data, rather than the short term stats that might be trotted out by governments in election mode. The Australian government might congratulate itself for coming through the pandemic with a sudden, slight reduction in unemployment and a return to some growth. But the growth is sporadic and we are by no means fully recovered.



We're still struggling to get back up to the minimum of where we could have been by now if we had taken better care in our economy over the decade to 2019.

The trend of growth we might have expected before the pandemic was not spectacular – it was really only tracking at just over 2% a year on average. So before the pandemic we could have reasonably expected this sort of ongoing sluggish growth up to 2022 (following the black dashed line up to 2022). But what we got was this (the red hatched section in the graph). The pandemic recession dragged us back. That charcoal coloured gap adds up to a national income loss of around \$139 billion compared to what we should have been able to conservatively expect. It's a gap we haven't made up.



Clearly it was not the time for the government to go and make matters worse by squandering another [\\$40 billion on top of this loss by giving it in JobKeeper payments to big businesses](#) that did not need it and whose profits rose during the pandemic rather than fell. Nor was it the time to [increase already huge subsidies to fossil fuel businesses](#) or needlessly antagonise our major trading partner China causing a [loss of trade worth at least another \\$20 billion per annum](#).

Nor was it the time to cause other major losses such as breaking defence contracts with France for submarines and [squandering the Defence budget on an extraordinary list of project failures](#).

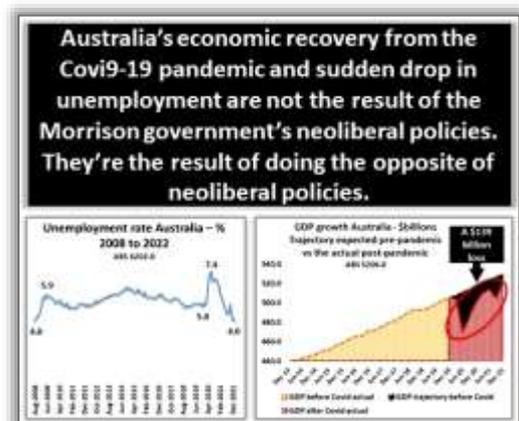
Nor was it the time to cripple Australia’s third largest export industry, tertiary education, by refusing to provide the JobKeeper support to universities and TAFEs that they threw away on big business. A mere \$4 billion would have sufficed to tide the higher education sector over, a fraction of the \$40 billion wasted on big businesses. But the government provided none of it. That was a gross attack on a vital sector and it [resulted in the loss of 40,000 jobs, 35,000 in universities and another 5,000 in vocational education](#).



We could have been managing our national wealth so much better before and after the pandemic, were it not for this slavish adherence to neoliberalism. From the GFC onwards we could have stacked up some reserves for the rainy day that was Covid-19. But we didn’t because we cut people out of the workforce and maintained unemployment at an unnecessarily high rate for over a decade. We should have been aiming for full employment right through that period but policy settings by both the government and the Reserve Bank were designed specifically to prevent more Australians being employed.

The small and halting rebounds we are seeing now in GDP growth and the recent reduction in unemployment are welcome. But they are not the result of neoliberal policies or any good economic management by our governments. Largely, those rebounds are the result of doing the opposite of neoliberal policies, including by providing fiscal stimulus during the pandemic and by slowing immigration.

Fiscal stimulus was necessary during the pandemic and before it. But we wouldn’t have had to take on so much debt to fund it if we had managed the economy better in the first place by putting people to work. And **were we to revert to true neoliberalism (as the Morrison government has vowed to do) and reintroduce higher levels of immigration without doing anything else to shift the economy to a new structure – such as to 100% renewable energy and an expansion the public sector’s participation in the economy – Australians would find their newfound low unemployment rate and their rebound from the pandemic recession to be short-lived.**



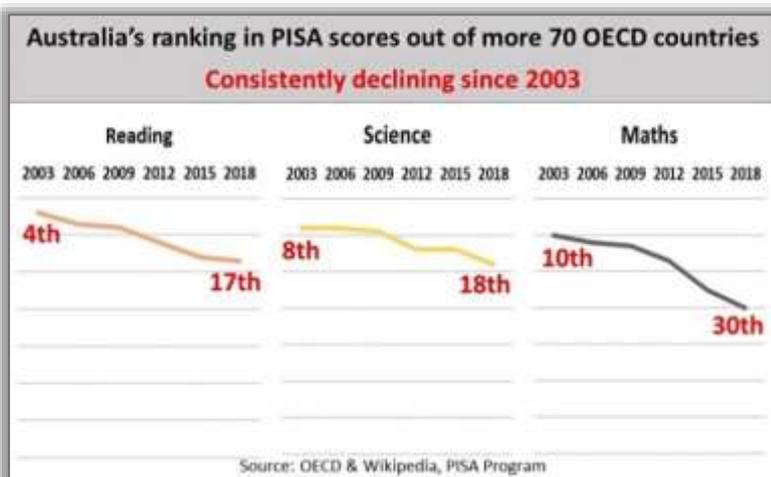
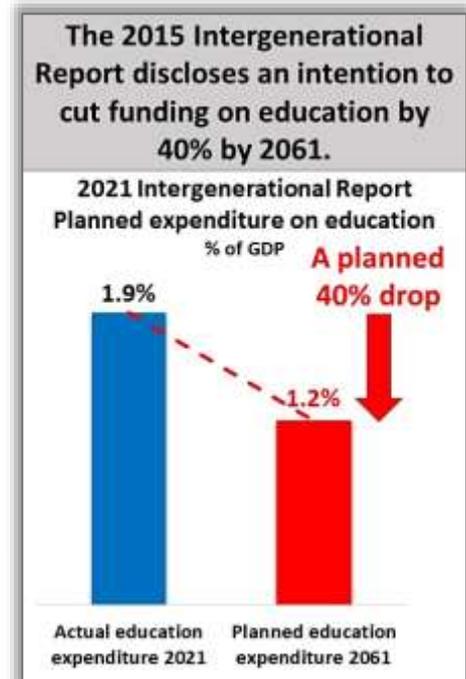
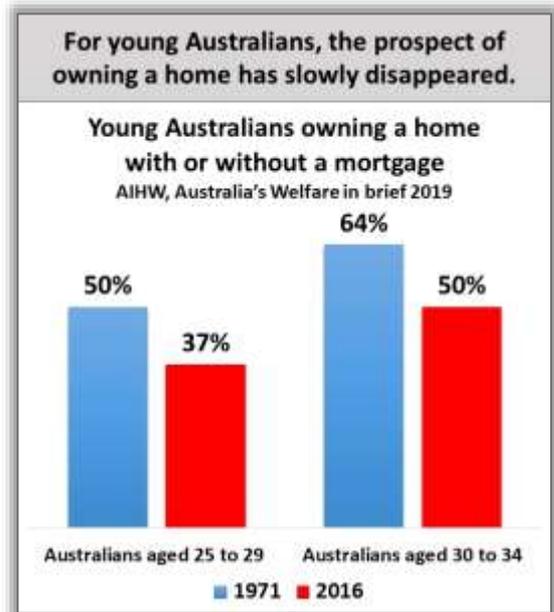
To confirm all this, we only have look at the effect of prevailing neoliberal policies over the long term for instance on the ability of young Australians to own a home. In 1971, 50% of Australians aged 25 to 29 could afford to own a home. Now it's only 37%. And 64% of those aged 30 to 34 could afford to own a home in 1971. Now only 50% in that age bracket can afford it. Rents are now also skyrocketing due to the cumulative effect of neoliberal policy settings.

Those settings have included a persistent attack on our public education system in schools and in higher education. Funding cuts to public education have been quietly embedded in federal budgets since 2014.

And the last two Intergenerational Reports (2015 and 2021) have shamelessly disclosed an intention to cut federal budget education funding as a proportion of GDP by 40% by 2061.

While federal funding to private schools is set to increase, funding for the 66% of our school students who are educated by the public system is being cut severely. Neoliberals are clearly not interested in equal opportunity in education for all and with that they are reducing the capacity of Australians to increase productivity.

Scores for educational attainment among school children have been dropping for almost twenty years. The decline in our performance compared to other OECD countries has become a major embarrassment. It's inconceivable that a wealthy developed country like ours could do that to our kids. But we did.



Attacks on the tertiary education system by the federal government are economically contractionary, not just insofar as the refusal to support the sector during the pandemic has impacted our overseas trade in education services for years to come, but also insofar as the

failure to provide free lifelong education, as several other countries do, reduces our productivity and therefore our competitiveness in international trade. The impact of increasing fees for tertiary education, to the point where it is now unaffordable for most, is coincident with and causal of a

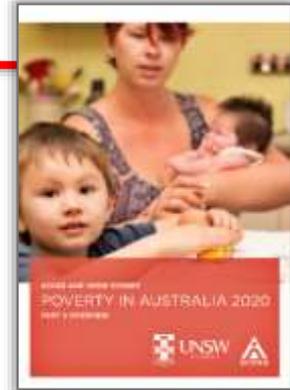
steep trend of falls in Australia’s labour productivity since 2000. **Reduction of support for lifelong education has been crippling our human capacity, and with it, the economy.**

Results for our standard of living

So what do we have as a result of policies that favour:

- small government,
- poorly regulated markets,
- greed and wealth accumulation by so few,
- withdrawal of access to welfare and social services, and
- withdrawal of affordable education for all?

**More than 3 million
Australians now live in
poverty – and it’s
growing.**

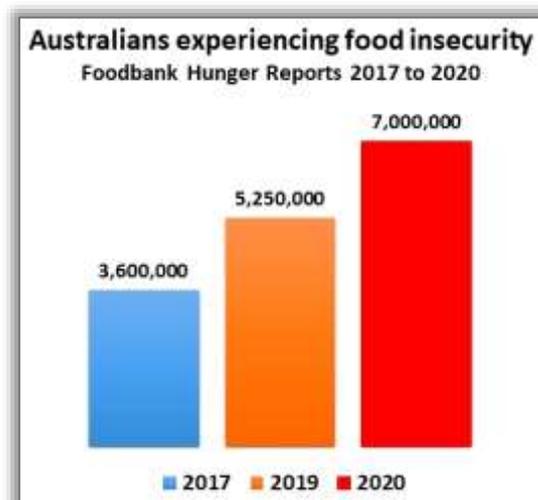
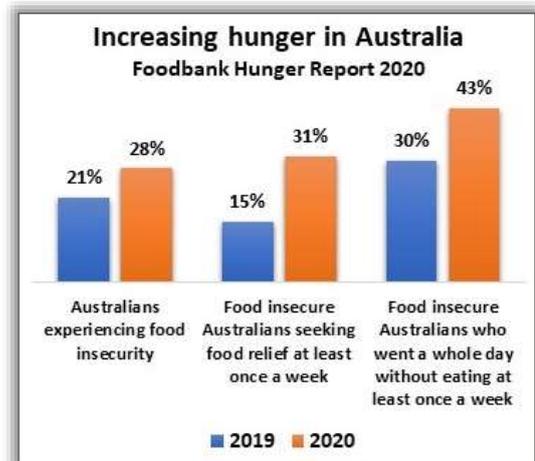


Poverty:

- We have well over 3 million Australians living in poverty.
- 25% of those have a full time job and still they are paid so poorly that they can’t escape deep poverty.
- Over a million of our children and young people are living in poverty.

Hunger

- The queues of hungry people at foodbanks are now so long that charities can’t cope.
- In the year before Covid-19, 21% of Australians experienced food insecurity. When Covid hit, the queue increased to 28%. And we’re not just talking about big percentage increases on small numbers here.
- In 2017, we had 3.5 million Australians experiencing food insecurity. That rose to 5.25 million in 2019 and **over 787,000 of these sought food relief at least once a week**. That was before the onset of Covid-19. The queue increased again in 2020, during Covid, when 7 million Australians experienced food insecurity and **almost 2.2 million of them sought food relief at least once a week**.



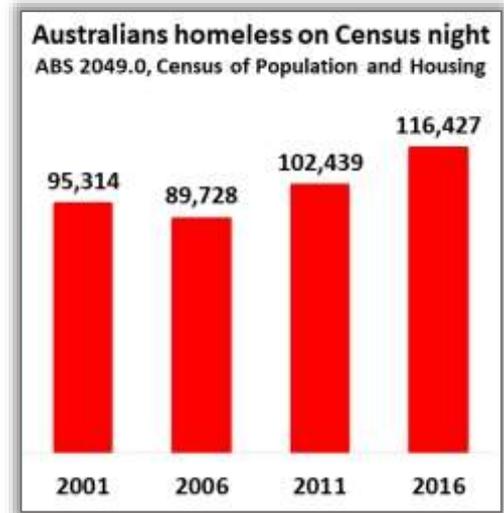
Here we are the 13th richest country in the world and we have over 2 million people a week who need to ask for food. That doesn’t count the families that don’t ask and just go hungry. Governments have known about this all along. It’s appalling that they turn away from doing anything about alleviating the utterly unnecessary pain their prevailing policies have inflicted over the last decade.

Homelessness

Thanks to neoliberalism we can also now fill the seats of two of Sydney's major football stadiums every night with those who are homeless. This bears down particularly hard on Aboriginal and Torres Strait Islander Australians.

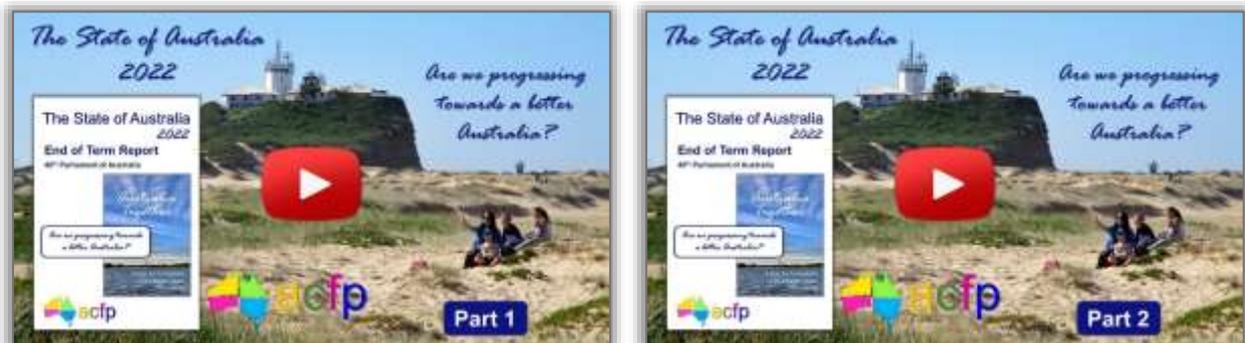
If there was any evidence at all that neoliberalism delivers better results than I've displayed here, then surely it would have shown up by now. But the trend data show no positive gain at all for the country.

Even so, with all the damage it's done, neoliberalism is not the only policy that's dragged our economy backwards. Australia has a range of policies that have prevailed over the last two decades and longer, each of which has left our economy behind where it might have otherwise been. I'll go through these in part 2 of this series.



End of Part 1

For the full video series on The State of Australia 2022 click here or on the images below:



Read the full report on [The State of Australia 2022 here](#).

For summary results view the extracts below.

Extracts from The State of Australia 2022 – Summary Tables

<i>The Draft Vision for Australia Together By 2050 ...</i>	<i>Are we moving closer to the preferred Vision or in the reverse Direction?</i>
We are safe	←
We are reconciled with and celebrate our First Nations peoples and their cultures	←
Everyone is welcome to participate positively in community life	←
We are inspired and able to renew our physical and spiritual wellbeing	←
We act together as a compassionate society	←
Equality is valued as enriching human community, cultural harmony and social progress	←
Diversity is positively appreciated as a basis for a successful society	← / →
Everyone can realise their full potential in life, as individuals, members of a family and citizens through unlimited opportunities in education and employment of choice	←
Vital services are fully accessible	←
Scarce resources are conserved and fairly shared	←
National wealth is fairly shared	←
Our economy is sustainable and supports rewarding opportunities and continuous improvements in living standards for everyone	←
As a nation we have the courage to take a leading place in achieving the environmental aims of a global society	←
Stewardship of ecology is affirmed as fundamental to planetary and human survival	←
Strong democracy is assured by a well informed and engaged community	← / →
We are confident our leaders will reflect thoughtfully on our views and best interests when making decisions for our future	←
We take pride in Australia as a responsible international citizen, active in building a safer, more peaceful and united world	←

See Chapter 11 of The State of Australia 2022 for more detailed information on results for the Vision.

Consolidated results – Are we travelling towards the Vision via the safe Directions?				
Quadrant	<i>On balance yes</i>	<i>On balance yes but indecisively</i>	<i>Evidence is mixed, progress is stagnant</i>	<i>On balance no</i>
	→	← / →	← / →	←
Society	1	2	2	10
Environment	0	1	1	6
Economy	0	0	0	6
Governance	1	1	1	10
Total	2	4	4	32

Consolidated results by quadrant – Our Society			
Topic Area		Direction Australia becomes ...	Are we travelling towards the preferred destination?
Society 1	Safety	A safe home.	On balance, yes.
Society 2	Indigenous Heart	A land with an Indigenous heart.	On balance, no.
Society 3	Belonging & inclusion	Inclusive, welcoming & enabling.	On balance, no.
Society 4	Health & wellbeing	A place of optimal health & wellbeing.	On balance, no.
Society 5	Education	A model of educational opportunity.	On balance, no.
Society 6	Equality	A society of equals.	On balance, no.
Society 7	Diversity	A success because of its diversity.	On balance, yes but it is fragile.
Society 8	Women & LGBTIQ+	A success because of gender equality.	On balance, yes but very slowly.
Society 9	Housing	A land without homelessness & with decent affordable housing for all.	On balance, no.
Society 10	Family cohesion & community services	A place of supportive familial & other connections & without domestic abuse.	On balance, no.
Society 11	Early childhood care	A land without child disadvantage.	On balance, no.
Society 12	Aged care & disability services	A sure provider of lifelong dignity.	On balance, no.
Society 13	Arts & culture	A wellspring of inspiration & creativity.	No baseline data established yet.
Society 14	Police services	A model of community service & responsible exercise of authority in policing.	On balance, the evidence is mixed.
Society 15	Justice	Confident of justice for all.	On balance, the evidence is mixed.
Society 16	Emergency services	A society prepared and resilient in times of disaster.	On balance, no.

Where baseline data are not yet established, targets and strategies will be developed in the 47th parliament.

Consolidated results by quadrant – Our Environment			
Topic Area		Direction Australia becomes ...	Are we travelling towards the preferred destination?
Environment 1	Environmental advocacy	A leading global advocate for action on climate change.	On balance, no.
Environment 2	Climate change prevention	A net zero emissions nation.	On balance, no.
Environment 3	Climate change adaptation	A proactive planner of climate change adaptation.	On balance, no.
Environment 4	Environmental regulation & approvals	A nation that puts the environment before unsustainable consumption.	No baseline data established yet.
Environment 5	Environmental education	An environmentally educated community.	No baseline data established yet.
Environment 6	Energy	A renewable energy superpower.	On balance, we are not travelling clearly yet either toward or away from the destination.
Environment 7	Transport	Efficiently connected through low emissions transport.	No baseline data established yet.
Environment 8	Agriculture & fisheries	Environmentally and economically sustainable in agriculture & fisheries.	No baseline data established yet.
Environment 9	Fresh water supply	Confident of safety and security of its water supplies.	No baseline data established yet.
Environment 10	Biodiversity	A biodiversity haven.	On balance, no.
Environment 11	Vegetation	A replanted and reforested land.	On balance, no.
Environment 12	Land & resource conservation	A protector of scarce resources.	No baseline data established yet.
Environment 13	Parks & open space	A provider of accessible national & urban parkland.	No baseline data established yet.
Environment 14	Air & water quality	A pollution free biosphere.	No data are available to determine the direction of travel since 2016.
Environment 15	Marine protection	A marine wildlife haven.	On balance, no.
Environment 16	Waste reduction & recycling	Regenerative by design in consumption & production.	No baseline data established yet.
Environment 17	Architectural & cultural site heritage	A conservator of cultural & built heritage.	No baseline data established yet.
Environment 18	Cities planning	Multi-central in its cities, efficiently connecting people with jobs, health, education and recreation.	No baseline data established yet.
Environment 19	Regional planning	A land of thriving self-supporting regions.	No baseline data established yet.

Where baseline data are not yet established, targets and strategies will be developed in the 47th parliament.

Consolidated results by quadrant – Our Economy			
Topic Area		Direction Australia becomes ...	Are we travelling towards the preferred destination?
Economy 1	Economic planning, growth & transition	A model of transition from excessive consumption to sustainability.	On balance, no.
Economy 2	Employment planning & industry transition	A model of employment planning & justice in industry transition.	On balance, no.
Economy 3	Equitable improvement in living standards	A country where economic opportunity, growth & prosperity are equitably shared & living standards improve continuously for all.	On balance, no.
Economy 4	National wealth generation & sharing	A nation fairly raising & sharing its wealth.	On balance, no.
Economy 5	Market regulation & competition policy	A strong regulator of fairness in markets creating confidence for investors.	On balance, no.
Economy 6	Government competitive business participation	An economy with competitive & profitable public sector participation.	On balance, no.
Economy 7	Science, research, innovation & collaboration	A collaborative intelligent nation.	No baseline data established yet.
Economy 8	Technology development & digitisation	Enabled in meeting the communication & information demands of the future.	No baseline data established yet.
Economy 9	International economic engagement & trade	Productive & prosperous through fair & ethical trade agreements, labour hire & procurement.	No baseline data established yet.

Where baseline data are not yet established, targets and strategies will be developed in the 47th parliament.

Consolidated results by quadrant – Our Governance			
Topic Area		Direction Australia becomes ...	Are we travelling towards the preferred destination?
Governance 1	Strength of democracy	A proactive participatory democracy.	On balance, no. But we now have the means of reversing this.
Governance 2	National values & identity	A nation knowing and affirming decency.	On balance, progress is stagnant.
Governance 3	Human & other rights	A nation with avowed rights for all.	On balance, no.
Governance 4	Constitutional reform	A free, self-governing, modern nation.	On balance, no.
Governance 5	Transparency, openness & accountability	Open, transparent & accountable in its governments & institutions.	On balance, no.
Governance 6	Government ethics	A world benchmark in leaders' conduct.	On balance, no.
Governance 7	Public service independence & excellence	Committed to public service independence & excellence.	On balance, yes.
Governance 8	Electoral system & funding reform	Protected from undue sectional influence in elections.	On balance, no.
Governance 9	Corporate & NGO responsibility	A nation outlawing corporate greed & encouraging private sector ethics & community partnership.	On balance, yes for NGOs. On balance, no for corporates.
Governance 10	Free communications policy & regulation	A guardian of freedom & accountability in political discourse, news media & the wider information market.	On balance, no.
Governance 11	International participation & global justice	A just participant on the global stage.	On balance, no.
Governance 12	Peace & security	A nation assured of enduring peace.	On balance, no.
Governance 13	Humanitarian effort	A nation leading in empathy & global cohesion.	On balance, no.