

# SOCIAL ACTION OFFICE

CONFERENCE OF LEADERS OF RELIGIOUS INSTITUTES, QUEENSLAND

ABN 93 551 337 677



## SUBMISSION TO SENATE SELECT COMMITTEE ON MEDICARE

The Social Action Office (SAO), Conference of Leaders of Religious Institutes Queensland, since 1992 has been involved in education, advocacy and networking activities to achieve the following goals:

- undertaking research and analysis on the structural causes of injustice, socio-economic inequality and violations of ecological sustainability;
- providing educational opportunities on these issues in order to inform effective social action;
- collaborating with and lobbying on behalf of those affected by unjust structures which undermine the common good and violate people's dignity, rights and ecological sustainability;
- networking with individuals and groups committed to the SAO's vision and agenda in order to foster partnerships for social action.

The Social Action Office is particularly concerned about the proposed changes to Medicare because of the following:

### 1.0 THE WORKING POOR

- 1.1 We believe that the number of middle-income earners in Australia is shrinking and the situation facing them is deteriorated. The proposed changes will exacerbate this further and therefore these people along with low-income earners will be greatly disadvantaged and further stressed.

NATSEM data used by Mike Steketee in 2000<sup>1</sup> highlights what he refers to as the "hollowing out of middle Australia":

*In 1982, 45 percent of the workforce was clustered on earnings of between 75 percent and 125 percent of median earnings. By 1997, that had fallen to a little over 37 percent.*

So, in 15 years, the number of middle-income earners shrank by 8 percent, representing 544,000 workers. Of course, a significant number of these middle-income earners moved into the high-income bracket in that period. However, many also fared negatively and their incomes fell in real terms. The shrinking of middle-income earners is seen by many commentators as a contributing factor in the growth of the so-called "working poor" – those people who are in paid employment but who are near the bottom of the income scale and being paid incomes which are inadequate for a decent living. The working poor are clustered around insecure, casualised jobs with little protection. Such workers are vulnerable to market forces, cannot rely on the longevity of employment and have little bargaining power in the workplace.

<sup>1</sup> Steketee M (2000) "Pay-packet injustice gets worse" in *The Australian*, 19 June 2000

*The Aboriginal meaning of Woolloongabba is Whirling Waters*

JUSTICE PLACE, 84 PARK ROAD, WOOLLOONGABBA QLD  
CARPARK: 5 ABINGDON STREET, WOOLLOONGABBA QLD  
POSTAL: PO BOX 8304, WOOLLOONGABBA QLD 4102

PH: 61 7 3891 5866 FAX: 61 7 3891 6944

EMAIL: [sao.clriq@bigpond.com](mailto:sao.clriq@bigpond.com) WEBSITE: <http://sao.clriq.org.au>

To withdraw or limit bulk-billing in any way will have enormous impacts and increase the already significant gap between the *haves* and *have nots* in this country. This is not Australian and indicates a departure from basic and foundational values and principles Australia has operated on for a long time.

## 2.0 POVERTY AND HEALTH

2.1 The correlation between poverty and poor health has been widely researched and reveals a “health gap” between the rich and poor in Australia. This gap has widened in the last two decades.<sup>2</sup> Those at the bottom of the income scale, on \$27,500 a year or less (40% of Australians) tend to have poorer health compared with higher-income groups. This impacted significantly on children of low-income families who were more likely to suffer from illnesses such as asthma, deafness and bronchitis.

The “working poor”, the unemployed and others reliant on social security incomes are the most vulnerable. On top of having to struggle with inadequate incomes and deteriorating health, the quality of life of many Australians has been diminished by:

- the loss of services, both public and private sector services, *especially in rural areas*;
- the cutbacks and downsizing of staff in key institutions, again in both the public and private sectors and impacting *especially in rural and regional areas*;
- the introduction of “user-pays” regimes in many areas of life which were once freely accessible.

Australians *must* have access to health services that are of top quality, affordable and easily accessible. This is a basic human right which must be upheld. It is the role and responsibility of Government to make sure these rights are adequately met. Any changes that mean greater expenditure for the working poor and low-income earners must be accompanied by adequate compensation. We are reminded of this here in the words of Pope John XXIII:

*“Beginning our discussion of the rights of the human person, we see that everyone has the right to life, to bodily integrity, and to the means which are suitable for the proper development of life; these are primarily food, clothing, shelter, rest, medical care, and finally the necessary social services. Therefore a human being also has the right to security in cases of sickness, inability to work, widowhood, old age, unemployment, or in any other case in which one is deprived of the means of subsistence through no fault of one's own.”*<sup>3</sup>

---

<sup>2</sup> Hannon, K (2001) *Poor in Health and Wealth* in *The Courier Mail*, 11 January 2001

<sup>3</sup> Encyclical Letter on establishing Universal Peace in Truth, Justice, Charity and Liberty - *Pacem in Terris* (Peace on Earth) #11

### 3.0 UPHOLDING BASIC PRINCIPLES

**The goods of the earth are meant by God for all.** Pope John Paul captured the Church's position on this matter when he stated in his 1987 encyclical *Sollicitudo Rei Socialis*<sup>4</sup> that:

*It is necessary to state once more the characteristic principle of Christian social doctrine: the goods of this world are originally meant for all. The right to private property is valid and necessary but it does not nullify the value of this principle. Private property, in fact, is under a "social mortgage", which means that it has an intrinsically social function, based upon and justified precisely by the principle of the universal destination of goods. (44)*

The fact that this widening wealth gap, which results in a health gap, is happening in Australia is of great concern. The goods of the earth are meant for all and the Government must ensure that there is equal access to quality health services. By not doing this Government fails in one of its most serious responsibilities.

Another principle of Catholic Social Teaching is that of **the dignity of the human person**. This underscores the belief that a human life is sacred and that each person is endowed with a fundamental dignity that is prior to race, sexual preference, ethnicity, nationality and personal achievement. Governments and society must do all that can be done to uphold this dignity and not diminish it. Poverty impedes human potential and thus diminishes human dignity. A person's humanity is surely diminished when they cannot easily access appropriate health care.

The "**common good**" is another key principle of Catholic Social Teaching that informs the Medicare discussion. The "common good" is based on the notion that the human person, as well as enjoying individual rights and freedoms, is a member of society and that this requires a respect for the needs and rights of others who are also members of that society. While an individual might pursue his or her interests, this must be balanced with regard for the wider social good. Governments are also required to uphold and preserve the common good.

*Common Wealth for the Common Good* (1992)<sup>5</sup> summed this up well when it stated that:

*Individuals and groups within a society have an obligation to pursue not only their own interests but the good of all. The governing and administrative bodies of a society are obliged to safeguard and promote the common good, as well as the good of the society's component parts. (p 13)*

---

<sup>4</sup> *Sollicitudo Rei Socialis* (1987)

<sup>5</sup> Australian Catholic Bishops (1992), *Common Wealth for the Common Good – A Statement on the Distribution of Wealth in Australia*

And Pope John XXIII once again:

*“It is agreed that in our time the common good is chiefly guaranteed when personal rights and duties are maintained. The chief concern of civil authorities must therefore be to ensure that these rights are acknowledged, respected, coordinated with other rights, defended and promoted, so that in this way everyone may more easily carry out their duties. For “to safeguard the inviolable rights of the human person, and to facilitate the fulfillment of each one’s duties”, should be the chief duty of every public authority.”*<sup>6</sup>

The *common good* means that there are sufficient resources allocated for health and that they reach all Australians – they are not there just for those who can afford them. It means that sufficient, appropriate and easily accessible health services are available to all Australians.

#### **SUMMARY:**

The Social Action Office strongly believes that **all** Australians must have:

- equal
- easy
- affordable
- quality and
- appropriate access to all health services.

It would be totally un-Australian to establish a system that results in those who can afford to pay getting easy access and those in the middle and lower-income brackets missing out. Bulk billing must be retained to ensure this does not happen.

Those in middle and lower-income brackets need to have more, not less, support in relation to Pharmaceutical Benefits.

Sr Annette Arnold rsj  
Director  
Social Action Office - CLRIQ  
17 June 2003

---

<sup>6</sup> Encyclical Letter on Establishing Universal Peace in Truth, Justice, Charity and Liberty - *Pacem in Terris* (Peace on Earth) #60.