2020-21
Pre-Budget Submission

Prepared by Western Sydney Leadership Dialogue

Western Sydney Leadership Dialogue

The First Recovery Budget

A Moment For Bold Lateral Thinking And Confident Government Spending

The Australian economy has experienced a disruptive shock on a scale not seen for many generations and the impact of the Coronavirus health crisis will be with us for some time yet. As challenging as circumstances currently are, however, they also represent an opportunity for national self-confidence and bold, lateral strategic budgeting.

Sheer necessity will demand a break from the economic orthodoxies of the recent past. In particular, the contemporary focus on reducing government expenditure and avoiding budget deficits will obviously need to be firmly set aside. Similarly, the wishful thinking that enticing serious growth investment was merely a matter of extending the private sector sufficient tax incentives and industrial reforms is now – whether once valid or not – a fancy of yesterday. Prior to the health crisis, the calls for government stimulus spending including from business, industry and finance sectors were already loud. With the further collapse in private sector activity, public expenditure will overwhelmingly serve as the engine room of recovery.

This must be accepted by governments at all levels with determined resolve, and even willed enthusiasm, however counter-intuitive it might feel after several generations of fiscal reductionism and balance sheet rectitude.

We should not fear deficit spending - particularly given our relatively low levels of public debt, robust capacity, and the cheap cost of borrowing. The Dialogue adds its voice to the calls for the Federal government to seize this moment, and this budget, to take a deep breath, and embrace a coherent program of intelligent, focussed and strategic spending, incorporating both real growth projects and an expansion of authentically productive services.

Greater Western Sydney: Engine Room For Recovery

Nowhere will such spending have a more powerful recovery impact than in Great Western Sydney (GWS), already long recognised by successive Federal governments as a nationally significant economic region. Federal commitments to major capital projects such as the Western Sydney Airport and transport links like the Northern Road upgrades and the Sydney Metro – Western Sydney Airport project, as well as ongoing spending on commuter congestion in the region, acknowledged the nationally multiplying impact of a vibrant GWS economy.

Since the health crisis struck, emergency stimulus spending at the national level has further reflected this, albeit obliquely and collectively, in the form of measures deliberately targeting the short-term survival of SME's in manufacturing and construction, vital to GWS. Emergency concessions on SME asset write-offs and operational governance, and policies like Homebuilder also privileged the preservation of the kind of SME ecology – including workforce – germane to a region like GWS.

The Dialogue generally applauds the national government's management of this crisis to date, particularly its agility, flexibility and willingness to break with its own prior convictions where needed, to improvise a robust and compassionate response to an unprecedented economic calamity. The *JobSeeker/JobKeeper* transfer payments have served GWS well, maintaining 'at idle' a regional economy significantly reliant on SME activity in manufacturing, construction, retail and hospitality. Never-the-less, as the economic pause lengthens into a likely protracted recession, with international (and state) travel still limited and private sector investment stalled, the falling away of stop-gap measures (such as solvency waivers), and the concertina-style damage to tertiary education, tourism, housing construction, hospitality, arts, sports and recreation sectors, now make this deferred budget critical, in shaping the transition from 'reactive' emergency measures to sustainable recovery ones.

As daunting as the next few months may appear, we also see an opportunity to salvage economic transformation from economic crisis (not to mention human tragedy), and in making spending choices of a necessarily more measured nature we urge the government not to lose its appetite for boldness, agility and structural innovation. GWS presents a multitude of opportunities for re-igniting economic activity that extend beyond the obvious 'big ticket' infrastructure projects underway or ripe to be kicked off, for which we advocate in this submission.

There is also a huge opportunity to redirect a building construction sector now fast approaching collapse to the service of a radical recalibration of the social and affordable housing sector. There are a host of avenues for revitalising the funding dispositions of our tertiary and vocational sectors, crippled by the current international student lock-outs, in a way that also leverages the next generation of 'smart jobs' in advanced manufacturing, digital communications, biotech medicine and sustainable technology, and so on. This budget is also a timely opportunity to advance important policy and structural reforms.

Our submission aims to set out some of these opportunities, and how to help GWS realise them.

Impact of Coronavirus on Greater Western Sydney

Economic output

Unemployment and the shutdown of industries has led to Western Sydney's GRP dramatic decrease by -11.6%[1]. Local jobs have reduced by -7.5%, this equates to a fall of 77,232 local jobs. While employed residence have reduced by -9.4%[2]. The industries GWS most relies on for supply, employment and productivity - construction and manufacturing have had enormous impacts as well.

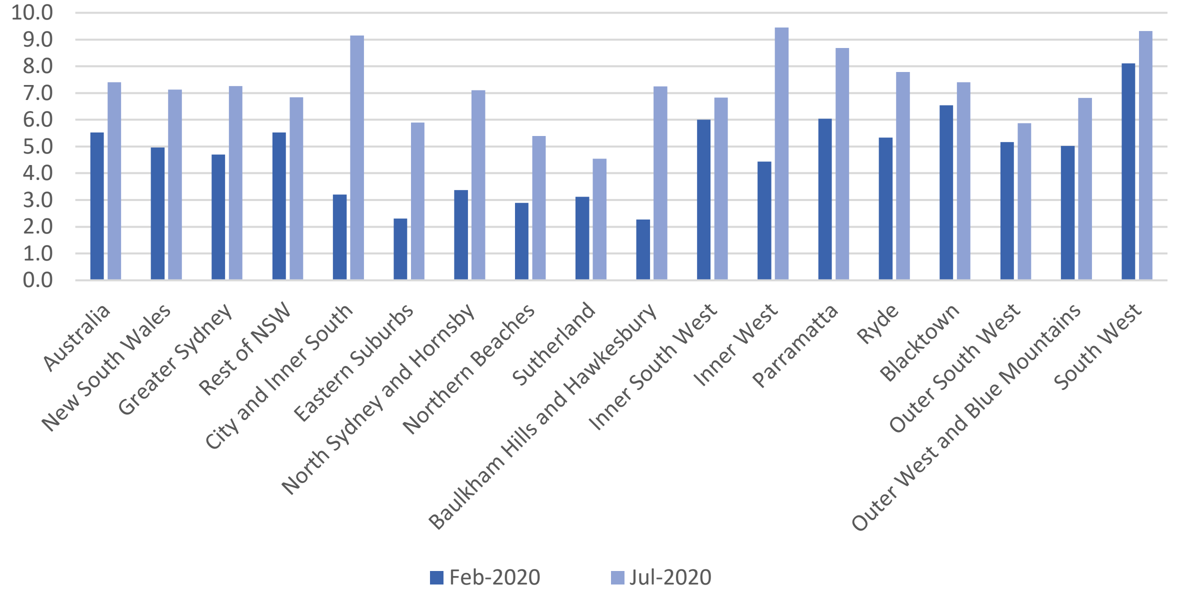
GWS has suffered like the rest of Australia from the impacts of coronavirus. In the six months since February 2020, unemployment has risen sharply across Greater Sydney, as illustrated in the below chart. In Sydney's Eastern and inner regions, higher proportions of workers in tertiary education, professional services, hospitality, tourism and the arts has seen a sharper, more immediate impact to unemployment levels than in Sydney's west.

It is expected that the staged withdrawal of *JobKeeper* subsidies from September 2020 will see further job losses across the country, and that the initial resilience of GWS will come to an abrupt halt. The Dialogue harbours serious concerns about the post-September impact on jobs in the housing construction sector, which faces the 'double whammy' of an end to *JobKeeper* and an impending collapse in construction activity – which will reverberate from the region's tradies through to construction-related retail, manufacturing, transport and professional services.

We note that this impact will likely be sudden and severe nation-wide, however our region's relatively high proportion of construction-dependent jobs has it placed precariously in the face of these headwinds.

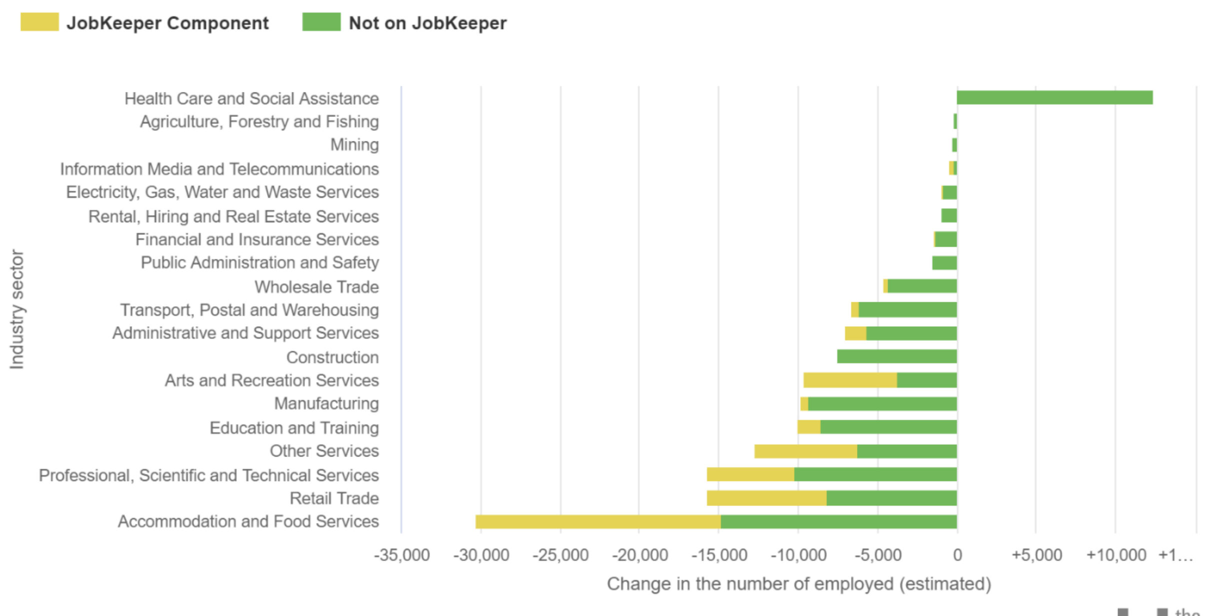
[1] *Greater Western Sydney, National Institute of Economic and Industry Research (NIEIR) Version 1.1 (May 2020). ©2020 Compiled and presented in economy.id by .id the population experts.*
[2] *Ibid.*

Unemployment rate (%) by region across Greater Sydney - ABS Labour Force data, August 2020



Local Jobs Impact in June Quarter 2020 (compared to 2018/19 quarter average)

Greater Western Sydney Region



Source: National Institute of Economic and Industry Research (NIEIR) Version 1.1 (May 2020) ©2020 Compiled and presented in economy.id by .id the population experts. Impacts have been split into: (1)not on JobKeeper – unemployed as defined by the ABS; and (2) JobKeeper – performing reduced hours or not working (i.e. 0 hours). Many will not be contributing to economic activity.

.id the population experts

Construction: In comparison to NSW (9.4%) Greater Sydney (8.2%) GWS has a 12% of jobs in the construction sector[3]. Covid19 caused a decline in 7,451 jobs and 980 million of output impact in the June quarter[4].

Since COVID-19 residential building approvals have dramatically decreased to 3,641 in June 2019-20[5] , with further falls expected. The construction sector prior COVID-19 in GWS was the largest growing industry sector but delays and slowing of pipeline will have profound impacts on the GWS economy far beyond the construction sector.

Manufacturing: Manufacturing has a similar story in terms of the proportion of jobs - NSW (9.4%) Greater Sydney (8.2%) and GWS with a 10% of jobs in the sector. In some LGAs in the region up to 16% of local jobs are in manufacturing. During COVID-19 9,282 local jobs were lost and $1,027 million dollars in reduced output over the June Quarter[6]. There is a need to keep these sectors moving to keep the region alive.

Population Impact: Most new immigrants (60%) that come to Australia settle in GWS[7]. The closure of Australia's borders led to a 97% drop in permanent and long-term overseas arrivals in April 2020 from the previous year[8]. The freeze on immigration will have a staggering impact to populations, with previous predictions by NSW DPIE that GWS will reach a population of 4,132,574 by 2041[9] now certain to be revised down substantially. NSW was forecast to increase by 26 per cent to 2041, Greater Sydney by 35 per cent, while GWS had an overall predicted population increase of 49 per cent . One of the regions most impacted by this assumed growth will now be most impacted by the halt in migrations.

On Housing Demand/Need: With over 14,000 individuals homeless in 2016, GWS was already experiencing greater levels than the state and national rates[10]. Furthermore, the under-supply of diverse housing stock in GWS is immense, with the current social and affordable housing supply only meeting 40.6 per cent of the total demand, and almost 6,500 additional social and affordable housing dwellings needed per year to meet the demand forecast by 2026[11]. Of the 46,000 social and affordable housing dwellings in GWS there was a demand for over 114,000, resulting in a shortfall of more than 67,000 homes. Local government areas of Cumberland, Blacktown and Fairfield have some of the highest levels of unmet demand. Blacktown, Parramatta, Liverpool, and the Hills are all in the top five Sydney LGAs in terms of forecast demand for new dwellings in the next 5 years[12].

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[3] *Industry employment by sector, National Institute of Economic and Industry Research (NIEIR) Version 1.1 (May 2020). ©2020 Compiled and presented in economy.id by .id the population experts.*
[4] *Ibid.*
[5] *Australian Bureau of Statistics, Building Approvals, Australia (8731.0)*
[6] *Covid19 Economic outlook, National Institute of Economic and Industry Research (NIEIR) Version 1.1 (May 2020). ©2020 Compiled and presented in economy.id by .id the population experts.*
[7] *Western Sydney University, About Greater Western Sydney (March 2020).*
[8] *Dave Hunt, 1.4 Million less than projected: how coronavirus could hit Australia's population in the next 20 years, The Conversation, (August 2020).*
[9] *Department of Planning, Industry and Environment, Population Predictions, (June 2019)*
[10] *Wentworth Community Housing and Western Sydney Community Forum, Home in Western Sydney (April 2019).*
[11] *Ibid.*
[12] *NSW Department of Planning, Industry and Environment (January 2020) 'Top five Local Government Areas (LGAs) for new housing supply'.*

Federal Response to Date

Again, the Dialogue broadly congratulates the Federal government's response to this unprecedented disruption, first and foremost as a matter of human decency and compassion, but also as a disciplined exercise in economic structural and participatory 'shock buffering'. The key elements have been:

- Direct support for the unemployed workforce via significantly boosted *JobSeeker*;
- Operational support for 'spare capacity' employers in the form of *JobKeeper*;
- Existential support for employers in the form of asset/regulatory/insolvency policies;
- A growing array of targeted ('by sector') measures, increasingly via *JobMaker*.

There is already now a gradual shift underway from the 'shock absorbing' broad brush measures of Job Seeker and Job Keeper to more strategically thought-out strands of *JobMaker*, such as in the government's recent advancing of elements of its infrastructure pipeline. This Budget is the obvious moment to formalise this process even further, and given the unavoidable deferral of any budget surplus aspirations for years anyway, the underlying robustness of the Australian economy and the very modest national debt/GDP ratio, we urge the government to embrace a big-spending framework as a confident, proactive virtue.

In particular we commend GWS as fertile soil in which Federal commitments now will help seed nationally significant returns, via allocations to major infrastructure projects, ongoing maintenance and upgrade programs on smaller local scales, and targeted support in sectors like community housing construction, tertiary education, and the arts.

Summary of Recommendations

The Western Sydney Leadership Dialogue calls on the Federal government to include in this budget:

- $5b towards Sydney Metro West;
- The full Federal component of Sydney Metro - Western Sydney Airport funding to be committed over the forward estimates;
- A contribution to help preserve a Western Sydney Airport fuel pipeline corridor;
- A contribution to help secure South Creek Catchment land for a sustainable utilities corridor;
- $5b proportionally distributed (immediately) to the States to support social housing maintenance;
- A fourth NHFIC bond issuance as soon as possible;
- A top-up allocation as required for the NHIF;
- Aggressive reforms to company tax to boost business investment, R&D and innovation in the manufacturing sector;
- Amendment to the proposed 'Job Ready Graduates' CGS-supported university placements growth settings for GWS catchments, from metropolitan 'low growth' to 'high growth', or as a minimum, parity 'special growth' allocations during post-Covid recovery;
- A substantial extension of the proposed timeline for the 'Job Ready Graduates' reforms, to allow for full and proper sector consultation, including a more substantial, post-health crisis analysis of economic recovery training, research and workforce imperatives;
- A contribution to the NUW Alliance Future Technologies Centre's $47.5m costing;
- Priority support for a safe return of university international students as soon as possible;
- Substantial additional support for GWS's creative communities and individual artists;
- Substantial additional support in response to a rapidly increasing incidence of Family and Domestic Violence in GWS;
- Measures as previously advocated by the Dialogue, in relation to obesity, urban heat and plastics recycling.

Key Infrastructure Projects For Greater Western Sydney

Several major infrastructure projects in GWS which have been on the funding table for some time are now perfectly positioned to provide alternative employment prospects for the region's construction, manufacturing and professional services sectors, otherwise likely to be devastated when current stimulus and preservation measures taper off in September.

Sydney Metro West

The Dialogue regards Sydney Metro West as the formative 'steel spine' of an emerging triumvirate of connected cities poised to catapult a Greater Sydney Region – and its host state and nation – to new levels of regenerative growth. Seamlessly connecting the established Central Harbour City and the rapidly expanding new centre-of-gravity at Parramatta's Central River City, Metro West will unlock productivities and lay the foundations for connectivity to the eventual 'engine room' of national recovery, in the greenfields of the Western Parkland City. The project has funding from the NSW government of $6.5b to date, less than a third of the $20m needed, and a clear Federal funding commitment in this Budget of at least $5b would accelerate its economic and workforce benefits, allowing NSW to proceed with procurement as soon as possible.

Sydney Metro - Western Sydney Airport

Confirming a Federal commitment to this second length of the GWS 'economic steel spine' represents an opportunity to extend and accelerate its immediate economic and workforce flow-on effects. This project will generate 14,000 jobs, and given its 'greenfield' nature, there is huge scope for refocusing much of the local construction, manufacturing and provisioning SME ecology to the task. The Dialogue welcomed the Federal government's commitment to Metro – WSA of 'a further $3.5b' in June, under its new *JobMaker* umbrella, but there is still not full clarity on the $11b total project cost. To meet the Federal-NSW joint ambition that the line will be complete by the opening of the WSA in 2026, we urge the national Treasurer to show leadership - and set his NSW counterpart a challenge - by locking in the full Federal component this budget over the forward estimates period.

Sydney Airport Pipeline Corridor Preservation

The current Infrastructure Australia Priority List (‘High Priority Initiative’), and existing analysis by the Federal government, identifies the importance of an independent fuel pipeline to the future viability of Western Sydney Airport, for both transport safety and environmental reasons, and autonomy over fuel price settings. This latter will be critical to WSA viability given the wildly uncertain metrics of the future aviation economy. Fuel price gouging by monopoly operators in various guises has hampered airline activity in Australia even in boom times. Although corridor preservation is a state responsibility, this Budget is an opportunity for the Federal Treasury to protect its investment in WSA by allocating funding to advance the project’s interests in this specific component.

South Creek Catchment Sustainability

The Dialogue makes a similar argument regarding another strategic item Infrastructure Australia’s updated IPL has highlighted (as a ‘Priority Initiative’). Key to the economic multiplier impact of the WSA and its associated Aerotropolis precinct will be developing the South Creek Catchment ‘utility corridor’ in a way that maximises future opportunities for integrated land use, water cycle and circular economy sustainability. Again, this is not simply for environmental and liveability (urban heat) reasons, but also to open the door fully to ‘smart city’ productivity and workforce transformation. As with pipeline corridor preservation, the land acquisition challenges inherent in this ambition are strictly a state matter, but as joint partners in the overall Western City Deal, the Dialogue suggests the Federal government has sufficient skin in the game already to justify earmarking funds to help activate some timely, proactive decision-making from their lethargic co-owner.

Housing Construction Sector in Greater Western Sydney

Housing construction is a major employment sub-sector in GWS that will benefit from some well-targeted Federal budget items. Here the Dialogue notes the NSW government's ongoing Housing Policy review process ('A Housing Strategy for NSW') and our own recent submission to that review, evolved from within our Housing Reference Group of social and community housing stakeholders. Given the imminent collapse of private sector residential construction activity, the moment is right for state governments to radically recalibrate their approach to this perennially problematic policy area, and this Federal budget can play an important role in various ways:

Federal Support for Maintenance and Renovation Programs

There is a vast backlog of maintenance and renovation work on existing social and affordable housing stock in GWS. There is also rapidly growing spare capacity in the housing construction sector as private investment falls away, which now risks turning into a catastrophic collapse among SME contractors and sole traders, as *JobKeeper* and other emergency measures taper off. We strongly urge the Federal government to make a significant allocation from its accelerated infrastructure allocations to help NSW 'match' this spare capacity to need in GWS, simultaneously improving the region's social housing inventory and helping preserve one of our vital employment sectors. The Dialogue recommends $5b be proportionately allocated to states and territories specifically for social housing maintenance.

National Housing Finance and Investment Corporation Bonds

We note the now-more- important role the NFHIC's bond aggregation and direct loan mechanisms will play in stimulating new construction activity in GWS. We welcomed the issuance of the third bond in June of this year, but given the impending collapse of private sector construction, and especially noting that the June round was again oversubscribed by domestic and international investors (by a factor of three), we strongly urge that the NFHIC be supported to issue a fourth bond as soon as possible.

Transfer Payments

Clearly Federal transfer payment settings - such as *JobSeeker* and rental subsidies - are definitive in underwriting the capacity of CHPs to keep bootstrapping this NFHIC growth, and we urge that this budget take a holistic 'cost-benefit' approach when contemplating any reduction of these payments to a 'new normal'.

Ensure National Housing Infrastructure Facility is Fully Resourced

The budget can also help energise the sector to maintain residential construction activity through the period of private sector fragility by ensuring the NHIF receives a new funding allocation. This is will be important to absorbing SME/contractor/sole trader capacity in housing infrastructure trades.

Construction Sector Skills/ Adaptation

Given the government's appetite for shifting elements of the construction workforce into major infrastructure, which the Dialogue supports, we do note that there are significant trade skillset and resource divergences between housing construction and major civil engineering projects. We urge the government to be proactive in streamlining any necessary shifts in workforce disposition. Re-training and upskilling, qualification transfer and other administrative/cost-saving support, and re-tooling and plant upgrade incentives are all potential areas where Federal budget (and regulatory) interventions may be apposite.

Advanced Manufacturing in Greater Western Sydney

The tax settings surrounding business investment, R&D and innovation need an urgent rethink to make sure Australia is best-placed to boost productivity as we emerge from the current pandemic-induced downturn. Pre-2020, productivity and business investment were stalling or in decline, and far removed from the productive, innovative ideal that the nation strives for. For all the rhetoric around transitioning to high-value advanced manufacturing, we need a tax system to match.

There are few regions that would benefit from an accelerated transition to advanced manufacturing more than GWS. With around 10% of jobs in manufacturing across the region and Australia's highest concentration of manufacturing SMEs, the potential for innovation in the region's manufacturers is immense. Concerted efforts to generate innovation ecosystems in precincts like the Western Sydney Aerotropolis can only succeed with the support of a regional industrial ecosystem of skills and supply chains.

The taxation of manufacturing businesses (and all companies for that matter) is a powerful lever to unlock innovation and entrepreneurship, and the current downturn has seen encouraging public debate around how best to achieve this. Transitioning towards a cashflow tax, as suggested by Ross Garnaut and others is a novel idea in this space that warrants serious consideration.

Without being prescriptive on solutions, the Dialogue asserts that our existing incentives for business investment are falling short in making Australia a global leader and destination for global investment in advanced manufacturing and other IP-intensive fields. Reforms to company tax must be designed to address this.

Tertiary Education and Training Sector in Greater Western Sydney

The tertiary education sector has been impacted by the health crisis, in GWS as everywhere else. There are however some regional peculiarities where clarifying contributions within this budget could help its immediate stabilisation and recovery, and position it for better regenerative growth.

Job Ready Graduates' Reform and GWS's 'Low Growth' Status

The Dialogue takes the opportunity to note its concerns at elements of the government's on-going 'Job Ready Graduates' tertiary education reform package. While cautiously supportive of the intended ambitions of aligning the nation's tertiary education capacity and future workforce needs, as well as making access to university more equitable across regions, we are mystified by the proposed designation of key GWS campuses as being in 'low growth metropolitan' regions, and thus due only the most modest level of growth in Commonwealth supported places going forward.

This neither accords with our long experience of education disparity in GWS, nor – more critically – the defining ambition and explicit economic recovery plan being evolved by GWS universities. Detailed modelling by Western Sydney University shows clearly that the reform package's predominately 'low-growth metropolitan' provisions for Western Sydney University would see its supported place 'growth' average out at approximately 1.4 per cent. And yet, much of WSU's natural catchment area is surely still defined by a demographic that very much still needs 'metropolitan high-growth'. If a key purpose of the funding reforms is for regional disadvantaged cohorts to gain fairer access to supported university places, then heartland GWS electorates which currently still sit well below the Greater Sydney statistical average for university degree attainment (28.3%) - such as Lindsay (13.5%), Werriwa (15.2%), Blaxland (17.3%), McMahon (14.5%) and Fowler (12.7%) - must surely be so earmarked. Considering the dramatically improved outcomes in GWS electorates impacted by a (to-date) equitably served campus in the Central River City, such as Parramatta (34%), Greenway (27.1%) and Mitchell (33.4%), to relatively 'slow the tap' of CGS-supported places in those many parts of GWS that still lag, as the reforms propose, would be doubly cruel.

WSU Bankstown Vertical Campus and the 'Factory of the Future'

This inexplicable mismatching in the reform package is compounded when set against the GWS university and TAFE sector's long history of cooperative engagement and creative enmeshment within the region's wider commercial and industrial communities, and its explicit awareness of the driving role this symbiosis must play in economic recovery.

This strategy is evident in WSU's latest vertical campus to be built in the Bankstown CBD, a joint project in with Walker Corporation. The campus will serve as the springboard for 10,000 students, including a focus on SME Advanced Manufacturing and a joint 'Factory of the Future' in partnership with UTS, which will bring together industrial and employment powerhouses, local entrepreneurs, SMEs and start-ups, trades, finance and project delivery expertise. These tertiary education synergies are designed precisely and explicitly to fit the economic recovery template the 'Job Ready Graduates' proposals articulate, and it is mystifying that the key funding definitions would hamper, not help activate them.

We urge a rethink of any 'low growth' definition applied to GWS student catchments, or for the budget to consider shorter term 'special growth' allocations for additional supported university places, at least over the challenging recovery years.

NUW Alliance and the Future Technologies Centre

This embedded Urban Placemaking and Activation Hub, is another manifestation of the growing integration of universities, VET, business and industry in GWS that will define the region's economic recovery. This will be an early activation of the 'Multiversity' concept in the Western Parkland City, under the stewardship of the NUW Alliance (the Universities of Newcastle and Wollongong, and UNSW) and in collaboration with the regionally significant Western Sydney University.

The Future Technologies Centre will have a strong innovation and technology focus, and be critical for transforming industry in areas vital to economic rejuvenation and renewal, from digitisation and automation to neuromorphic engineering and virtual design. If the Budget is seeking avenues for leveraging economic recovery from its tertiary education spending, the Dialogue recommends the NUW Alliance Future Technologies Centre's $47.5m price tag as an unmatchable, high-return option.

Strategic Implications of 'Job Ready Graduate' Reforms

More broadly, we share other concerns expressed across the tertiary sector regarding the government's proposed reforms, in particular those which have added resonance in GWS. We especially echo the note of caution expressed in the University of Sydney's measured assessment of the apparent haste, limited data and thin analysis of student course selection motivations and patterns that have informed the proposals. As non-experts, the Dialogue is also very concerned at what appears to have been only a hurried and selective sector consultation (and now review) process. While agility and boldness is an admirable trait the daunting reality is that the last six months has upended almost every employment, workforce, education and training imperative. The future labour and employment - and thus, the current student and research - marketplaces are undergoing profound recalibration, and, perhaps unintentionally, as these reforms stand they risk imposing perversely counter-productive consequences at odds with their own stated ambitions. Again as the University of Sydney's acute analysis points out, cutting funding support in areas of study that will clearly be critical to economic recovery – science, maths, engineering, allied health and education – seems especially untimely. Likewise, the authentic merit in seeking to streamline how we fund our most innovative minds is lost in the devastating impact that separating the base research component from the CGS, and devaluing it as savagely as proposed here, would have on our national capacity to 're-invent and re-tool' our economy for the challenging years ahead.

As noted above, the fertile interplay and integration of higher research and commercial industry has long been a defining essence of tertiary education in GWS, and much of the current reform package feels inexplicably regressive to that aspiration. Seeking to impose the most radical shake-up in generations is a stirring ambition, but it demands the widest and most prudent engagement with the tertiary education sector's leaders and experts, and we urge the government to extend their strongly expressed concerns the most serious respect and consideration.

Immediate Response on International Students

Finally we note that the university sector in general has been particularly impacted by the lock-out of paying international students. We express the hope that the budget will be sensitive to the shock felt so far and realistic in its approach to navigating its immediate implications. International students have made an enormous contribution to the university funding ecology of the last three decades, in GWS especially, and it is one that is in everyone's economic best interests to preserve. To that end we urge the government to provide for any funding or administrative support necessary to accelerate a resumption in this sector. Student quarantine measures and timetables are one area that may have federal policy and/or budget implications.

Other Issues of Relevance

Beyond these measures and issues directly relating to recovery budget imperatives, we take the opportunity to note other matters of relevance to GWS for which we have advocated in the past, and to which the health and economic crises have only added urgency and weight:

Environment, Energy, Waste, Sustainability

We note that it is only a few months from another summer, and there is every chance that GWS's suburbs will again see extreme temperatures. Similarly, while recent rainfall has taken immediate pressure off the impact of drought, there remains the prospect of another bad bushfire season. In our recent discussion paper on utilities transition in GWS, Greater Western Sydney's Hot Issue, we called on governments – state and federal – to introduce a mandatory minimum aircon thermostat setting of 25 C in government buildings, to lead the way in helping ameliorate the risk of electricity load shedding or grid shutdown on intensely hot days.

We also urged the government to back in R&D and investment incentives in plastics recycling, given the accumulating pressures on the waste management sector arising from the recent disruption to the recycling export market, and the Prime Minister's explicit public ambitions on cleaning up the oceans. We repeat those calls, and more broadly remind the Federal government that the climate change crisis continues to worsen, regardless of more immediate ones, and the only rational response to it must be more aggressive emissions reduction and energy transition strategies at the national level.

Arts, Culture, Recreation

Employment in the arts, culture and recreation has been particularly hit by the economic lock-downs – with a relative absence of emergency stimulus support. Social event and conference venues, goods, service and staff provision has been savaged, as have sports and recreation centres and facilities. Some of these SMEs and employees have been able to access *JobSeeker* and *JobKeeper* schemes; many, as non-qualifying casuals or self-employers, have not.

Many arts and culture organisations in GWS have lost Australia Council funding at precisely the same time as their capacity to sustain ticket sales and hospitality revenue has collapsed, stranding workforce hubs like Campbelltown Arts Centre, the Information and Cultural Exchange, the Urban Theatre Project, Parramatta's Riverside Theatre and Penrith Performing and Visual Arts. Most individual artists have struggled to access any form of emergency stimulus payment, and all levels of government have been tardy in recognising this key omission.

As a strong advocate for GWS's rich, vibrant creative communities, including as a committed supporter of specific creative wellsprings (like the Bankstown Poetry Slam), the Dialogue pleads for this national budget to have a rethink on the role our creative workforce plays in defining us as Australians, and ensure that spending allocations going forward better reflect it.

Other Health Issues

Setting aside the Coronavirus, another health crisis that continues to spiral quietly out of control – exacerbated by this enforced period of reduced human physical activity and movement – is that of obesity. The economic lockdown, and the demands of social distancing – greatly curtailing our participation in sport, recreation, social activities like dancing and simply walking around – has intensified the problem of insufficient activity we noted in our 2019 paper Western Sydney's Heavy Issue. While the 'numbers' are still filtering through there is no doubt rates of obesity in GWS – already relatively bad – will have worsened, making all the more critical national action at last on a causal factor upon which all obesity advocates agree: a sugar tax of some form. We repeat our call for one to be applied at a national level to sugar-sweetened beverages, as a reasonable and achievable first step.

Family and Domestic Violence

Another crisis particularly confronting our communities in GWS, rendered both more urgent but also less relatively prominent by the coronavirus, is Family and Domestic Violence (FDV). The 'perfect storm' of unemployment, financial pressure, physical risk and danger, home schooling and enforced proximity with few release mechanisms, is already becoming manifest in rapidly increasing rates of family break-down, domestic abuse and assault, poverty, homelessness, and physical and mental trauma.

Already emergency accommodation and advocacy groups are reporting spikes in the need for more services and asset support. We applaud the government's prompt expansion of the Social Services Minister's discretionary capacity to channel funds quickly where they are most needed, but advocate for significant increases in more stable funding for assets-heavy policy elements like sufficient well-resourced refuge accommodation. We also repeat the call we made in our 2018 Discussion paper, Putting Family and Domestic Violence on the Agenda, for 10 days paid FDV leave to become an employment national standard.

Policy Reform 'Window of Opportunity'

Finally, we note that the unprecedented disruption of economic norms could, if the moment is seized with resolution and courage, serve to fashion this budget as a catalyst for some long-needed structural policy reforms. Detailed prescription is beyond the scope of this submission, but areas for fruitful consideration could include housing taxation incentives, federal-state funding arrangements and national enabling support for stamp duty, land tax and build-to-rent reforms at state level.

Conclusion: Seizing An Economic Pivot Moment

Out of unexpected tragedy and unavoidable calamity, thrilling good fortune can be salvaged by those with the boldness, courage and vision to do so.

Quite aside from the awkward reality that we have no other choice – there is no alternative indeed, to echo the clarion call of an earlier economic revolution – no Australian government should ever back away from backing its own people. Nor from backing itself. As a nation we are poised at an economic pivot, where terrible, tragic circumstances now demand we make daunting spending decisions. Yet in reality we would have needed to make such decisions anyway, if we were to ensure we didn't miss the thrilling opportunities for renewal and rejuvenation on offer.

Prior to this terrible virus bringing our economy to a standstill, we would have had to confront the challenges of stubborn investment and wage stagnation. We would have had to confront the scourge of growing inequality, and the withering of opportunities for our younger generations. Above all else, we would have had to confront the existential threat of climate change – grapple with emissions reduction, energy transition, utilities sustainability, environmental and species extinction – lest it confront us first, sooner or later, on its own fatal terms.

The Coronavirus will, alas, continue to unfold as a tragedy for an uncertain time. We are far from out of danger, and our economy will never fully return to the 'old normal'. But by seizing control of this terrible moment and transforming it into both a moral imperative and a fiscal lever for investing in ourselves, we can make sure we transform the tragedy, eventually, into triumph. We can give ourselves no choice but to take the future with both hands, and claw ourselves into collective ownership of it.

We wish the government confidence and wisdom in framing this most crucial budget of our lifetimes, and urge it to back Australians in: back our ability as a nation to spend our way to an even more prosperous future for our children than we ourselves have enjoyed, and with its spending choices, lay out the roadmap to the kind of country we want to become beyond this crisis, and set us on our way.

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