

The Senate

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Community Affairs References  
Committee

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The extent and nature of poverty in  
Australia

Final report

February 2024

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# Terms of reference

The extent and nature of poverty in Australia with particular reference to:

- (a) the rates and drivers of poverty in Australia;
- (b) the relationship between economic conditions (including fiscal policy, rising inflation and cost of living pressures) and poverty;
- (c) the impact of poverty on individuals in relation to:
  - (i) employment outcomes,
  - (ii) housing security,
  - (iii) health outcomes, and
  - (iv) education outcomes;
- (d) the impacts of poverty amongst different demographics and communities;
- (e) the relationship between income support payments and poverty;
- (f) mechanisms to address and reduce poverty; and
- (g) any related matters.



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## Abbreviations

ACCHO	Aboriginal Community Controlled Health Organisations
ACCO	Aboriginal Community Controlled Organisations
ACOSS	Australian Council of Social Service
ACTCOSS	Australian Capital Territory Council of Social Service
AIFS	Australian Institute of Family Studies
AIMN	Accountable Income Management Network
ANU	Australian National University
APO NT	Australian Peak Organisations Northern Territory
BSL	Brotherhood of St Laurence
CAEPR	Centre for Aboriginal Economic Policy Research
CDP	Community Development Program
CEDA	Committee for Economics Development of Australia
CLC	Central Land Council
CPI	Consumer Price Index
CRA	Commonwealth Rent Assistance
DSS	Department of Social Services
DSP	Disability Support Pension
ECEC	Early Childhood Education and Care
EIAC	Economic Inclusion Advisory Committee
IM	Income Management
MWM	Measuring What Matters
NACCHO	National Aboriginal Community Controlled Health Organisation
NIAA	National Indigenous Australians Agency
NSPTRP	National Suicide Prevention and Trauma Recovery Project
NTCOSS	Northern Territory Council of Social Service
OECD	Organisation for Economic Co-operation and Development
OOHC	Out-of-home care
QAIHC	Queensland Aboriginal and Islander Health Council
RAA	Remote Area Allowance
SDG	Sustainable Development Goal
The committee	Senate Community Affairs References Committee
UBI	Universal Basic Income
UNSW	University of NSW
VACCA	Victorian Aboriginal Child Care Agency
VACCHO	Victorian Aboriginal Community Controlled Organisation
WACOSS	Western Australia Council of Social Service
YA	Youth Allowance



# List of recommendations

## Recommendation 1

2.130 The committee recommends that the Australian Government take urgent action so that Australians are not living in poverty, including through considering the suitability, adequacy, and effectiveness of the income support system.

## Recommendation 2

2.132 The committee recommends that the Australian Government take action to better support applicants and recipients of the Disability Support Pension and ensure people can participate in their communities and cover their living costs.

## Recommendation 3

2.135 The committee recommends the Australian Government consider asking the Economic Inclusion Advisory Committee to review Commonwealth Rent Assistance, to determine effectiveness and appropriateness at alleviating cost of living pressures.

## Recommendation 4

2.140 The committee recommends the Australian Government reform mutual obligations, giving consideration to the report of the Select Committee on Workforce Australia Employment Services.

## Recommendation 5

2.141 The committee recommends that the Department of Social Services and the Department of Employment and Workplace Relations undertake a review of all employment services programs to ensure they move to a strengths-based, person-centred approach.

## Recommendation 6

3.128 The committee recommends the Australian Government commit to the principles of First Nations-led co-design of all First Nations employment services, and accelerate the Community Development Program reforms.

## Recommendation 7

3.131 The committee recommends that the Australian Government consider asking the Economic Inclusion Advisory Committee to review the adequacy of the Remote Area Allowance with the view to set an adequate rate of payment to

address the higher costs of living in remote Australia; and to consider appropriate indexation arrangements.

#### **Recommendation 8**

**3.133 The committee recommends the Australian Government continue to reform income management with the view to replace compulsory income management with voluntary models that empower families and communities.**

#### **Recommendation 9**

**4.169 The committee recommends that all levels of government invest significantly to ensure that children, especially those from disadvantaged or vulnerable backgrounds, have access to high quality early education and care.**

#### **Recommendation 10**

**4.177 The committee recommends the Australian Government review all student payments, giving consideration to the work of the University Accord panel.**

#### **Recommendation 11**

**4.180 The committee recommends the Australian Government conduct a review of Australia's child support scheme, which specifically considers:**

- the adequacy of the current child support formula and rates;
- improving and increasing the enforcement of unpaid child support payments;
- ensuring the system adequately addresses the needs of victim-survivors of domestic and family violence; and
- improving the overall administration of the scheme.

#### **Recommendation 12**

**4.187 The committee recommends the Australian Government continue to invest, and consider increasing investment, in early intervention and place-based initiatives to address child poverty. Any initiatives aimed at supporting First Nations families and children must be led by and co-designed with First Nations people, and support existing commitments under the National Agreement on Closing the Gap.**

#### **Recommendation 13**

**4.193 The committee recommends the Australian Government takes action to reduce child poverty.**



## **Recommendation 14**

**5.85 The committee recommends the Australian Government, in consultation with stakeholders, continue developing funding of longer-term place-based initiatives aimed at reducing poverty and disadvantage.**



# Chapter 1

## Introduction

‘Poverty is cruel. It creates the conditions that lead to degradation and exploitation as it insinuates itself in intergenerational trauma and humiliation. Families and communities living within its grip report feelings of powerlessness, hopelessness and despair aggravated by dependence on welfare benefits. The issue of poverty should not be an afterthought in policy. Government should be striving for human wellbeing in an inclusive economy in which no one is left behind’.<sup>1</sup>

- 1.1 Poverty is a multifaceted social and economic story of deprivation and disadvantage that, according to a recent study by the Australian Council of Social Service (ACOSS) and the University of New South Wales (UNSW), impacts over three million people in Australia today.<sup>2</sup> Every one of these Australians has the potential to suffer debilitating economic, social, political, and personal difficulties that can severely restrict their ability to live fulfilling and contributing lives.
- 1.2 The Senate Community Affairs References Committee (the committee) was determined to investigate the structural drivers of poverty, the most significant impacts, which cohorts are most at risk, and what could be done to reduce poverty across the country.
- 1.3 Over the course of the inquiry, the committee received extensive evidence regarding the human costs of poverty. While commonly used definitions describe poverty in terms of not having enough income,<sup>3</sup> the human impact of this stretches beyond financial deprivation and into all aspects of people’s lives.
- 1.4 The committee heard from people with direct lived experience of poverty. This included hearing about the compounding challenges faced by individuals who do not have enough money to meet basic human needs or to live contributing lives; the impossible daily choices they make between food, shelter, and healthcare; and how these deficiencies impact on their health, education, employment, relationships, and participation in society.
- 1.5 The committee heard from government agencies who intervene with programs in social services, education, health, housing, and employment portfolios to reduce poverty. It also heard from community organisations that provide

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<sup>1</sup> Catholic Archdiocese of Sydney, *Submission 65*, p. 1.

<sup>2</sup> Australian Council of Social Service & University of New South Wales Poverty and Inequality Partnership, *Submission 22*, p. 5.

<sup>3</sup> Senate Community Affairs References Committee, *The extent and nature of poverty in Australia: Interim Report*, May 2023, pp. 3 and 4.

services on the ground, such as emergency relief, holistic services for First Nations communities, housing, and healthcare, and from organisations that advocate for policy changes to improve outcomes for vulnerable people. Finally, experts and academics highlighted the immense social and economic costs of poverty and suggested potential solutions.

- 1.6 Due to the volume of the evidence received from written submissions and witnesses at initial public hearings and the timing of the May budget, the committee decided to release an interim report on 4 May 2023. It centred the stories heard from people with direct lived experience of poverty and the committee recommended that the Australian Government take urgent action so that Australians are not living in poverty, and prioritise policy measures in that May budget that specifically target rising inequality and entrenched disadvantage, including through the income support system.<sup>4</sup>
- 1.7 The committee heard of the beneficial impact of the increased income support provided by government in response to the unique economic circumstances of the COVID pandemic. The committee heard of how this gave some individuals and organisations the ability to ‘turn their attention away from day-to-day survival and towards envisioning and working towards a more sustainable future for themselves and their dependents’.<sup>5</sup>
- 1.8 The final report covers the additional evidence received since the interim report including on First Nations people and child poverty. It also further investigates the social security system, its multiple components, and its relationship to poverty, and finally, the suite of mechanisms raised by inquiry participants on how to address poverty and reduce its impacts across Australia.

### **Referral and conduct of the inquiry**

- 1.9 On 7 September 2022, the Senate referred an inquiry into the extent and nature of poverty in Australia to the committee for reporting by 31 October 2023.
- 1.10 The Senate granted several extensions of time for reporting, first to 5 December 2023, then 7 December 2023, 6 February 2024, 26 February 2024 and finally 28 February 2024.<sup>6</sup>

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<sup>4</sup> Senate Community Affairs References Committee, *The extent and nature of poverty in Australia: Interim Report*, May 2023, pp. 19–37.

<sup>5</sup> Dr Elise Klein OAM, *Submission 25*, p. 1. See also, Senate Community Affairs References Committee, *The extent and nature of poverty in Australia: Interim Report*, May 2023, pp. 68–73.

<sup>6</sup> On 12 September 2023, the Senate granted an extension for reporting until 5 December 2023: *Journals of the Senate*, No. 70, 12 September 2023, p. 1996. On 28 November 2023, the Senate granted an extension to 7 December 2023: *Journals of the Senate*, No. 88, 28 November 2023, p. 2460. On 6 December 2023, the Senate granted an extension to 6 February 2024: *Journals of the Senate*, No. 93, 6 December 2023, p. 2711. On 26 February 2024, the Senate granted an extension to 28 February 2024: *Journals of the Senate*, No. 98, 26 February 2024, p. 2969.

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- 1.11 Details of the inquiry were published on the committee’s website and the committee invited organisations and individuals to lodge submissions and attend public hearings.
- 1.12 The committee published 253 submissions and a range of additional information, answers to questions on notice, and tabled documents, all listed in Appendix 1.
- 1.13 The committee held nine public hearings and one site visit at the following locations across Australia:
- 20 October 2022 — Melbourne, Victoria;
  - 6 December 2022 — Brisbane, Queensland;
  - 13 December 2022 — Murray Bridge, South Australia;
  - 31 January 2023 — Western Sydney, New South Wales;
  - 21 February 2023 — Lismore, New South Wales;
  - 27 February 2023 — Canberra, Australian Capital Territory;
  - 4 April 2023 — Perth, Western Australia;
  - 15 August 2023 — Canberra, Australian Capital Territory;
  - 31 October 2023 — Canberra, Australian Capital Territory; and
  - 3 November 2023 — Burnie, Tasmania (site visit).
- 1.14 All witnesses are listed in Appendix 2.

### **Interim report**

- 1.15 The committee published an interim report on 4 May 2023 for this inquiry. Its scope included: defining poverty, the extent of poverty in Australia, the human impacts of poverty, the structural drivers of poverty, and the relationships between income support payments and poverty.
- 1.16 The sections below provide a brief overview of the evidence contained in the interim report.

### **Definition and measure of poverty**

- 1.17 Although the Government does not have an official definition of poverty,<sup>7</sup> submitters and witnesses highlighted generally accepted approaches to measuring poverty, including 50 per cent of median income (a version of which is used by the Organisation for Economic Co-operation and Development (OECD))<sup>8</sup> and the Henderson Poverty Line (which is the longest running poverty measure in Australia).<sup>9</sup>

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<sup>7</sup> Department of Social Services, *Submission 12*, p. 43.

<sup>8</sup> Australian Council of Social Service & the University of New South Wales Poverty and Inequality Partnership, *Submission 22*, p. 4.

<sup>9</sup> Senate Community Affairs References Committee, *The extent and nature of poverty in Australia: Interim Report*, May 2023, p. 10.

1.18 Despite mixed views regarding which measure is most appropriate, many inquiry participants acknowledged the importance of having an official national definition to allow for measurement of poverty and tracking of progress on reducing poverty over time.<sup>10</sup>

### **The extent of poverty**

1.19 ACOSS and UNSW used the latest 2019–20 Census by the Australian Bureau of Statistics to provide contemporary poverty statistics.<sup>11</sup> Based on a 50 per cent of median household income measure,<sup>12</sup> key statistics include:

- a poverty line of \$489 per week for a single adult and \$1027 per week for a couple with two children;<sup>13</sup>
- 13.4 per cent of people (or over 3 million people) and 16.6 per cent of children (or over 760 000 children) in Australia live below the poverty line after factoring housing costs;
- people in households below the poverty line had incomes averaging \$304 per week below the poverty line (the poverty gap)<sup>14</sup> after deducting housing costs;
- the poverty gap widened from 1999 (\$168 per week) to March 2020 (\$323 per week); and
- increased income support payments during the COVID-19 pandemic lifted 646 000 people (including 245 000 children) out of poverty.<sup>15</sup>

1.20 Going beyond the headline figures, submitters highlighted how specific cohorts experience higher risk of poverty, including women, children and young people, people with disability, carers, people from culturally and linguistically

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<sup>10</sup> Senate Community Affairs References Committee, *The extent and nature of poverty in Australia: Interim Report*, May 2023, pp. 8, 12–15.

<sup>11</sup> Australian Council of Social Service & the University of New South Wales Poverty and Inequality Partnership, *Submission 22*, p. 4.

<sup>12</sup> The 50 per cent of median income measure is where the poverty line for a single adult living alone is set at half the after-tax income of the median (middle) household in the overall income distribution, including any social security payments received. This measure allows for direct comparison of poverty rates in other countries. The Henderson poverty line is a standard used since the Commission of Inquiry into Poverty (1972) based on a benchmark income at the time and is now updated quarterly by the Melbourne Institute.

<sup>13</sup> Other submitters such as the Melbourne Institute and BankWest Curtin Economic Centre used equivalised income and calculate slightly different poverty lines.

<sup>14</sup> The poverty gap is the difference between the incomes of people in various household types in poverty.

<sup>15</sup> Australian Council of Social Service & the University of New South Wales Poverty and Inequality Partnership, *Submission 22*, p. 4.

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diverse backgrounds, rural and regional communities, people on income support payments, and First Nations people.<sup>16</sup>

### **The nature of poverty**

- 1.21 The committee heard how the human impacts of poverty are far reaching and the cause of significant hardship and lost opportunities for many individuals. The inquiry received statements from people with direct lived experience of the complex and intersecting challenges and impacts of poverty, including how an inability to pay rent, energy bills, and transport and medical costs, all combine into feelings of hopelessness and negative health impacts.<sup>17</sup>
- 1.22 Submitters highlighted the challenges of housing insecurity, housing quality issues, and homelessness, and how being ‘trapped’ in homelessness or insecure housing can have intergenerational impacts. Inquiry participants also highlighted the heightened risk and vulnerabilities around housing for cohorts such as people with disability, women escaping domestic and family violence, and people in the LGBTQIA+ community.<sup>18</sup>
- 1.23 The committee received evidence about the negative impacts poverty has on physical and mental health, including inactivity, dietary issues, chronic health conditions, and mental illnesses. Stories were told of how people are unable to seek healthcare or pay for medicines due to their lack of resources, leading to acute and long-term health conditions and poor wellbeing. It also heard how the constant financial stress and hardship increased risks of depression, anxiety, and suicidal behaviour and ideation.<sup>19</sup>
- 1.24 Submitters and witnesses told the committee how poverty can reduce economic participation in education and employment. Submitters explained how poverty reduced education access and achievement from a young age, through school, and into young adulthood. It was also highlighted how poverty is a barrier to employment and how lack of employment relates back to increased risk of poverty.<sup>20</sup>
- 1.25 Finally, the committee heard how poverty affects social lives, including how people withdraw from society, struggle to maintain relationships, and lose their

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<sup>16</sup> Senate Community Affairs References Committee, *The extent and nature of poverty in Australia: Interim Report*, May 2023, pp. 5 and 6.

<sup>17</sup> Senate Community Affairs References Committee, *The extent and nature of poverty in Australia: Interim Report*, May 2023, pp. 19 and 20.

<sup>18</sup> Senate Community Affairs References Committee, *The extent and nature of poverty in Australia: Interim Report*, May 2023, pp. 22–24.

<sup>19</sup> Senate Community Affairs References Committee, *The extent and nature of poverty in Australia: Interim Report*, May 2023, pp. 24–30.

<sup>20</sup> Senate Community Affairs References Committee, *The extent and nature of poverty in Australia: Interim Report*, May 2023, pp. 30–35.

sense of belonging. Submitters also highlighted vulnerabilities for migrants and refugees who already lack social capital, and for First Nations people where experiences of poverty reduce their ability to share and practice their culture.<sup>21</sup>

### **The structural drivers of poverty**

- 1.26 Submitters and witnesses outlined the structural drivers of poverty that go beyond simply not having enough money. This included economic, labour market, housing, and social factors that are not personal deficits or within the control of individuals.
- 1.27 The economic environment including the rising cost-of-living and interest rate increases by the Reserve Bank of Australia to curb inflation have disproportionately impacted those on the lowest incomes and their relative purchasing power.<sup>22</sup>
- 1.28 Those without employment are at high risk of poverty, particularly single people and people living in large families. Those experiencing persistent poverty gave evidence that they were constrained in their ability to participate in the labour market, which in turn leads to low incomes and the associated challenges. Inquiry participants also discussed trends around casualisation and insecure work, where even those with paid jobs continue to be disadvantaged. Early childhood education and care were seen as pathways to break this cycle in the long term.<sup>23</sup>
- 1.29 Insecure, inappropriate, or unaffordable housing was identified by inquiry participants as a core structural driver of poverty and that the two issues were intimately linked. Marketisation and private rental market conditions were highlighted as drivers of poor housing outcomes for those on the lowest incomes.<sup>24</sup>
- 1.30 Finally, social factors such as domestic and family violence and intergenerational disadvantage stemming from child poverty were seen as key drivers of poverty. Submitters highlighted that children who grew up in poverty

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<sup>21</sup> Senate Community Affairs References Committee, *The extent and nature of poverty in Australia: Interim Report*, May 2023, pp. 35–37.

<sup>22</sup> Senate Community Affairs References Committee, *The extent and nature of poverty in Australia: Interim Report*, May 2023, pp. 41 and 42.

<sup>23</sup> Senate Community Affairs References Committee, *The extent and nature of poverty in Australia: Interim Report*, May 2023, pp. 42–46.

<sup>24</sup> Senate Community Affairs References Committee, *The extent and nature of poverty in Australia: Interim Report*, May 2023, pp. 46–49.



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were more likely to have low incomes in adulthood, be unemployed, or have tenuous connections to the labour market.<sup>25</sup>

### **The interaction between the social security system and poverty rates**

- 1.31 Inquiry participants stressed the importance of the social security system in managing poverty, with particular focus on income support payments. The Department of Social Services (the department) highlighted how various income support payments provide for a minimum standard of living and a social safety net. This includes payments for the unemployed (such as JobSeeker Payment and Youth Allowance), the aged (Age Pension), people with disability (Disability Support Pension), and others.
- 1.32 The department also described the recipient profiles of various payments, including the trend of increasing long-term JobSeeker Payment recipients due to economic shocks, labour market changes, and an aging population.<sup>26</sup>
- 1.33 Other inquiry participants highlighted the strong link between the levels and accessibility of income support payments and poverty rates. Given this, many submitters advocated for income support payments to be increased to reduce poverty rates and to improve outcomes across health, housing, and social and economic participation.<sup>27</sup> The temporary increase in income support payments like JobSeeker Payment during COVID-19 was cited as evidence of the Australian Government's ability to reduce poverty rates.<sup>28</sup>

### **The committee's view**

- 1.34 The committee acknowledged the significant evidence provided on the dehumanising experience of poverty, the rates and impacts of poverty, and the long-standing calls to increase income support payments to allow for basic living standards for many Australians.
- 1.35 The committee agreed that urgent action was needed to reduce poverty in Australia. It also highlighted areas for further consideration as the inquiry progressed, including the range of policy domains which can help address disadvantage and work to improve life outcomes for the community.<sup>29</sup>

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<sup>25</sup> Senate Community Affairs References Committee, *The extent and nature of poverty in Australia: Interim Report*, May 2023, pp. 49–51.

<sup>26</sup> Senate Community Affairs References Committee, *The extent and nature of poverty in Australia: Interim Report*, May 2023, pp. 54–60.

<sup>27</sup> Senate Community Affairs References Committee, *The extent and nature of poverty in Australia: Interim Report*, May 2023, pp. 65–68.

<sup>28</sup> Senate Community Affairs References Committee, *The extent and nature of poverty in Australia: Interim Report*, May 2023, pp. 68–73.

<sup>29</sup> Senate Community Affairs References Committee, *The extent and nature of poverty in Australia: Interim Report*, May 2023, pp. 77 and 78.

- 1.36 The interim report recommended the Australian Government prioritise measures in the 2023–24 Budget to target rising inequality and entrenched disadvantage, including through the income support system.<sup>30</sup>
- 1.37 The 2023–24 Federal Budget included an increase in a range of income support payments that benefited around two million recipients. This included:
- \$4.9 billion to increase the rate of working age payments by \$40 per fortnight;
  - to move single JobSeeker Payment recipients aged 55 years and over after nine continuous months on payment to the higher single rate;
  - \$2.7 billion to increase Commonwealth Rent Assistance maximum rates by 15 per cent; and
  - \$1.9 billion to extend eligibility for Parenting Payment (Single) to single principal carers with a youngest dependent child under 14 years (up from 8 years).<sup>31</sup>

### **Scope and structure of the final report**

- 1.38 The final report focuses firstly on the social security system and its ability to impact on poverty rates. At the time of the interim report, the committee had not yet covered in depth the impacts of poverty for First Nations people and child poverty. The final report explores these two critical areas, including the additional evidence received since the interim report. Finally, the final report considers the evidence on what policy and program mechanisms the Australian Government should enact to help address poverty.
- 1.39 Chapter 2 focuses on the social security system and the supports the Australian Government provides through the social services system that aim to address various aspects of poverty. It reflects the evidence received from inquiry participants about how individuals and cohorts facing poverty interact with the social security system and its multiple components. It then examines the adequacy of various income support payments.
- 1.40 Chapter 3 highlights the complex and intersecting issues around poverty experienced by First Nations people and their communities, including the impact of geographic remoteness, lack of employment opportunities, and interactions with social security payments and programs.
- 1.41 Chapter 4 draws on the evidence received regarding child poverty and highlights the detrimental impacts poverty has on developmental, and other outcomes for children and young people. It then discusses the long-term and often intergenerational effects of child poverty on future economic and social

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<sup>30</sup> Senate Community Affairs References Committee, *The extent and nature of poverty in Australia: Interim Report*, May 2023, p. 78.

<sup>31</sup> Commonwealth of Australia, *Budget Measures: Budget Paper No. 1 2023-24*, pp. 9–15.

outcomes and concludes with proposed solutions for reducing child poverty in Australia.

- 1.42 Chapter 5 looks at mechanisms to address poverty in Australia, including national policy mechanisms that can influence how poverty is considered and tracked, and policy areas and programs that can improve various outcomes for those impacted by poverty.

### **Acknowledgements**

- 1.43 The committee thanks all those who contributed to the inquiry by making submissions, providing additional information, and appearing at public hearings.
- 1.44 In particular, the committee acknowledges the courage and generosity of people who shared their direct and contemporary lived experiences of poverty, including First Nations people and organisations. These submissions and statements significantly deepened the committee's understanding of the impacts and challenges of poverty at the human level.

### **Note on references**

- 1.45 In this report, references to *Committee Hansard* are to proof and official transcripts. Page numbers may vary between proof and official transcripts.



# Chapter 2

## Australia's social security system

Australia's social security system has long been thought of as inadequate and punitive – inadequate because the base rates of Australia's working-age social security payments have been below the poverty line for some time, and punitive because of the use of welfare conditionalities, more commonly called mutual obligations...<sup>1</sup>

- 2.1 The committee's interim report covered the scope of Australia's social security system, the various income support payments administered by the Department of Social Services (the department), and the substantial calls from submitters and witnesses to increase income support payments, such as the JobSeeker Payment, to reduce poverty rates.<sup>2</sup>
- 2.2 This chapter further explores the social security system. In particular, it explores the evidence received on the perceived punitive nature of mutual obligations and debt recovery mechanisms. The chapter then examines the evidence provided on the adequacy of various support payments, including their payment levels and eligibility criteria, in ensuring people do not live in poverty.

### Key features of the social security system

- 2.3 This section discusses the social security system and its various components. According to the department:

Australia has an extensive and targeted social security system. Australia's social security system is non-contributory, and provides a strong safety net for Australians who are unable to fully support themselves due to age, disability, caring responsibilities or unemployment. It plays a key role in reducing and alleviating poverty in Australia.<sup>3</sup>
- 2.4 The system includes income support payments that 'aim to provide: a minimum adequate standard of living for the working age population' and 'acceptable standards of living, accounting for prevailing community living standards, for pensioners and families'.<sup>4</sup> It also includes supplementary payments that provide additional assistance for specific cohorts. The department stated the system is

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<sup>1</sup> Dr Elise Klein OAM, *Submission 25, Attachment 1*, [p. 2]. Note, Dr Klein here refers to both the Henderson poverty line and the relative measure based on 50 per cent of median household income.

<sup>2</sup> Senate Community Affairs References Committee, *The extent and nature of poverty in Australia: Interim Report*, May 2023, pp. 53–73.

<sup>3</sup> Department of Social Services, *Submission 12*, p. 19.

<sup>4</sup> Department of Social Services, *Submission 12*, p. 19.

supported more broadly by a progressive income tax system and other subsidies of goods and services.<sup>5</sup>

- 2.5 The department also submitted that it is a system that requires balance between support and fiscal sustainability, and individual need and responsibility.<sup>6</sup>
- 2.6 In its submission, the department outlined key aspects of the system that reduce poverty and disadvantage, including:
- income support payments (including indexation);
  - other services and supports for those experiencing financial hardship;
  - housing and homelessness programs;
  - education and skills programs;
  - employment programs;
  - place-based approaches; and
  - government supports for specific cohorts.<sup>7</sup>
- 2.7 Social policy and programs (including income support payments) are designed and administered by various government agencies, including the department and Services Australia (that itself includes Centrelink, Medicare, and child support programs). Employment policy and programs are designed and administered by the Department of Employment and Workplace Relations (including the Workforce Australia program).

### **Income support payments**

- 2.8 As at September 2022, around 5 million people receive income support payments,<sup>8</sup> including:
- JobSeeker Payment — for adults of working age;
  - Youth Allowance — for jobseekers aged 16 to 21 years;
  - Age Pension — for those aged 66.5 years or over;
  - Carer Payment — to reflect duties that reduce capacity for paid work;
  - Parenting Payment — for principal carers of young children;
  - Disability Support Pension (DSP) — for those with defined impairments to work; and
  - Student payments — for those in defined education and training, (including for students, Youth Allowance, Austudy, ABSTUDY).<sup>9</sup>

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<sup>5</sup> Department of Social Services, *Submission 12*, p. 19.

<sup>6</sup> Department of Social Services, *Submission 12*, pp. 19 and 20.

<sup>7</sup> Department of Social Services, *Submission 12*, pp. 19–38.

<sup>8</sup> Department of Social Services, *Submission 12*, p. 52.

<sup>9</sup> Senate Community Affairs References Committee, *The extent and nature of poverty in Australia: Interim Report*, May 2023, pp. 54–60.

- 2.9 Of the approximately 5 million people receiving income support payments, over half of them (2.6 million) were older Australians over 65 receiving the Age Pension.<sup>10</sup>
- 2.10 According to the department, all income support payments are indexed to 'ensure that payments maintain their purchasing power when the cost of living increases'. For example, adult allowance rates, including JobSeeker Payment, and Rent Assistance rates are indexed in March and September to the Consumer Price Index (CPI).<sup>11</sup>
- 2.11 The department told the committee that due to a large CPI increase in the six months to June 2022, the JobSeeker Payment base maximum rate for single recipients without children increased by \$25.70 to \$677.20 a fortnight (including the Energy Supplement).<sup>12</sup>
- 2.12 The department also explained the system includes other payments, benefits, allowances, and supplements such as Commonwealth Rent Assistance, Family Tax Benefit, Paid Parental Leave, Remote Area Allowance, and utilities and pharmaceutical allowances, as well as various concessions such as health cards.<sup>13</sup>
- 2.13 There are further payments and programs for specific cohorts including for families (including Child Support), people with disability (such as Disability Employment Services), and individuals (such as the Escaping Violence Payment for victim survivors of domestic and family violence).<sup>14</sup>
- 2.14 Supporting infrastructure such as payments systems, financial information services, flexible debt repayment services, consideration of vulnerable circumstances, and hardship advances are also features of the social security system.<sup>15</sup>
- 2.15 Aside from an increase after the Global Financial Crisis and later during the COVID-19 pandemic, the proportion of residential working age Australians receiving income support payments has declined from 24.4 per cent in June 1996 to 14 per cent in June 2022.<sup>16</sup>

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<sup>10</sup> Department of Social Services, *Submission 12*, p. 52.

<sup>11</sup> Department of Social Services, *Submission 12*, p. 21.

<sup>12</sup> Department of Social Services, *Submission 12*, p. 21.

<sup>13</sup> Department of Social Services, *About the Department: Concessions*, 17 July 2023, [www.dss.gov.au/about-the-department/benefits-payments](http://www.dss.gov.au/about-the-department/benefits-payments) (accessed 2 November 2023).

<sup>14</sup> Department of Social Services, *Submission 12*, pp. 33–38.

<sup>15</sup> Department of Social Services, *Submission 12*, pp. 21 and 22.

<sup>16</sup> Department of Social Services, *Submission 12*, p. 51.

2.16 However, the department advised there was a sustained increase in the number and proportion of long-term recipients of JobSeeker Payment between 2006 to 2022, suggesting trends of economic change, ageing population, and a changing labour market.<sup>17</sup> Further, the department explained that policy changes moved recipients from other payments to JobSeeker Payment, including eligibility for DSP, and restrictions to the age definition for a Parenting Payment child are also likely to have contributed to this trend.<sup>18</sup>

### **Employment services**

2.17 Through the Department of Workplace and Employment, the Australian Government targets employment services to those who ‘face greater labour market disadvantage’, including two key programs:

- Workforce Australia — operates in urban and regional areas; and
- Community Development Program — operates in remote areas only.<sup>19</sup>

2.18 The department explained the Australian Government also promotes fair employment through industrial relations policy such as setting appropriate minimum wages, job security, gender equality, and funds wage subsidies, training courses, and other services through the Employment Fund.<sup>20</sup>

### **Housing and homelessness**

2.19 The interim report highlighted the links between housing and poverty, including struggles to meet basic living standards due to unsafe housing, vulnerabilities faced by people with disability and women, and costs associated with rent, energy, and transport.<sup>21</sup>

2.20 The department advised that the Australian Government delivers several programs to address housing and homelessness, including:

- the Regional First Home Buyer Guarantee;
- expansion of the remit of the National Housing Infrastructure Facility;
- the National Housing Accord;
- the Housing Australia Future Fund;
- the Help to Buy shared equity scheme;
- National Housing Supply and Affordability Council; and

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<sup>17</sup> Department of Social Services, *Submission 12*, p. 54.

<sup>18</sup> Department of Social Services, *Submission 12*, p. 54.

<sup>19</sup> Department of Social Services, *Submission 12*, pp. 27 and 28.

<sup>20</sup> Department of Social Services, *Submission 12*, pp. 28 and 29.

<sup>21</sup> Senate Community Affairs References Committee, *The extent and nature of poverty in Australia: Interim Report*, May 2023, pp. 21–24.



- the National Housing and Homelessness Agreement (worth \$1.2 billion in 2022–23).<sup>22</sup>
- 2.21 In June 2023, the Australian Government also announced \$2 billion in Social Housing Accelerator funding for state and territory governments.<sup>23</sup>
- 2.22 The department also outlined several other housing programs that are provided, including:
- the Housing Policy Partnership, endorsed by the Joint Council on Closing the Gap, aimed at improving housing in Aboriginal and Torres Strait Islander communities;
  - \$135.2 million in funding for homelessness services under the National Housing and Homelessness Agreement which is funding that is required to be matched by State and Territory governments;
  - \$172.6 million in emergency accommodation for women and children leaving family and domestic violence; and
  - \$124 million over five years to deliver the Reconnect program, aimed at supporting youth at risk of homelessness.<sup>24</sup>

### **Early childhood education and care (ECEC)**

- 2.23 The interim report canvassed the interrelating linkages between lack of access to ECEC and poverty, including the lifelong impacts on education and employment outcomes, and limiting impacts on adults with caring responsibilities to participate in paid employment.<sup>25</sup>
- 2.24 The department provides programs to support education as a tool to address disadvantage, including a Child Care Subsidy (including supplements for low-income families), and the ongoing development of an Early Years Strategy, and a Youth Engagement Model.<sup>26</sup>
- 2.25 The department explained that the Child Care Subsidy helps support families to access early childhood education and care, and that it is ‘targeted to ensure more financial support is available to the families who need it most to access

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<sup>22</sup> Department of Social Services, *Submission 12*, pp. 22–24.

<sup>23</sup> The Hon Anthony Albanese MP, Prime Minister of Australia, and the Hon Julie Collins MP, Minister for Housing, Minister for Homelessness, Minister for Small Business, ‘Albanese government delivers immediate \$2 billion for accelerated social housing program’, Media Release, 17 June 2023.

<sup>24</sup> Department of Social Services, *Submission 12*, pp. 22–24.

<sup>25</sup> Senate Community Affairs References Committee, *The extent and nature of poverty in Australia: Interim Report*, May 2023, pp. 44–46.

<sup>26</sup> Department of Social Services, *Submission 12*, pp. 24–26.

care'. It reported that for the 2021–22 financial year, expenditure on the Child Care Subsidy was approximately \$9.8 billion.<sup>27</sup>

- 2.26 An additional Child Care Subsidy is also available for eligible disadvantaged and vulnerable families, which provides additional fee assistance for families and children facing barriers in accessing affordable early childhood education and care.<sup>28</sup>
- 2.27 The government is also developing an Early Years Strategy 'to shape its vision for the future of Australia's children and their families' and the Productivity Commission is currently undertaking an inquiry into the early childhood education and care sector, with a final report due to the Australian Government by 30 June 2024.<sup>29</sup>
- 2.28 Alongside investment in schools through the National School Reform Agreement (led by the Department of Education), the Australian Government also spends on fee-free TAFE positions, is reviewing university arrangements with the view to support greater access for underrepresented backgrounds, and funds other equity-focused education programs.<sup>30</sup>
- 2.29 See Chapter 4 for further discussion on child poverty and the adequacy of support and programs aimed at reducing disadvantage.

### **Place-based initiatives and targeting specific cohorts**

- 2.30 The department runs programs such as Stronger Places, Stronger People that aims to address disadvantage in specific geographic regions using flexible, community-led designs. The department also advised it is establishing a National Centre for Place-Based Collaboration, and runs place-based programs for emergency relief, financial counselling services, and digital inclusion.<sup>31</sup>
- 2.31 See Chapter 5 for further discussion on how poverty is experienced in different geographic locations and the advocacy for place-based initiatives aimed at reducing localised poverty.

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<sup>27</sup> Department of Social Services, *Submission 12*, p. 24.

<sup>28</sup> Department of Social Services, *Submission 12*, p. 25.

<sup>29</sup> Department of Social Services, *Submission 12*, p. 26; Department of Social Services, Early Years Strategy, 19 February 2024, [www.dss.gov.au/families-and-children-programs-services/early-years-strategy](http://www.dss.gov.au/families-and-children-programs-services/early-years-strategy) (accessed 22 February 2024); Productivity Commission, Early childhood education and care, 22 February 2024, [www.pc.gov.au/inquiries/current/childhood#report](http://www.pc.gov.au/inquiries/current/childhood#report) (accessed 22 February 2024).

<sup>30</sup> Department of Social Services, *Submission 12*, pp. 24–27.

<sup>31</sup> Senate Community Affairs References Committee, *The extent and nature of poverty in Australia: Interim Report*, May 2023, pp. 29–33.

## **‘Complex’ and ‘difficult’ system**

2.32 This section covers submitters’ views on the overall complexity and the historically punitive nature of the social security system, including mutual obligations and debt recovery mechanisms. Chapter 3 covers income management and its impacts on First Nations people and communities.

2.33 Submitters highlighted how the inherent complexity of the ‘social security system and legal framework can be difficult if not impossible for individuals to navigate,’<sup>32</sup> creating confusion and additional stigma and vulnerability for those seeking assistance. In support of this, the Commonwealth Ombudsman indicated an imbalance between the system as a whole and the individual seeking help:

The Social Security Act is a very complex piece of machinery, and there are a lot of moving parts. I think it's very difficult for individuals to understand necessarily how it's being applied to them, and certainly it can be difficult for our office to understand, unless we actually get the details and documentation that we can work through. We might get complaints from people who aren't themselves able to articulate what the problem is. They just know that there's something happening to them that they're unhappy with or that they can't get an explanation about from an agency.<sup>33</sup>

2.34 Going further into what this means for individuals who are often vulnerable, Ms Tsorbaris from the Centre for Excellence in Child and Family Welfare pointed out that individuals interacting with the system do not necessarily benefit from it, which can lead to further stigmatisation and exclusion:

The Commonwealth Government has a critically important and central role in creating a fairer, destigmatising welfare system, but this takes courage. The illegal Robodebt scheme... [has] only served to further entrench negative stereotypes about recipients of welfare payments. These damaging stereotypes further disadvantage Australians who need financial assistance at certain points in their lives to provide for themselves and their children.<sup>34</sup>

2.35 In a similar vein, Financial Counselling Victoria expressed:

At present, Australia’s social security system is falling short of providing social security to individuals and the community; instead of protecting and supporting the vulnerable it all too often traps them in poverty and debt. Significant and urgent change is needed.<sup>35</sup>

2.36 The Brotherhood of St Laurence argued that the social security system has ‘become a system out of time that does not meet community expectations or

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<sup>32</sup> Economic Justice Australia, *Submission 16*, p. 16.

<sup>33</sup> Mr Iain Anderson, Commonwealth Ombudsman, Office of the Commonwealth Ombudsman, *Committee Hansard*, 15 August 2023, p. 56.

<sup>34</sup> Ms Deb Tsorbaris, Chief Executive Officer, Centre for Excellence in Child and Family Welfare, *Committee Hansard*, 15 August 2023, p. 23.

<sup>35</sup> Financial Counselling Victoria, *Submission 45*, p. 5.

build people's capability and confidence to achieve long-term economic security'.<sup>36</sup> Similarly, the Australian Human Rights Commission contended that currently the system 'tends to perpetuate poverty and social exclusion, rather than protect against it'.<sup>37</sup> And according to FamilyCare, some opt out of potential income support altogether due to administrative barriers or compliance requirements.<sup>38</sup>

2.37 Given the continued outcomes of poverty and disadvantage for many Australians, some inquiry participants envisioned an entirely different social security system. Some were of the view the 'social security system is unfit for purpose if it is difficult to access and puts those relying on it below the poverty line'.<sup>39</sup>

2.38 Some argued that changes were needed to the social security policy framework that can currently 'completely exclude particular cohorts from income support, either through exclusions prescribed by legislative qualification criteria and waiting periods' or systemic barriers.<sup>40</sup>

2.39 Economic Justice Australia suggested that such exclusions can arbitrarily prevent the most vulnerable in the community from accessing payments. It added that the following aspects of Australia's social security framework must be addressed to ensure the 'fundamentals of a fair and effective social security system' are met:

- Special Benefit access barriers
- Disability Support Pension inequities
- Compulsory income management
- Anomalous social security debt waiver provisions
- Services Australia staffing issues
- Client advocacy barriers for legal services
- Unmet need for social security legal help.<sup>41</sup>

2.40 Others pointed to international human rights conventions that should inform poverty reduction goals and the design of government systems that aim to achieve them.<sup>42</sup> In practical terms, it was argued that a 'deep review of the

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<sup>36</sup> Brotherhood of St Laurence, *Submission 21*, p. 15.

<sup>37</sup> Australian Human Rights Commission, *Submission 244*, p. 44.

<sup>38</sup> FamilyCare, *Submission 55*, p. 5.

<sup>39</sup> Financial Counselling Victoria, *Submission 45*, p. 5.

<sup>40</sup> Economic Justice Australia, *Submission 16*, pp. 1 and 2.

<sup>41</sup> Economic Justice Australia, *Submission 16*, pp. 1 and 2.

<sup>42</sup> See, for example, Australian Human Rights Commission, *Submission 244*, p. 6; United Nations Association Australia WA, *Submission 66*, [p. 4].

structure, rates, and associated conditions of social security payments'<sup>43</sup> was needed, or that a complete repeal of the *Social Security Act 1991* and associated legislation should be accompanied with a new policy framework that centres human rights in line with the United Nations Covenant on Economic, Social, and Cultural Rights.<sup>44</sup>

### **Employment services**

2.41 Inquiry participants considered the employment services system, including programs run by the Department of Employment and Workplace Relations such as Workforce Australia and program components such as mutual obligations, as not supporting the needs of disadvantaged jobseekers.<sup>45</sup> These issues were also considered by the Select Committee on Workforce Australia Employment Services in its final report 'Rebuilding Employment Services'.<sup>46</sup>

2.42 For example, Dr Travers McLeod from Brotherhood of St Laurence stated that:

we can't boost pathways for economic or social participation without fundamentally reforming our employment services system and how it supports those who have historically been marginalised in the labour market.<sup>47</sup>

2.43 The Brotherhood of St Laurence also provided as evidence their submissions to the House of Representatives Select Committee Inquiry into Workforce Australia Employment Services that explained how employment and training systems are 'failing jobseekers, employers, industry and the community', including how the employment services system has become 'distorted by its competitive procurement processes and compliance focus'.<sup>48</sup> The Brotherhood of St Laurence advocated for a 'collaborative, people-centred, place-based, and industry-focused approach' to employment and training services policy and program design.

2.44 In support of this view, Anglicare Australia submitted that 'the employment services system is doing little to help those with the greatest barriers to work

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<sup>43</sup> Brotherhood of St Laurence, *Submission 21*, pp. 14–15.

<sup>44</sup> Relationships Australia, *Submission 64*, p. 6.

<sup>45</sup> See, for example, Dr Travers McLeod, Executive Director, Brotherhood of St Laurence, *Committee Hansard*, 15 August 2023, p. 9; Professor Peter Whiteford, Member, Interim EIAC, *Committee Hansard*, 31 October 2023, p. 44.

<sup>46</sup> Select Committee on Workforce Australia Employment Services, *Rebuilding Employment Services – Final report on Workforce Australia Employment Services*, November 2023.

<sup>47</sup> Dr Travers McLeod, Executive Director, Brotherhood of St Laurence, *Committee Hansard*, 15 August 2023, p. 9

<sup>48</sup> Brotherhood of St Laurence, *Joint submission to Workforce Australia Employment Services Inquiry*, additional information received 18 August 2023, p. 2.

and in some ways is actively causing harm'.<sup>49</sup> Anglicare Australia also referenced a 2019 Senate inquiry into Jobactive (an earlier iteration of Workforce Australia), and stated that:

research also suggests that employment services have been failing in its aims for years, with a recent parliamentary inquiry reporting that "participants are gaining employment in spite of [the system], not because of it."<sup>50</sup>

- 2.45 Jesuit Services Australia held a similar view that 'Workforce Australia remains heavily focused on compliance rather than providing practical support for people that makes a difference, such as wage subsidies for employers and training that is relevant to career aspirations and employment opportunities'.<sup>51</sup>
- 2.46 Sacred Heart Mission pointed out that the 'one-size-fits-all approach to employment services favours people who have stable housing and are job-ready, rather than working with people to build skills and genuinely support them into work.' They advocated for a more 'holistic employment support programs tailored to individual and cohorts of people who require additional support', such as pre-employment supports and job readiness assistance.<sup>52</sup>
- 2.47 In reference to perceptions of the system, the National Council for Single Mothers and their Children considered the employment services system as an obstacle, and submitted that 'employment services are not viewed as trusted places but entities that can suspect and control finances'.<sup>53</sup>
- 2.48 In support of the above views, Professor Peter Whiteford from the interim EIAC reiterated the importance of changes to income support payments 'should be accompanied by... reform of the employment services.' He advised that the EIAC would do further work on employment services going forward.<sup>54</sup>

### ***Mutual obligations***

- 2.49 Inquiry participants expressed significant concerns about a key feature of the employment services system: the mutual obligations requirements.<sup>55</sup> These are described by the Australian Government as 'tasks and activities you agree to do while you get some payments from us', and where 'penalties may apply if you don't meet them'. These requirements apply to payments including JobSeeker

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<sup>49</sup> Anglicare Australia, *Submission 7*, p. 10.

<sup>50</sup> Anglicare Australia, *Submission 7*, p. 10.

<sup>51</sup> Jesuit Services Australia, *Submission 120*, p. 10.

<sup>52</sup> Sacred Heart Mission, *Submission 117*, p. 22.

<sup>53</sup> National Council for Single Mothers and their Children, *Submission 48 Attachment 4*, p. [2].

<sup>54</sup> Professor Peter Whiteford, Member, Interim EIAC, *Committee Hansard*, 31 October 2023, p. 44.

<sup>55</sup> See, for example, Dr Travers McLeod, Executive Director, Brotherhood of St Laurence, *Committee Hansard*, 15 August 2023, p. 9; Relationships Australia, *Submission 64*, p. 10; Dr Elise Klein OAM, *Submission 25*, p. 1.

Payment, Youth Allowance, Parenting Payment, and Special Benefit. Temporary exemptions can be sought in circumstances such as the death of an immediate family member, family and domestic violence, being homeless, illness, natural disasters, and having a baby.<sup>56</sup>

2.50 Income support recipients are required to earn points up to a target each month, where points are accumulated by doing tasks such as completing job searches, attending compulsory appointments, participating in training, attending job interviews, and accepting any job offers.<sup>57</sup>

2.51 The interim report highlighted evidence provided by many inquiry participants on how the employment services system and its mutual obligations requirements create further barriers to employment.<sup>58</sup>

2.52 For example, Dr Travers McLeod from Brotherhood of St Laurence spoke of how:

it's not actually an employment services system; it's really a system that polices the payment system and does so through a fairly punitive mutual-obligation requirement, which is not about mutual investment or investment in capabilities and confidence.<sup>59</sup>

2.53 In relation to the social security system's compliance, Dr McLeod contended that:

Our Social Services system doesn't offer that peace of mind. It doesn't bounce people back into participation. It has elements of distrust, right? I think untangling the mutual obligation requirements in a way that is empowering and builds capability and confidence and that proactively links and other services and supports at the state and local level is the answer.<sup>60</sup>

2.54 In support of this view, Relationships Australia observed that mutual obligations 'distracts and depletes the physical, mental, and emotional resources of individuals, hindering them from participating in genuine employment and education opportunities and maintaining family and other relationships'.<sup>61</sup>

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<sup>56</sup> Services Australia, *Mutual obligations requirements*, 26 October 2023, [www.servicesaustralia.gov.au/mutual-obligation-requirements](http://www.servicesaustralia.gov.au/mutual-obligation-requirements) (accessed 21 November 2023).

<sup>57</sup> Workforce Australia, *What are mutual obligations requirements?*, 5 September 2023, [www.workforceaustralia.gov.au/individuals/obligations/learn/requirements](http://www.workforceaustralia.gov.au/individuals/obligations/learn/requirements) (accessed 21 November 2023).

<sup>58</sup> Senate Community Affairs References Committee, *The extent and nature of poverty in Australia: Interim Report*, May 2023, pp. 32, 62, 63, 71 and 75.

<sup>59</sup> Dr Travers McLeod, Executive Director, Brotherhood of St Laurence, *Committee Hansard*, 15 August 2023, p. 9.

<sup>60</sup> Dr Travers McLeod, Executive Director, Brotherhood of St Laurence, *Committee Hansard*, 15 August 2023, p. 11.

<sup>61</sup> Relationships Australia, *Submission 64*, p. 10.

- 2.55 Professor Peter Whiteford from the Interim Economic Inclusion Advisory Committee (EIAC) also stated ‘it’s not clear that [mutual obligations] has positive effects’ and that the idea that young people are not working hard to look for jobs ‘is a completely inaccurate representation of what reality is’.<sup>62</sup>
- 2.56 Further, in a study of changed circumstances during the COVID-19 pandemic where mutual obligations were suspended and income support payments increased, Dr Elise Klein from the Crawford School of Public Policy at the Australian National University (ANU) presented findings that showed this not only improved physical and mental wellbeing but also increased labour market engagement and economic participation, and care and community work.<sup>63</sup>
- 2.57 Similarly, Jesuit Social Services outlined their vision for non-compulsory ‘person-centred employment services’ that doesn’t police the welfare system, invests resources for the most disadvantaged, and is delivered by not-for-profit organisations.<sup>64</sup>
- 2.58 Anglicare Australia supported abolishing mutual obligations that are deemed ‘pointless and demoralising’ and instead focusing on investment and job creation in growth industries such as aged and disability care sectors.<sup>65</sup>
- 2.59 Many other inquiry participants, including the Antipoverty Centre and Centrecare, also called for mutual obligations to be abolished.<sup>66</sup>
- 2.60 There was also consideration of the specific needs for people with disability, which include access to a range of employment services that provide meaningful support for those who want assistance.<sup>67</sup>
- 2.61 The Australian Human Rights Commission also supported job creation that ensures ‘that new jobs are not limited to male-dominated industries’ and

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<sup>62</sup> Professor Peter Whiteford, Member, Interim Economic Inclusion Advisory Committee (EIAC), *Committee Hansard*, 31 October 2023, p. 44.

<sup>63</sup> Dr Elise Klein OAM, *Submission 25*, p. 1.

<sup>64</sup> Jesuit Social Services, *Submission 120*, pp. 10–11.

<sup>65</sup> Anglicare Australia, *Submission 7*, p. 10.

<sup>66</sup> See, for example, Ms Kristin O’Connell, Co-Coordinator and Policy Researcher, Antipoverty Centre, *Committee Hansard*, 27 February 2023, p. 3; Mr Tony Pietropiccolo AM, Director, Centrecare, *Committee Hansard*, 15 August 2023, p. 15; Ms Damiya Hayden, Change the Record, *Committee Hansard*, 31 October 2023, p. 21; Ms Nicole Avery, Chief Executive Officer, South West Autism Network, *Committee Hansard*, 4 April 2023, p. 11; Accountable Income Management Network, *Submission 4*, p. 5; Combined Pensioners and Superannuants Association, *Submission 85*, p. 9–11; Victorian Aboriginal Child Care Agency, *Submission 81*, p. 17; ACOSS, *Submission 23*, p. 6; Ms Aeryn Brown, *Submission 166*, [p. 3]; Youth Affairs Council South Australia, *Submission 84*, p. 4.

<sup>67</sup> People with Disability Australia, *Submission 29 Attachment 6*, p. 14.



analysis of stimulus and economic initiatives include gender impact analysis.<sup>68</sup> However, Dr Elise Klein from the ANU suggested any efforts on job creation might be ‘better served by providing people with a liveable wage’ and through ‘voluntary employment support, training, career advice, and guidance’.<sup>69</sup>

- 2.62 The Department of Employment and Workplace Relations countered this view of the negative impacts of mutual obligations by pointing to the ‘significant volume of international and Australian research showing the effectiveness of mutual obligations at speeding up the rate at which people on unemployment payments do find work’.<sup>70</sup> The department referenced a study of mutual obligations for partner allowance recipients that indicated there was a reduction in the number of payment recipients by about 50 per cent, but acknowledged that this did not necessarily mean they found work.<sup>71</sup>

### **Debt recovery mechanisms**

- 2.63 Inquiry participants also raised issues about the use of debt recovery mechanisms, including income apportionment and income averaging, and their devastating impacts on income support recipients.<sup>72</sup>
- 2.64 Income apportionment refers to a practice used by Services Australia where an income support recipient’s employment income was evenly divided across two or more fortnights to work out how much income support recipients were entitled to. Eligibility and payment rates may have been impacted if the actual days worked in those fortnights were not evenly spread. Debts were then issued based on the calculation. This practice was discontinued in December 2020.<sup>73</sup>
- 2.65 Similarly, income averaging (commonly referred to as Robodebt) was used to calculate and raise debts using averaged income information from the Australian Tax Office. This practice was discontinued in November 2019. A Royal Commission was established on 18 August 2022 to investigate this debt

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<sup>68</sup> Australian Human Rights Commission, *Submission 244*, p. 40.

<sup>69</sup> Dr Elise Klein OAM, *Submission 25*, p. 2.

<sup>70</sup> Dr Andrew Wright, Director, Targeted Employment Policy Branch, Department of Employment and Workplace Relations, *Committee Hansard*, 15 August 2023, p. 45.

<sup>71</sup> Dr Andrew Wright, Director, Targeted Employment Policy Branch, Department of Employment and Workplace Relations, *Committee Hansard*, 15 August 2023, p. 45.

<sup>72</sup> See, for example, Mr Iain Anderson, Commonwealth Ombudsman, Office of the Commonwealth Ombudsman, *Committee Hansard*, 15 August 2023, pp. 50–56, 58–61; Western Australia Association for Mental Health, *Submission 129*, p. 13; Financial Counselling Victoria, *Submission 45*, p. 5.

<sup>73</sup> Services Australia, *Information about income apportionment*, 31 October 2023, [www.servicesaustralia.gov.au/information-about-income-apportionment](http://www.servicesaustralia.gov.au/information-about-income-apportionment) (accessed 21 November 2023).

assessment and recovery scheme and a final report was published on 7 July 2023.<sup>74</sup>

2.66 Some submitters also raised accounting and administrative errors as reasons for income support payments to be suspended or underpaid for some recipients.<sup>75</sup>

2.67 According to the Antipoverty Centre, aggressive debt recovery measures were used.<sup>76</sup>

2.68 These debt recovery mechanisms were regarded by inquiry participants as opaque and complex, generating immense psychological distress, and feeding 'into a narrative of shame and stigma experienced by so many who rely on income support to survive day to day'.<sup>77</sup>

#### *Income apportionment*

2.69 The committee heard evidence about the Australian Government's use of income apportionment which impacted many income support recipients via debt collection mechanisms.<sup>78</sup>

2.70 The Commonwealth Ombudsman advised around 13,000 debt reviews were paused by Services Australia and 87,000 files that are also potentially impacted by use of income apportionment calculations.<sup>79</sup> Commenting on the opaqueness of system processes and the confusion the incorrect calculations have caused for many already vulnerable recipients, the Ombudsman contended:

all government agencies can continue to work better at how they communicate—how simply and how clearly they communicate. Often people are just trying to understand what the decision is... If people don't understand the basis on which there's a penalty or an imposition or a debt, then that's extremely challenging.<sup>80</sup>

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<sup>74</sup> Services Australia, *Information about Robodebt*, 28 September 2023, [www.servicesaustralia.gov.au/information-about-robodebt](http://www.servicesaustralia.gov.au/information-about-robodebt) (accessed 21 November 2023).

<sup>75</sup> See, for example, FamilyCare, *Submission 55*, p. 5; Antipoverty Centre, *Submission 29*, p. 22; Community Legal Centres Australia, *Submission 146*, p. 9; Mr Simon Tracy, Practise Director, Basic Rights Queensland, *Committee Hansard*, 6 December 2022, p. 10; Ms Kristin O'Connell, Co-Coordinator and Policy Researcher, Antipoverty Centre, *Committee Hansard*, 27 February 2023, p. 6.

<sup>76</sup> Antipoverty Centre, *Submission 29*, p. 9.

<sup>77</sup> See, for example, Western Australia Association for Mental Health, *Submission 129*, p. 13; Centre for Excellence in Child and Family Welfare, *Submission 86*, p. 2; Antipoverty Centre, *Submission 29*, p. 19; Financial Counselling Victoria, *Submission 45*, p. 5.

<sup>78</sup> Mr Iain Anderson, Commonwealth Ombudsman, Office of the Commonwealth Ombudsman, *Committee Hansard*, 15 August 2023, pp. 50–56 and 58–61.

<sup>79</sup> Mr Iain Anderson, Commonwealth Ombudsman, Office of the Commonwealth Ombudsman, *Committee Hansard*, 15 August 2023, p. 52.

<sup>80</sup> Mr Iain Anderson, Commonwealth Ombudsman, Office of the Commonwealth Ombudsman, *Committee Hansard*, 15 August 2023, p. 55.

### *Robodebt and income averaging*

- 2.71 Robodebts using income averaging were debts raised between July 2015 and November 2019 under the Income Compliance Program using a practice by Services Australia that averaged income information provided by the Australian Tax Office.<sup>81</sup>
- 2.72 The now well documented use of income averaging – since found to be unlawful – and the onus put on the customer to disprove debts is indicative of what inquiry participants discussed about the punitive nature and imbalance in the social security system.<sup>82</sup>
- 2.73 Commenting on the impacts of Robodebt on disadvantaged Australians, the Western Australian Association for Mental Health contended that it is ‘one example of a public policy initiative that caused high levels of psychological distress, anxiety, and depression and immiseration among thousands of Australians, many of whom lived in poverty’.<sup>83</sup> Similarly, Financial Counselling Victoria wrote:
- the Robodebt Royal Commission is hearing a sequence of horror stories about the impacts of a culture of victimising and stigmatising Centrelink payment recipients – how it distorts thinking and facilitates unconscionable decision making by Government officials, and can even be used to manipulate media reporting. To prevent a re-occurrence of Robodebt, there is a need to reshape the way Government thinks about poverty.<sup>84</sup>
- 2.74 The Antipoverty Centre elaborated on how Robodebt ‘demonstrated the immense human cost of seeking to recoup funds from people who do not have enough money to live’. They advocated for an end to Centrelink debt collection activities that are driven by administrative error and confusing rules.<sup>85</sup>

### **Adequacy of the system**

- 2.75 This section outlines the evidence received from inquiry participants on the adequacy of key income support payments to ensure people do not live in poverty. It examines suggestions of adequate payment levels and the significant social benefits of increasing payments to alleviate poverty. The Parenting Payments are discussed in Chapter 4 of this report. This section also outlines

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<sup>81</sup> Services Australia, *Information about Robodebt*, 28 September 2023, [www.servicesaustralia.gov.au/information-about-robodebt](http://www.servicesaustralia.gov.au/information-about-robodebt) (accessed 21 November 2023).

<sup>82</sup> See, for example, Dr Travers McLeod, Executive Director, Brotherhood of St Laurence, *Committee Hansard*, 15 August 2023, p. 9; Dr Elise Klein OAM, Member, Accountable Income Management Network and Associate Professor of Public Policy, Crawford School of Public Policy, Australian National University, *Committee Hansard*, 31 October 2023, p. 15.

<sup>83</sup> Western Australia Association for Mental Health, *Submission 129*, p. 13.

<sup>84</sup> Financial Counselling Victoria, *Submission 45*, p. 5.

<sup>85</sup> Antipoverty Centre, *Submission 29*, p. 19.

recent Government measures, and the broader context of the cost-of-living challenges facing people living in poverty.

- 2.76 Australia's social security system includes income support payments. These payments, as described by DSS, aim to provide a 'minimum adequate standard of living' for the working age population and acceptable standards of living for pensioners and families, accounting for 'prevailing community standards'.<sup>86</sup> In regards to the evidence assessed in this section, it is noted that much of the evidence was received prior to the release of the 2023-24 Federal Budget.

### **Adequacy of JobSeeker Payment**

- 2.77 The interim report detailed the extensive evidence from inquiry participants on the adequacy of the key unemployment benefit, JobSeeker Payment, plus their longstanding calls for the rates to be raised to provide a reasonable standard of living for the lowest income Australians.<sup>87</sup>
- 2.78 The interim report also detailed evidence on the effects of the \$550 COVID-19 Supplement and how the Australian Government directly reduced poverty rates by increasing income support payments for a short period.<sup>88</sup> In reference to this, Professor Sharon Bessell of the Children's Policy Centre said:

... we saw that during COVID in what turned out to be an incredible natural experiment about what happens when we increase benefits. We saw that children and their families were lifted out of poverty, the children were able to go to the dentist, to get health care and to get new underwear, to have the kinds of things that children need to have a minimally decent life.<sup>89</sup>

- 2.79 To illustrate this temporary effect, Financial Counselling Victoria presented analysis (Figure 2.1) by the Grattan Institute showing the impact of the COVID-19 supplement on closing the poverty gap. The time series also highlights how the equivalent of the JobSeeker Payment tracked closely to the 50 per cent median household poverty line in the mid-1990s but has since diverged.

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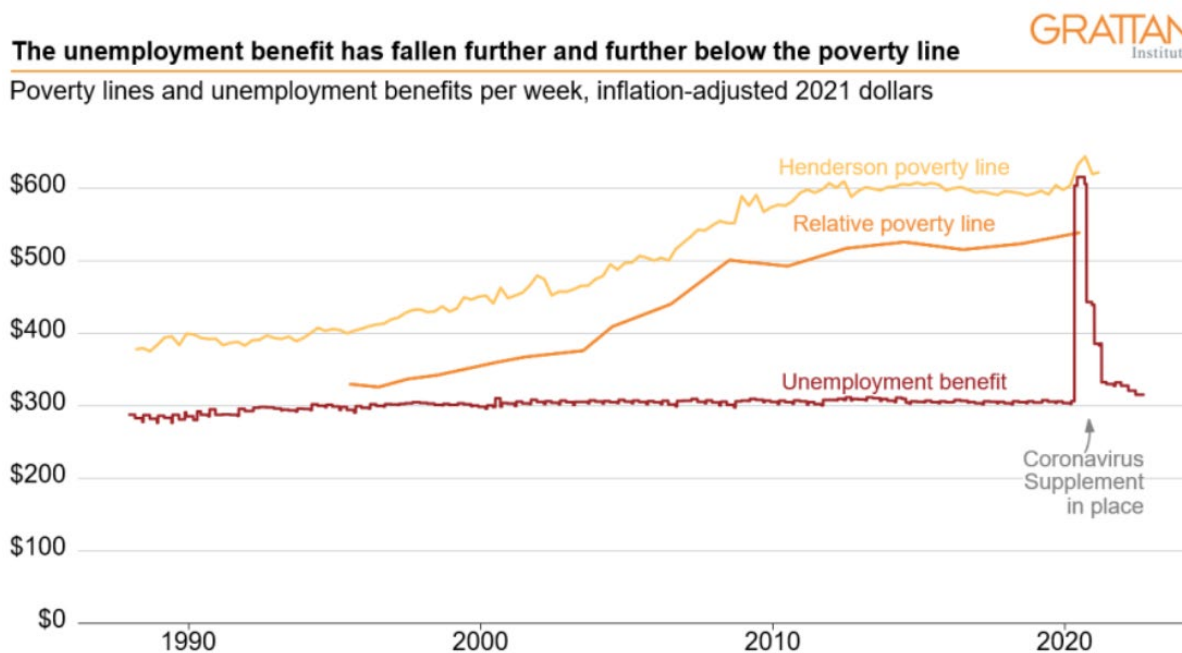
<sup>86</sup> Department of Social Services, *Submission 12*, p. 19.

<sup>87</sup> Senate Community Affairs References Committee, *The extent and nature of poverty in Australia: Interim Report*, May 2023, pp. 60–77.

<sup>88</sup> Senate Community Affairs References Committee, *The extent and nature of poverty in Australia: Interim Report*, May 2023, pp. 68–73.

<sup>89</sup> Professor Sharon Bessell, Director, Children's Policy Centre, Crawford School of Public Policy, ANU, *Committee Hansard*, 15 August 2023, pp. 26–27.

**Figure 2.1 Poverty lines and unemployment benefits (inflation adjusted 2021 dollars)**



Notes: Unemployment benefit includes Energy Supplement. Poverty lines indexed to March 2021 using household disposable income per capita. Adjusted for inflation using the Consumer Price Index. Unemployment benefits have at various times been called the unemployment benefit, the Job Search allowance, the Newstart Allowance, and the JobSeeker payment.

Sources: Grattan analysis of Melbourne Institute 'Poverty Lines: Australia', ABS 6523.0, ABS 6401.0, ABS 5206.0, and DSS Social Security Guide.

Source: Financial Counselling Victoria submission using Grattan Institute analysis<sup>90</sup>

2.80 Excluding the COVID-19 supplement, the prevailing base rates of JobSeeker Payment were considered too low to sustain a basic living standard. To illustrate this, the Australian Council of Social Service (ACOSS) submitted:

The base rates of JobSeeker, Youth Allowance and related payments are too low to sustain an adequate standard of living. These payments have fallen well behind pensions, wages, and community living standards. JobSeeker is less than half the minimum wage (just 42%) and the gap between JobSeeker and pensions is growing, having gone from being 80% of the pension in 1980, to 65% of the pension today (equating to a \$175 per week difference). Youth Allowance is just 34% of the minimum wage and 54% of the pension. JobSeeker remains the second lowest unemployment payment in wealthy nations as a proportion of average earnings.<sup>91</sup>

2.81 ACOSS argued these payments result in people going without basic goods and services every day, forcing them to make difficult choices between paying for rent, food, healthcare, debt, and other basic needs.<sup>92</sup>

<sup>90</sup> Financial Counselling Victoria, *Submission 45*, p. 3. Note, Grattan Institute refers to half of the median household income as the relative poverty line, see The Grattan Institute, *The JobSeeker rise is not enough*, 24 February 2021, <https://grattan.edu.au/news/the-jobseeker-rise-is-not-enough/>, (accessed 23 February 2024).

<sup>91</sup> Australian Council of Social Services (ACOSS), *Submission 23*, p. 3.

<sup>92</sup> ACOSS, *Submission 23*, p. 3.

- 2.82 The Brotherhood of St Laurence supported this view by indicating how the minimum wage mechanism has no equivalent for the ‘social wage’, resulting in income support payments that are ‘well below the [Henderson] poverty line’.<sup>93</sup> To support this, the Melbourne Institute provided analysis from 2001 to 2014 showing payments were ‘well below the [Henderson] poverty line for the whole period and go further below the poverty line over time’ due to payments only increasing by inflation.<sup>94</sup>
- 2.83 Many inquiry participants discussed the direct link between the JobSeeker Payment level and rates of poverty in Australia.<sup>95</sup> For example, the Melbourne Institute said the level of income support ‘to a large degree determines the level of poverty in Australia’.<sup>96</sup>
- 2.84 Professor John Quiggin, a Senior Fellow in Economics at the University of Queensland, said at a hearing that:
- research around the world, both in terms of policy within developed countries and the policy, has reached the simple conclusion that the best way to help poor people is to give them money. I think this has been established in a wide variety of settings. Attempts at conditioning aid of all kinds are almost always counterproductive. So I think this is critical if we're going to fix it. The reason people are poor in Australia is primarily because income support is inadequate.<sup>97</sup>
- 2.85 Similarly, Emma King from the Victorian Council of Social Service highlighted that ‘by far the most effective policy change the federal government could make to combat poverty is to raise the rate of JobSeeker’ because ‘JobSeeker is so low that it traps people in poverty’.<sup>98</sup> Dr Greg Jericho from the Australia Institute also highlighted that ‘it’s a policy choice and we can set payments at a certain level’ to change the levels of poverty.<sup>99</sup>

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<sup>93</sup> Brotherhood of St Laurence, *Submission 21*, p. 7.

<sup>94</sup> The Melbourne Institute: Applied Economic & Social Research, *Submission 39*, p. 27.

<sup>95</sup> See, for example, Melbourne Institute, *Submission 39*, p. 27; Professor John Quiggin, private capacity, *Committee Hansard*, 27 February 2023, p. 35; Ms Emma King, Chief Executive Officer, Victorian Council of Social Service, *Proof Committee Hansard*, 20 October 2022, p. 1; Mr Greg Jericho, Policy Director, Centre for Future Work, Australia Institute, *Committee Hansard*, 27 February 2023, pp. 32–33.

<sup>96</sup> The Melbourne Institute: Applied Economic & Social Research, *Submission 39*, p. 27.

<sup>97</sup> Professor John Quiggin, private capacity, *Committee Hansard*, 27 February 2023, p. 35.

<sup>98</sup> Ms Emma King, Chief Executive Officer, Victorian Council of Social Service, *Proof Committee Hansard*, 20 October 2022, p. 1.

<sup>99</sup> Mr Greg Jericho, Policy Director, Centre for Future Work, Australia Institute, *Committee Hansard*, 27 February 2023, pp. 32–33.

### **Adequacy of Youth Allowance (YA)**

- 2.86 With a similar argument to JobSeeker Payment, submitters highlighted how low levels of unemployment benefit provided to young people results in poverty and negative impacts on their lives. For example, the Youth Affairs Council of South Australia raised that ‘young people experience a vastly different economic situation to older generations’ and how many young people are impacted by their ineligibility for adequate income support.<sup>100</sup>
- 2.87 Inquiry participants highlighted that YA is designed to only be indexed once a year while other allowances are indexed twice a year, resulting in a discrepancy between Youth Allowance and JobSeeker Payment.<sup>101</sup> Equality Australia highlighted the need to remove barriers experienced by young people living in unsafe homes to access Youth Allowance.<sup>102</sup>
- 2.88 Submitters singled out increasing JobSeeker Payment and Youth Allowance as ‘the single most effective way to address poverty in Australia’<sup>103</sup> and explained how this would help address the most urgent poverty problems.<sup>104</sup>
- 2.89 Chapter 4 provides further discussion of Youth Allowance and payments such as Austudy and ABSTUDY.

### **Adequacy of Commonwealth Rent Assistance (CRA)**

- 2.90 The interim report highlighted the intimate link between housing insecurity and unaffordability with poverty.<sup>105</sup> Several submitters and witnesses referenced the need to increase CRA to assist with housing costs that are often the largest fixed costs for most households.<sup>106</sup> For example, Anglicare submitted:
- CRA is supposed to help people manage the cost of housing. But it is not keeping up with soaring rent, and people on the lowest incomes are locked out. Only one in three people on the JobSeeker Payment, and on in ten young people out of work is eligible for the payment. 46 percent of people who get rent assistance are still in rental stress.<sup>107</sup>
- 2.91 Centrecare supported this view and wrote:

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<sup>100</sup> Youth Affairs Council of South Australia, *Submission 84*, [p. 4].

<sup>101</sup> See, for example, Centrecare, *Submission 15*, [p. 19]; ACOSS, *Submission 23*, p. 4.

<sup>102</sup> Equality Australia, *Submission 61*, pp. 8–9.

<sup>103</sup> The Salvation Army, *Submission 20*, p. 13.

<sup>104</sup> The Benevolent Society, *Submission 84*, p. 6.

<sup>105</sup> Senate Community Affairs References Committee, *The extent and nature of poverty in Australia: Interim Report*, May 2023, pp. 46–49.

<sup>106</sup> National Shelter, *Submission 123*, p. 1.

<sup>107</sup> Anglicare, *Submission 7*, p. 13.

Given the high cost of rental accommodation and the fact that renters are significantly more likely to experience poverty, there is a clear case for raising rent assistance.<sup>108</sup>

- 2.92 Submitters argued Commonwealth Rent Assistance (CRA) should be increased to a level that reduces rental stress and immediately assist those on lowest incomes who are more likely to go without food, medical care, or medicine.<sup>109</sup>
- 2.93 ACOSS recommended lifting the maximum threshold of CRA by 50 per cent.<sup>110</sup> Others argued for rent assistance to be ‘considered in the context of Australia’s high and increasing living costs’,<sup>111</sup> while Anti-Poverty Week argued CRA should rise simply ‘so everyone has a safe place to call home’.<sup>112</sup>
- 2.94 Some submitters agree CRA is too low but do not think increasing the level of payment will address underlying issues at the nexus of the housing market, social security system, and cost of living challenges.<sup>113</sup> For example, Antipoverty Centre instead recommended large-scale changes to rent assistance including eligibility for all renters and some mortgage holders, linking to market rents, and allowing pre-payments.<sup>114</sup>
- 2.95 Since the publication of the interim report, the Australian Government increased these payments through a 2023-24 Budget measure – *Increased Support for Commonwealth Rent Assistance Recipients* – that increased the maximum rates of CRA allowances by 15 per cent to ‘help address rental affordability challenges for CRA recipients’ at a cost of \$2.7 billion over 5 years.<sup>115</sup> This represented the largest increase to CRA in thirty years.

### **Adequacy of Disability Support Pension (DSP)**

- 2.96 According to Physical Disability Council of NSW, the DSP is the sole source of income for many people with disability and only 7.5 per cent of DSP recipients

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<sup>108</sup> Centrecare, *Submission 15*, [p. 21].

<sup>109</sup> See, for example, Anglicare, *Submission 7*, p. 13; National Shelter, *Submission 123*, p. 2; Consumer Policy Research Centre, *Submission 40*, p. 2.

<sup>110</sup> ACOSS, *Submission 23*, p. 4.

<sup>111</sup> See, for example, Centrecare, *Submission 15*, [p. 22]; Anglicare Southern Queensland, *Submission 30*, p. 15; St Vincent de Paul Society, *Submission 27*, p. 4; Homelessness Australia, *Submission 80*, p. 4; Council of Single Mothers and their Children, *Submission 100*, p. 2; Brotherhood of St Laurence, *Submission 21*, p. 3.

<sup>112</sup> Anti-Poverty Week, *Submission 17*, p. 1.

<sup>113</sup> See, for example, Antipoverty Centre, *Submission 29*, p. 28; ACOSS, *Submission 23*, p. 3; Victorian Public Tenants Association, *Submission 46*, p. 6; The Salvation Army, *Submission 20*, p. 46.

<sup>114</sup> Antipoverty Centre, *Submission 29*, p. 28.

<sup>115</sup> Commonwealth of Australia, *Budget Measures: Budget Paper No. 2 2023–24*, p. 200.



receive money from another source.<sup>116</sup> Meanwhile, ACOSS and UNSW stated that 41 per cent of DSP recipients live in poverty (based on a 50 per cent of median income measure).<sup>117</sup> The intersection of poverty and disability was portrayed in a submission's case study:

As my condition has progressed, I have found myself becoming more and more disabled, and thus dependent on benefits. This has led to moving into cheaper (and less appropriate) accommodation, further entrenching my disability while also limiting access to essential treatments and health care (and community). Not only exhausting, but demoralising. I live in constant dread of rental increases, for I know not where I shall wash up next...<sup>118</sup>

- 2.97 Several submitters highlighted how DSP was set at a level too low to meet the complex needs of people with disability, which are piled on top of the already challenging circumstances faced by people on low incomes.<sup>119</sup> For example, Advocacy for Inclusion submitted that DSP is 'inadequate to manage the rising and added cost of living stemming from disability' and should be raised to 'enable people with disability to live independently with dignity and actively participate in their communities'.<sup>120</sup> It was highlighted that this inadequacy forces people with disability to 'make compromises on essential living costs and often between necessities' such as rent and food.<sup>121</sup>

## Eligibility criteria

- 2.98 Referring to the predecessor to JobSeeker Payment, the Australian Federation of Disability Organisations mentioned the:

... series of reforms were introduced that severely restricted eligibility for the DSP and resulted in a major reduction in the standard of living for Australians with disability, including redirecting many previously eligible recipients onto the lower paying Newstart Allowance.<sup>122</sup>

- 2.99 Exploring eligibility problems, Legal Aid NSW submitted that:

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<sup>116</sup> Physical Disability Council of NSW, *Submission 90*, p. 6.

<sup>117</sup> ACOSS and UNSW Partnership, *Submission 22*, p. 7.

<sup>118</sup> Physical Disability Council NSW, *Submission 90*, p. 8.

<sup>119</sup> See, for example, MS Australia, *Submission 43*, p. 4; Advocacy for Inclusion, *Submission 138*, pp. 3–4; Uniting Victoria and Tasmania, *Submission 34*, p. 6; Spinal Cord Injuries Australia, *Submission 56*, p. 19–20; Disability Advocacy NSW, *Submission 71*, pp. 5–6; People With Disability Australia, *Submission 76*, p. 10; Australian Federation of Disability Organisations, *Submission 102*, [p. 8]; Physical Disability Council of NSW, *Submission 90*, p. 4; Social Security Rights Victoria Inc, *Submission 37*, pp. 5–7.

<sup>120</sup> Advocacy for Inclusion, *Submission 138*, p. 4.

<sup>121</sup> Physical Disability Council NSW, *Submission 90*, p. 6.

<sup>122</sup> Australian Federation of Disability Organisations, *Submission 17*, [p. 17].

there are significant difficulties for people with serious medical conditions and limited or no capacity to work in meeting the eligibility criteria for DSP, or in being able to prove they meet the eligibility criteria for DSP. The complexity of the criteria and the assessment and review process create barriers for applicants, particularly for those from culturally and linguistically diverse backgrounds, with mental health conditions and those that experience other compounding disadvantage.<sup>123</sup>

2.100 Economic Justice Australia also highlighted that for ‘many [people] including those with severe psychosocial disability’ who do not meet the DSP eligibility criteria, have to rely on JobSeeker Payment or other activity-based payments where they are at high risk of payment suspensions due to inability to comply with mutual obligations.<sup>124</sup>

2.101 Disability Advocacy NSW raised the difficulties for people with disability living in regional, rural, and remote areas to access the DSP which ‘entraps’ them into ‘cycles of disadvantage and poverty’.<sup>125</sup> This includes struggles with the application process and physical attendance due to mobility issues, which submitters argued in turn meant an inability to meet eligibility requirements.<sup>126</sup>

### **Compliance and support**

2.102 Similar to the criticism of mutual obligations, MS Australia also highlighted that DSP has a strong focus on compliance rather than supporting individuals to meet their needs.<sup>127</sup>

2.103 Taking a broader lens of the payment’s contribution to disability policy, submitters recommended in-depth investigations into the adequacy of DSP in its ability to achieve Australia’s commitments to the United Nations Convention on the Rights of People with Disability<sup>128</sup> and how it should be redesigned to guarantee lifelong access to support by removing requirements to re-establish qualification, removing cap on hours worked, and other changes.<sup>129</sup>

### **Other income support payments**

2.104 Acknowledging the many other payments and supplements provided through the social security system that aim to provide a safety net for Australians, other

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<sup>123</sup> Legal Aid NSW, *Submission 126*, [pp. 28–29].

<sup>124</sup> Economic Justice Australia, *Submission 16*, pp. 10–11.

<sup>125</sup> Disability Advocacy NSW, *Submission 71*, p. 5.

<sup>126</sup> Disability Advocacy NSW, *Submission 71*, p. 6; Brotherhood of St Laurence, *Submission 21*, p. 8.

<sup>127</sup> MS Australia, *Submission 43*, p. 10.

<sup>128</sup> See, for example, Physical Disability Council of NSW, *Submission 90*, p. 4; JFA Purple Orange, *Submission 97*, p. 9.

<sup>129</sup> See, for example, People With Disability Australia, *Submission 76*, p. 10; Sacred Heart Mission, *Submission 117*, p. 5.

inquiry participants focused on the importance of boosting rates and access to the Age Pension,<sup>130</sup> Carer Payment and Carer Allowance,<sup>131</sup> energy concessions,<sup>132</sup> Parenting Payment (see Chapter 4 for discussion on parenting payments),<sup>133</sup> and remote allowance (see Chapter 3).<sup>134</sup>

2.105 Some submitters also raised the desirability of widening access to income, housing, employment and other services and concessions to all people on temporary visas, people seeking asylum, and newly arrived migrants.<sup>135</sup>

### **Recommendations on payment levels**

2.106 In addition to calls to increase support payments, some submitters outlined the payment levels they thought were needed. For example, the Brotherhood of St Laurence cited modelling that showed:

increasing overall social security spending by even 10 per cent would lower the poverty rate of households on allowance by almost half, from 88 per cent to 34 per cent, and lower financial stress by almost 16 per cent.<sup>136</sup>

2.107 Other submitters had slightly different views on the level of ambition or the appropriate benchmarks. For example, Antipoverty Centre suggested increasing base rates to the Henderson poverty line until a measure of poverty is adopted.<sup>137</sup>

2.108 ACOSS recommended a package including a substantial increase in the rate of single JobSeeker Payment and Youth Allowance to the same level as the single Age Pension (\$513 per week including pension supplement), an increase to the maximum rate of CRA by 50 per cent, and to index all working-age payments twice a year in line with CPI and wages.<sup>138</sup>

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<sup>130</sup> See, for example, Fair Go For Pensioners, *Submission 57*, p. 15; Name Withheld, *Submission 173*, [p. 1]; Sacred Heart Mission, *Submission 117*, pp. 23–24.

<sup>131</sup> Carers NSW, *Submission 99*, p. 11; Carers Australia, *Submission 19*, p. 12; Name Withheld, *Submission 169*, [p. 1].

<sup>132</sup> See, for example, Consumer Policy Research Centre, *Submission 40*, p. 3; Consumer Action Law Centre, *Submission 41*, pp. 4–5.

<sup>133</sup> Council of Single Mothers and Children, *Submission 100*, p. 2.

<sup>134</sup> Dr Francis Markham, *Submission 251*, p. 10.

<sup>135</sup> See, for example, Multicultural Youth Advocacy Network Australia, *Submission 69*, p. 16, Royal Australian and New Zealand College of Psychiatrists, *Submission 91*, p. 10; NSW Service for the Treatment and Rehabilitation of Torture and Trauma Survivors, *Submission 143*, p. 14; Asylum Seeker Resource Centre, *Submission 79*, p. 2.

<sup>136</sup> Brotherhood of St Laurence, *Submission 21*, p. 14.

<sup>137</sup> Antipoverty Centre, *Submission 29*, p. 18.

<sup>138</sup> ACOSS, *Submission 23*, p. 4.

- 2.109 The Children’s Policy Centre provided ANU research that modelled scenarios and the impacts of increasing a package of income support payments to varying degrees. For example, a ‘high increase’ option which increases JobSeeker Payment, Parenting Payment, Disability Support Pension, Carer payments, and Family Tax Benefit Part A, and CRA (to different degrees at a total cost of \$20 billion per annum) is estimated to decrease poverty for single parents by 50 per cent.<sup>139</sup> Lower cost options were also modelled that pulled many people out of poverty but to a lesser degree.<sup>140</sup>
- 2.110 The Brotherhood of St Laurence reiterated their support for the Interim EIAC recommendation that ‘payments would need to grow to about 90 per cent of the aged pension in order to be considered adequate’.<sup>141</sup>
- 2.111 The Interim EIAC recommended a ‘substantial increase in the base rates of JobSeeker Payment and related working age payments as a first priority’<sup>142</sup> and an increase to Commonwealth Rent Assistance and changes to indexation to ‘better reflect rent paid’.<sup>143</sup> In their 2023–24 Budget report, they also recommended a staged framework to increase payments.<sup>144</sup>
- 2.112 Professor Whiteford from the Interim EIAC highlighted the Australian Government’s actions to increase income supports in the 1980s, and that over a 13-year period of increasing family and unemployment payments (more than the Age Pension on average) resulted in ‘reducing child poverty by more than any other OECD country’.<sup>145</sup>
- 2.113 Some organisations also considered how the increased redistribution should be funded, such as by withdrawing the Stage 3 Tax Cuts ‘where half of the benefit goes to the top four per cent of taxpayers’;<sup>146</sup> or a modest package of tax increases

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<sup>139</sup> Children’s Policy Centre, *Research paper on ‘a fairer tax and welfare system for Australia’*, additional information received 15 August 2023, p. 3.

<sup>140</sup> Children’s Policy Centre, *Research paper on ‘a fairer tax and welfare system for Australia’*, additional information received 15 August 2023, p. 3.

<sup>141</sup> Dr Travers McLeod, Executive Director, Brotherhood of St Laurence, *Committee Hansard*, 15 August 2023, p. 3.

<sup>142</sup> Interim Economic Inclusion Advisory Committee, [2023–24 Report to the Australian Government](#), 18 April 2023, Recommendation 1, p. 7.

<sup>143</sup> Interim Economic Inclusion Advisory Committee, *2023–24 Report to the Australian Government*, 18 April 2023, Recommendation 2, p. 7.

<sup>144</sup> Interim Economic Inclusion Advisory Committee, *2023–24 Report to the Australian Government*, 18 April 2023, Recommendation 2, p. 14.

<sup>145</sup> Professor Peter Whiteford, Member, EIAC, *Committee Hansard*, 31 October 2023, p. 41.

<sup>146</sup> See, for example, Mr Greg Jericho, Policy Director, Centre for Future Work, Australia Institute, *Committee Hansard*, 27 February 2023, pp. 32–33; St Vincent de Paul’s Society, *Submission 27*, p. 5; Anglicare Australia, *Submission 7*, pp. 8–9.

to Capital Gains Tax, progressive superannuation tax scale, and indexation of income tax thresholds.<sup>147</sup>

### **Interaction between income support payment levels and employment**

2.114 Relating to increasing income support payments, the committee's interim report detailed evidence from submitters rebutting how an increase to payments might reduce the incentive to work.<sup>148</sup>

2.115 Mr Matt Flavel, Deputy Secretary of Social Security at the department provided further evidence that 'in net terms, the income from work still leaves the person better off than if they weren't working' and that this 'was a core design feature' of the social security system.<sup>149</sup>

2.116 For example the JobSeeker Payment is designed with an income-free area, a tapering of payment rates as income increases, and an upfront bonus. The department highlighted how the payment was always designed to be just below the minimum wage to send the signal that people will be better off working than receiving benefits.<sup>150</sup>

2.117 Using this as an argument to support raising income support payment rates, Professor Whiteford from the Interim EIAC reiterated that because 'JobSeeker is so low... we shouldn't at all be concerned about incentives to work' and that even a 'low-paid job makes you much better off than if you were on JobSeeker, even with significant increases'.<sup>151</sup>

### **Recent Budget measures**

2.118 The committee's interim report recommended the Australian Government prioritise measures in the 2023–24 Budget to target rising inequality and entrenched disadvantage, including through the income support system.<sup>152</sup>

2.119 The 2023–24 Budget included the measure – *Increase to Working Age Payments* – that increased the base rate of several income support payments by \$40 per fortnight costing an additional \$4.9 billion over 5 years from 2022–23. This included JobSeeker Payment, Youth Allowance, Parenting Payment (partnered),

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<sup>147</sup> Children's Policy Centre, *Research paper on 'a fairer tax and welfare system for Australia'*, additional information received 15 August 2023, p. 2.

<sup>148</sup> Senate Community Affairs References Committee, *The extent and nature of poverty in Australia: Interim Report*, May 2023, p. 75.

<sup>149</sup> Mr Matt Flavel, Deputy Secretary, Social Security, DSS, *Committee Hansard*, 15 August 2023, p. 61.

<sup>150</sup> Mr Matt Flavel, Deputy Secretary, Social Security, DSS, *Committee Hansard*, 15 August 2023, p. 61.

<sup>151</sup> Professor Peter Whiteford, Member, EIAC, *Committee Hansard*, 31 October 2023, p. 41.

<sup>152</sup> Senate Community Affairs References Committee, *The extent and nature of poverty in Australia: Interim Report*, May 2023, p. 78.

ABSTUDY, Disability Support Pension (youth), and Special Benefit.<sup>153</sup> This was in addition to the 15 per cent increase to CRA mentioned above.

- 2.120 In response to these changes, Ms Jennifer Kirkaldy, General Manager of Policy and Advocacy at the Salvation Army acknowledged that ‘any increase is going to be welcome’ but that the increases following the Budget are ‘not actually going to be enough to lift people out of poverty and allow them to live with dignity’.<sup>154</sup>
- 2.121 Dr Travers McLeod, Executive Director of the Brotherhood of St Laurence considered that the combination of 2023–24 Budget measures, including lifting JobSeeker and related payments, increasing rent assistance, providing energy price relief and reducing the cost of medicines, were ‘modest’ but acknowledged they are ‘steps in the right direction to providing essential relief to those in our community doing it toughest’.<sup>155</sup>
- 2.122 Whilst Dr McLeod welcomed the shift towards ‘improving the lives of Australians facing poverty and disadvantage’ in the 2023–24 Budget, he added that these measures ‘can only be the start if Australia is serious about making poverty reduction a much greater national priority’.<sup>156</sup>
- 2.123 There was also a change to Parenting Payment Single where eligibility was expanded to increase the age of accessibility from 8 years to 14 years – a change the Centre for Children’s Policy considered ‘very significant’ and that was also welcomed by Ms Kelly Bowey, Policy Advisor at Brotherhood of St Laurence.<sup>157</sup>

### Committee view

- 2.124 The committee acknowledges that the objective of Australia’s social security system is to provide a safety net for those who need it most. However, the committee heard evidence from a number of submitters throughout the inquiry who did not believe that it was meeting its objectives.

### Payment levels

- 2.125 The committee notes the evidence provided on the direct links between income support payment levels and poverty rates. The evidence submitted shows that

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<sup>153</sup> Commonwealth of Australia, *Budget Measures: Budget Paper No. 2 2023–24*, p. 199.

<sup>154</sup> Ms Jennifer Kirkaldy, General Manager, Policy and Advocacy, The Salvation Army, *Committee Hansard*, 15 August 2023, p. 3.

<sup>155</sup> Dr Travers McLeod, Executive Director, Brotherhood of St Laurence, *Committee Hansard*, 15 August 2023, p. 1.

<sup>156</sup> Dr Travers McLeod, Executive Director, Brotherhood of St Laurence, *Committee Hansard*, 15 August 2023, p. 1.

<sup>157</sup> Professor Sharon Bessell, Director, Children’s Policy Centre, Crawford School of Public Policy, ANU, *Committee Hansard*, 15 August 2023, p. 26; Ms Kelly Bowey, Policy Advisor, Brotherhood of St Laurence, *Committee Hansard*, 15 August 2023, p. 4.

the current rates of some income support payments for working age Australians can result in recipients having inadequate income to support their basic living costs. These findings are not new. The committee is cognisant of past reviews, which also identified the need to increase the rates of payments available to working-age unemployed income support recipients as well as the rates of supplements such as the CRA.

- 2.126 In 2020, a previous iteration of this committee also identified the need for a review of the income support system to ensure income support recipients do not live in poverty.<sup>158</sup> More recently, ahead of the 2023–24 Federal Budget, the Interim Economic Inclusion Advisory Committee also recommended a substantial increase in the base rates of JobSeeker Payment and related working age payments as a first priority.
- 2.127 The committee acknowledges the investment of \$14.6 billion dollars in cost-of-living relief and improved accessibility to the parental leave scheme in the 2023–24 Budget, \$9.5 billion of which was specifically targeted at boosting payments and entitlements for those on the lowest incomes.
- 2.128 The committee also notes the calls for further increases to these payments by submitters to the inquiry.
- 2.129 The committee is of the view that the social security system is a powerful vehicle through which the Australian Government can address poverty rates in Australia in the short-term.

### **Recommendation 1**

- 2.130 The committee recommends that the Australian Government take urgent action so that Australians are not living in poverty, including through considering the suitability, adequacy, and effectiveness of the income support system.**

### **Disability Support Pension**

- 2.131 The committee acknowledges the evidence received on the difficulties for many people with disability to manage the rising costs of living and the significant struggles associated with poverty. It also heard about the tightening of the eligibility and difficulties for many to apply for the Disability Support Pension that has meant many people living with disability are relying on the JobSeeker Payment.

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<sup>158</sup> Senate Community Affairs References Committee, *Adequacy of Newstart and related payments and alternative mechanisms to determine the level of income support payments in Australia*, April 2020, p. 42.

## **Recommendation 2**

**2.132 The committee recommends that the Australian Government take action to better support applicants and recipients of the Disability Support Pension and ensure people can participate in their communities and cover their living costs.**

### **Commonwealth Rent Assistance**

2.133 Throughout the inquiry, the committee received evidence that housing insecurity and unaffordability are intimately linked with poverty. People on low incomes are more likely to rent and CRA is one mechanism to provide rent relief for income support recipients renting in the private rental market.

2.134 The committee acknowledges the increase to the CRA in the 2023–24 Budget as part of broader cost of living reforms. However, the committee notes the calls from submitters for further review of the CRA. The committee sees merit in undertaking such a review.

## **Recommendation 3**

**2.135 The committee recommends the Australian Government consider asking the Economic Inclusion Advisory Committee to review Commonwealth Rent Assistance, to determine effectiveness and appropriateness at alleviating cost of living pressures.**

### **‘Complex’ and ‘difficult’ system**

2.136 The committee heard evidence about the dissatisfaction with the overall social security system and its historically punitive approach to managing income support recipients, including that mutual obligations requirements can work against the interests of vulnerable income support recipients, causing psychological distress, and detracting from economic participation.

2.137 The committee heard throughout the inquiry that there was also need for reform to the employment services system more broadly, including Workforce Australia. Inquiry participants highlighted how the current system does not sufficiently support the most disadvantaged to find work and can act as a hindrance to economic participation. The committee agrees with submitters that a more person-centred approach to employment services is needed to improve employment outcomes – one that is cognisant of the diverse needs of the most disadvantaged jobseekers.

2.138 Evidence was also received on the inappropriateness of debt recovery mechanisms, including income apportionment and income averaging. The committee acknowledged these elements of the social security system have had devastating impacts for many income support recipients, as were uncovered by the Robodebt Royal Commission.



2.139 The committee is of the view that low-income Australians should not be faced with a social security system that distrusts and punishes people. Instead, there should be a system that aims to support vulnerable people through financial stress, provide meaningful assistance for people seeking employment, and that works to lift people out of poverty and disadvantage.

#### **Recommendation 4**

**2.140 The committee recommends the Australian Government reform mutual obligations, giving consideration to the report of the Select Committee on Workforce Australia Employment Services.**

#### **Recommendation 5**

**2.141 The committee recommends that the Department of Social Services and the Department of Employment and Workplace Relations undertake a review of all employment services programs to ensure they move to a strengths-based, person-centred approach.**



# Chapter 3

## First Nations people and communities

A lot of us have inherited poverty. We have been born into this economic status, and that is an inheritance that is incredibly difficult to shake. It's incredibly difficult to break and rise above, because with the flaws in the economic state that we live in here in Australia it is very difficult. It's almost like it's designed to keep you down. Then add on that First Nations people have been in a space of disadvantage for 250 years, since Europeans first arrived on this landmass, and designed systems to hold them down and to keep them at a disadvantaged status.<sup>1</sup>

- 3.1 The committee heard that First Nations people are disproportionately impacted by poverty when compared to other Australians.<sup>2</sup> This chapter explores the impacts of poverty experienced by First Nations people and communities, and the factors that contribute to their ongoing disadvantage and deprivation. It then examines existing policies and programs for First Nations people, and proposals raised throughout the inquiry on how to improve outcomes for First Nations people.

### Structural disadvantage

- 3.2 Evidence from many First Nations inquiry participants was that poverty experienced by First Nations people is primarily a result of the history and 'enduring process' of colonisation, dispossession, trauma, racism, and policy-driven disadvantage and social exclusion.<sup>3</sup> For example, the Aboriginal Peak Organisations Northern Territory (APO NT) explained that the:

... multifaceted and ongoing impact of colonisation has had a devastating impact on Aboriginal and Torres Strait Islander people for over 200 years, driven by policies that saw wholesale dispossession from their lands, being moved off Country to reserves and missions, and the loss of language and culture.<sup>4</sup>

- 3.3 Similarly, the Victorian Aboriginal Child Care Agency (VACCA) emphasised:

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<sup>1</sup> Ms Leah House, Private capacity, *Committee Hansard*, 31 October 2023, p. 23.

<sup>2</sup> See, for example, Aboriginal Health and Medical Research Council of NSW, *Submission 72*, [p. 3]; National Aboriginal Community Controlled Health Organisation (NACCHO), *Submission 130*, p. 4; Indigenous Business Australia, *Submission 36*, p. 3; Department of Social Services, *Submission 12*, p. 16; Australian Council of Social Service (ACOSS), *Submission 23*, p. 12.

<sup>3</sup> See, for example, Victorian Aboriginal Child Care Agency (VACCA), *Submission 81*, pp. 10 and 11; Aboriginal Peak Organisations Northern Territory (APO NT), *Submission 118*, [p. 6]; NACCHO, *Submission 130*, p. 3; Central Land Council, *Submission 119*, p. 7; Mr Damian Griffis, Chief Executive Officer, First Peoples Disability Network, *Committee Hansard*, 31 October 2023, p. 8; Ms Leah House, Private capacity, *Committee Hansard*, 31 October 2023, p. 23.

<sup>4</sup> APO NT, *Submission 118*, [p. 6].

For Aboriginal and Torres Strait Islanders peoples in Australia, one of the direct results of colonisation was the disruption and denial of the traditional economies and trade practices. Aboriginal peoples' access to economic security, land and culture were historically denied, wages were stolen, and economic freedoms and cultural norms and structures were interrupted.<sup>5</sup>

3.4 The committee heard that for First Nations people, this history of 'dispossession, marginalisation, racism, and the impact of Government policies since colonisation' continues to drive inequality and the disproportionately high rates of poverty for First Nations people, persistent loss of 'culture, land, and language', and intergenerational trauma.<sup>6</sup>

3.5 The National Aboriginal Community Controlled Health Organisation (NACCHO) emphasised that 'poverty is not cultural' and that it is not the result of 'laziness or ineptitude, individual action or inaction'. NACCHO submitted that rather, it is the 'direct and deliberate result of systemic racism experienced by Aboriginal and Torres Strait Islander people over generations'.<sup>7</sup> It added:

The way out of poverty is rooted in culture, in community and in Country. It lies in dignity – in recognition and in self-determination.<sup>8</sup>

3.6 The Department of Social Services (the department) acknowledged that poverty is 'deeply entrenched due to historical and prevalent rates of discrimination and intergenerational trauma in combination with other complex factors'. It cited that:

...the 2002–04 parliamentary inquiry into poverty among First Nations people noted that a distinguishing feature of Indigenous poverty is the depth of poverty experienced across a range of indicators.<sup>9</sup>

3.7 Mr Carl Binning from the National Indigenous Australians Agency, highlighted the Closing the Gap framework and targets and said:

First Nations face a whole range of challenges. Those challenges are across the board and particularly acute in remote areas. They range right from disconnection and removal from country through to a lack of services and infrastructure, access to housing, economic opportunity, employment and constrained business opportunities.<sup>10</sup>

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<sup>5</sup> VACCA, *Submission 81*, p. 11.

<sup>6</sup> NACCHO, *Submission 130*, p. 4.

<sup>7</sup> NACCHO, *Submission 130*, p. 8.

<sup>8</sup> NACCHO, *Submission 130*, p. 15.

<sup>9</sup> Department of Social Services, *Submission 12*, p. 16.

<sup>10</sup> Mr Carl Binning, Group Manager, Economic Empowerment Group, National Indigenous Australians Agency, *Committee Hansard*, 15 August 2023, p. 65.

## Indicators of disadvantage for First Nations people

3.8 First Nations people are overrepresented in various statistics that demonstrate structural disadvantage.

### Poverty rates and economic participation

3.9 Whilst Aboriginal and Torres Strait Islander people represent 3.8 per cent of the Australian population at the 2021 Census,<sup>11</sup> the committee heard that 29.0 per cent of First Nations people reported living in households with incomes below the poverty line (as measured by 50 per cent of median equivalised income before housing) compared to 13.3 per cent for non-First Nations people.<sup>12</sup>

3.10 The committee also heard that poverty rates are much greater for First Nations people who live in remote Australia, with extremely high rates seen in remote areas (41 per cent) and further still in very remote areas (57 per cent).<sup>13</sup>

3.11 Evidence to the committee also indicated that economic participation of First Nations people is lower than non-First Nations people and driven by complex factors relating to location and opportunity.<sup>14</sup> The department outlined that between 2007–08 and 2018–19, overall employment rates for First Nations people dropped from 54 per cent to 49 per cent, while the rate for non-First Nations people remained at around 76 per cent.<sup>15</sup>

3.12 Further, the department reported that First Nations people make up 11 per cent of all working age payment recipients and 28 per cent of all Youth Allowance recipients.<sup>16</sup>

3.13 Additionally, the Australian Council of Social Service (ACOSS) outlined that in 2018–19, 45 per cent of working age First Nations people relied on a government pension or allowance as their main source of income,<sup>17</sup> while NACCHO reported that as at December 2020, 53 per cent of First Nations people aged 16 and over received some form of income support, highlighting that this is almost twice the proportion of other Australians.<sup>18</sup>

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<sup>11</sup> Australian Bureau of Statistics, *Estimates of Aboriginal and Torres Strait Islander Australians*, 30 June 2021, [www.abs.gov.au/statistics/people/aboriginal-and-torres-strait-islander-peoples/estimates-aboriginal-and-torres-strait-islander-australians/30-june-2021](http://www.abs.gov.au/statistics/people/aboriginal-and-torres-strait-islander-peoples/estimates-aboriginal-and-torres-strait-islander-australians/30-june-2021) (accessed 2 November 2023).

<sup>12</sup> Dr Francis Markham, *Submission 251*, p. 2.

<sup>13</sup> Dr Francis Markham, *Submission 251*, p. 2.

<sup>14</sup> Department of Social Services, *Submission 12*, pp. 15 and 16; Central Land Council, *Submission 119*, p. 8.

<sup>15</sup> Department of Social Services, *Submission 12*, p. 15.

<sup>16</sup> Department of Social Services, *Submission 12*, p. 17.

<sup>17</sup> ACOSS, *Submission 23*, p. 12.

<sup>18</sup> NACCHO, *Submission 130*, p. 5.

3.14 For First Nations people in paid employment, NACCHO pointed out that they are ‘predominantly employed in low or unskilled jobs with limited opportunity for progression’.<sup>19</sup> NACCHO added that Aboriginal and Torres Strait Islander people continue to be overrepresented in labouring, community, and personal services, and underrepresented in professional jobs and management.<sup>20</sup>

### Education

3.15 Inquiry participants highlighted that First Nations people experience greater barriers to education and poorer educational outcomes than other Australians.<sup>21</sup>

3.16 Several submitters noted that rates of school-readiness are disproportionately low for First Nations people.<sup>22</sup> APO NT explained that this is because ‘lower education levels of low-income families make it difficult to support school readiness at an earlier age’.<sup>23</sup> The Australian Human Rights Commission observed that ‘First Nations children are more likely to begin school at a lower level – up to three years behind for very remote students’.<sup>24</sup>

3.17 The Victorian Aboriginal Community Controlled Health Organisation (VACCHO) explained the long-term and intergenerational impact that educational outcomes can have in terms of entrenching disadvantage:

Children who have low school-readiness are more likely to have poor academic outcomes throughout their education, resulting in fewer opportunities to escape poverty through educational success.<sup>25</sup>

3.18 The committee heard that a lack of access to educational resources is also a key factor impacting First Nations educational outcomes and experiences of poverty.<sup>26</sup> VACCA remarked that the COVID-19 pandemic highlighted that the impact of financial strain on families is ‘far-reaching’ and can result in an

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<sup>19</sup> NACCHO, *Submission 130*, p. 5.

<sup>20</sup> NACCHO, *Submission 130*, p. 3

<sup>21</sup> See, for example, Victorian Aboriginal Community Controlled Health Organisation (VACCHO), *Submission 116*, p. 2; APO NT, *Submission 118*, [pp. 22 and 23]; NACCHO, *Submission 130*, p. 5; Australian Human Rights Commission, *Submission 244*, pp. 75 and 78.

<sup>22</sup> See, for example, VACCHO, *Submission 116*, p. 2; APO NT, *Submission 118*, [p. 23]; Australian Human Rights Commission, *Submission 244*, p. 75.

<sup>23</sup> APO NT, *Submission 118*, [p. 23].

<sup>24</sup> Australian Human Rights Commission, *Submission 244*, p. 75.

<sup>25</sup> VACCHO, *Submission 116*, p. 2. Citation omitted.

<sup>26</sup> See, for example, VACCA, *Submission 81*, p. 25; Australian Human Rights Commission, *Submission 244*, p. 79.

‘inability to provide school required items or pay for school activities, and difficulty providing consistent digital and internet access’.<sup>27</sup>

- 3.19 The Australian Human Rights Commission also highlighted this issue, reporting that 21 per cent of First Nations school children lack internet access at home, as opposed to 5 per cent of all public-school students.<sup>28</sup>
- 3.20 Additionally, some submitters noted there is a ‘lack of culturally safe or appropriate early childhood, school environments and curriculums’ for First Nations people.<sup>29</sup> The committee also received evidence that racial discrimination towards First Nations school-goers is common.<sup>30</sup> VACCA submitted that ‘unsafe experiences for children ... have contributed to a feeling of a lack of safety at school and a reluctance to attend’.<sup>31</sup>
- 3.21 Acknowledging this context, the committee also heard concerns regarding education attendance rates for First Nations children. APO NT reported that the 2020 Closing the Gap report and Northern Territory Government statistics indicate that from 2014 to 2019, there was no improvement in education attendance rates nationally.<sup>32</sup>
- 3.22 Evidence to the committee also indicated that First Nations people have lower educational attainment compared to non-Indigenous Australians.<sup>33</sup> According to NACCHO, First Nations people complete year 12 at a rate of 34 per cent, compared to 61 per cent for other Australians, and have disproportionately low English literacy and numeracy.<sup>34</sup>

## Health

- 3.23 NACCHO explained that entrenched cycles of poverty, exacerbated by poor education and employment outcomes and increased interaction with the justice system contribute significantly to poorer health outcomes for Aboriginal and Torres Strait Islander people. It noted that the consequent disparity in health

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<sup>27</sup> VACCA, *Submission 81*, p. 25.

<sup>28</sup> Australian Human Rights Commission, *Submission 244*, p. 79.

<sup>29</sup> VACCA, *Submission 81*, p. 25; APO NT, *Submission 118*, [p. 2].

<sup>30</sup> APO NT, *Submission 118*, [p. 23].

<sup>31</sup> VACCA, *Submission 81*, p. 25.

<sup>32</sup> APO NT, *Submission 118*, [p. 22].

<sup>33</sup> See, for example, VACCHO, *Submission 116*, p. 2; NACCHO, *Submission 130*, p. 5; Australian Human Rights Commission, *Submission 244*, p. 78.

<sup>34</sup> NACCHO, *Submission 130*, p. 5.

outcomes between First Nations people and other Australians, which is well documented, remains significant.<sup>35</sup>

- 3.24 The burden of disease (or the impacts of premature death or living with illness or injury) is 2.3 times higher for First Nations people than that for other Australians. Acute Rheumatic Fever and Rheumatic Heart Disease almost exclusively impact First Nations people in Australia, being 92 per cent of the people impacted.<sup>36</sup>
- 3.25 Poorer health outcomes contribute to the lower overall life expectancy for First Nations people, which is 9 years less for males and 8 years less for females compared to non-First Nations people, while infant mortality rates are twice as high.<sup>37</sup>

### **Housing and homelessness**

- 3.26 It was highlighted to the committee that First Nations people experience disproportionate rates of overcrowding – and are ‘more than twice as likely to live in a house with six, seven or eight people than the general Australian population’.<sup>38</sup> 17.9 per cent of First Nations people live in ‘severely overcrowded dwellings’ – dwellings needing four or more additional bedrooms – compared to 4.9 per cent of non-First Nations people.<sup>39</sup>
- 3.27 In the Northern Territory and Western Australia, overcrowding is ‘particularly acute’, with First Nations households experiencing overcrowding at up to ten times the rate of other Australians.<sup>40</sup> Over half (56.6 per cent) of First Nations people in the Northern Territory live in overcrowded housing.<sup>41</sup>
- 3.28 The committee received significant amount of evidence about the detrimental impacts of overcrowding on First Nations health.<sup>42</sup> For example, NACCHO pointed out that:

Living in overcrowded housing with poor sanitary conditions increases the likelihood of several chronic health conditions. For example, Australia remains the only developed country in the world where trachoma still exists

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<sup>35</sup> NACCHO, *Submission 130*, pp. 6 and 10.

<sup>36</sup> NACCHO, *Submission 130*, p. 10.

<sup>37</sup> Department of Social Services, *Submission 12*, p. 16.

<sup>38</sup> Australian Human Rights Commission, *Submission 244*, p. 58.

<sup>39</sup> Department of Social Services, *Submission 12*, p. 16.

<sup>40</sup> Australian Human Rights Commission, *Submission 244*, p. 58.

<sup>41</sup> APO NT, *Submission 118*, [p. 10].

<sup>42</sup> See, for example, Queensland Aboriginal and Islander Health Council (QAIHC), *Submission 33*, pp. 13, 14; Aboriginal Health and Medical Research Council of NSW, *Submission 72*, [p. 4]; ANTA, *Submission 122*, p. 6; NACCHO, *Submission 130*, p. 13.



in endemic proportions, primarily in Aboriginal and Torres Strait Islander populations. Overcrowding also makes Aboriginal and Torres Strait Islander children more susceptible to acute or chronic ear infections such as otitis media. ... Similarly, skin infections such as scabies can quickly spread through crowded households ...<sup>43</sup>

3.29 Further, many First Nations people live in poor quality housing which fails to provide adequate comfort and amenity.<sup>44</sup> According to AH&MRC:

Approximately 33 per cent of Aboriginal dwellings have been found to have at least 1 major structural issue such as damp and mildew. Some households have also been found to have inadequate facilities for cooking, cleaning, washing and bedding.<sup>45</sup>

3.30 ANTAR indicated that substandard housing is particularly prevalent in remote First Nations communities where:

... basic amenities required to engage in healthy living practices including, but not limited to, flushing toilets, bathing facilities, washers or goods to help prepare and store food adequately, have been found missing or non-functional in a substantial proportion of those households ...<sup>46</sup>

3.31 First Nations people are also overrepresented in homelessness rates – in the Northern Territory, for instance, the rate of First Nations homelessness is ‘12 times the national average’.<sup>47</sup>

### **Incarceration rates**

3.32 NACCHO reported that in 2021, First Nations people were imprisoned at a rate 14 times higher than other Australians.<sup>48</sup>

3.33 The Victorian Aboriginal Child Care Agency (VACCA) noted that the Royal Commission into Aboriginal Deaths in Custody, which concluded in 1991,<sup>49</sup> found that ‘the most significant contributing factor in the overrepresentation of Aboriginal people in the criminal justice system was disadvantage and their unequal position in wider society’.<sup>50</sup>

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<sup>43</sup> NACCHO, *Submission 130*, p. 13.

<sup>44</sup> See, for example, VACCA, *Submission 81*, p. 38; VACCHO, *Submission 116*, p. 9; APO NT, *Submission 118*, [p. 10]; Australian Human Right Commission, *Submission 244*, p. 56.

<sup>45</sup> Aboriginal Health and Medical Research Council of NSW, *Submission 72*, [p. 4].

<sup>46</sup> ANTAR, *Submission 122*, p. 5.

<sup>47</sup> Central Land Council, *Submission 119*, p. 16.

<sup>48</sup> NACCHO, *Submission 130*, p. 6.

<sup>49</sup> National Archives of Australia, *Royal Commission into Aboriginal Deaths in Custody*, <https://www.naa.gov.au/explore-collection/first-australians/royal-commission-aboriginal-deaths-custody#reports> (accessed 26 February 2024).

<sup>50</sup> VACCA, *Submission 81*, p. 28.

3.34 VACCA also noted that other research shows strong links between intergenerational disadvantage, poverty and incarceration, and also explained that whilst experiences of poverty can contribute to justice involvement for Aboriginal people, those who leave custody also often do so into poverty and financial stress.<sup>51</sup>

3.35 At a hearing, Mr Gerry Georgatos, a former national coordinator of the National Indigenous Critical Response Service, explained to the committee:

There are 550,000 Australians—one in 52 of the population—who have been to prison. For First Nations people, it's a tragedy; it's a national indictment on Australia. One in six First Nations brothers and sisters have been to prison, 140,000-plus.<sup>52</sup>

### **Domestic and family violence**

3.36 According to VACCA, 'economic exclusion and poverty ... contribute to the high rates of family violence among Aboriginal communities'.<sup>53</sup> It highlighted a Victorian Health Population Survey in 2017 that found First Nations women were 2.5 times more likely to report experiencing family violence than their non-First Nations peers.<sup>54</sup> Even so, VACCA noted that rates of family violence may be underreported in First Nations communities.<sup>55</sup>

3.37 Some inquiry participants underlined that the housing insecurity and unaffordability issues commonly experienced by First Nations people can prevent victim-survivors from leaving violent situations as they are unable to secure alternative housing.<sup>56</sup>

3.38 APO NT also highlighted that 'complex layering of pervasive disadvantage', including family violence, has detrimental impacts on First Nations children, resulting in 'shockingly high rates of out-of-home care and youth detention'.<sup>57</sup>

### **Factors contributing to First Nations poverty and deprivation**

3.39 This section discusses key factors that contribute to ongoing First Nations poverty, including historical factors, geographic remoteness, employment opportunities, and other intersectional issues.

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<sup>51</sup> VACCA, *Submission 81*, pp. 28 and 29.

<sup>52</sup> Mr Gerry Georgatos, Private capacity, *Committee Hansard*, 31 October 2023, p. 29.

<sup>53</sup> VACCA, *Submission 81*, p. 32.

<sup>54</sup> VACCA, *Submission 81*, p. 33.

<sup>55</sup> VACCA, *Submission 81*, pp. 32, 33.

<sup>56</sup> VACCA, *Submission 81*, p. 33; Dr Stephanie Kelly, Chief Executive Officer, Northern Territory Council of Social Service (NTCOSS), *Committee Hansard*, 31 October 2023, p. 4.

<sup>57</sup> APO NT, *Submission 118*, [pp. 19 and 20].

## Historical factors

3.40 Inquiry participants highlighted the importance of not separating the current experience of First Nations poverty from historical legacies and government policies.<sup>58</sup> For example, Mr Damian Griffis from First Peoples Disability Network said:

Since colonisation, institutionalisation, incarceration, stolen wages, removal of children and institutionalised ableism and racism in policies, programs and services across the life course and across all sectors and systems contribute to this ongoing poverty. For example, our kids are labelled as the 'naughty black kid' from an early age. They experience high expulsion rates in schools, rather than our children being acknowledged as having learning or other disabilities, which can then lead to engagement with the justice system, which then leads to challenges in future employment opportunities. These experiences exist across the life course and sectors, from early childhood, housing, health, education, justice and aged care.<sup>59</sup>

3.41 NACCHO's submission outlined how poverty for First Nations people today is a direct consequence of how Australia was founded on the concept of *terra nullius*, the 'denial of the very existence of Aboriginal and Torres Strait Islander people', and the ongoing lack of recognition as the Traditional Custodians in the Australian Constitution.<sup>60</sup> NACCHO underscored the pernicious effects of laws that ostensibly aimed to 'protect' First Nations people but in fact led to a 'slow genocide', including the removal of children and dispossession from land and culture.<sup>61</sup>

3.42 VACCA also described the importance of recognising the historical denial of economic security, stolen wages from the early 1800s to the 1930s, and ongoing restrictions and barriers for First Nations people to access appropriate wages and income support until the 1960s.<sup>62</sup>

3.43 As mentioned earlier in this chapter, NACCHO outlined that First Nations communities do not view poverty as inevitable, cultural, or the 'result of laziness or ineptitude, individual action or inaction', but rather the direct result of historical and enduring structural barriers for First Nations people in Australia.<sup>63</sup>

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<sup>58</sup> See, for example, VACCA, *Submission 81*, pp. 10, 11; APO NT, *Submission 118*, [p. 6]; NACCHO, *Submission 130*, p. 3; Central Land Council, *Submission 119*, p. 7; Ms Leah House, Private capacity, *Committee Hansard*, 31 October 2023, p. 23.

<sup>59</sup> Mr Damian Griffis, Chief Executive Officer, First Peoples Disability Network, *Committee Hansard*, 31 October 2023, p. 8.

<sup>60</sup> NACCHO, *Submission 130*, p. 7.

<sup>61</sup> NACCHO, *Submission 130*, p. 7.

<sup>62</sup> VACCA, *Submission 81*, pp. 10 and 11.

<sup>63</sup> NACCHO, *Submission 130*, p. 8.

**Geographic remoteness**

- 3.44 There is a spatial element to the inequalities faced by First Nations people. As pointed out by the Department of Social Services, geographic remoteness increases the risk of poverty due to factors such as poor service accessibility, lack of infrastructure, and limited employment opportunities.<sup>64</sup>
- 3.45 According to Dr Francis Markham from the Australian National University's Centre for Aboriginal Economic Policy Research, 'poverty rates [among First Nations people] follow the remoteness gradient' where rates are lowest in major cities and increase consistently with remoteness, reaching over 50 per cent in very remote areas.<sup>65</sup> Dr Markham noted that this effect is deepening – from the period 2011 to 2021, very remote First Nations poverty rates escalated by over 10 per cent.<sup>66</sup>

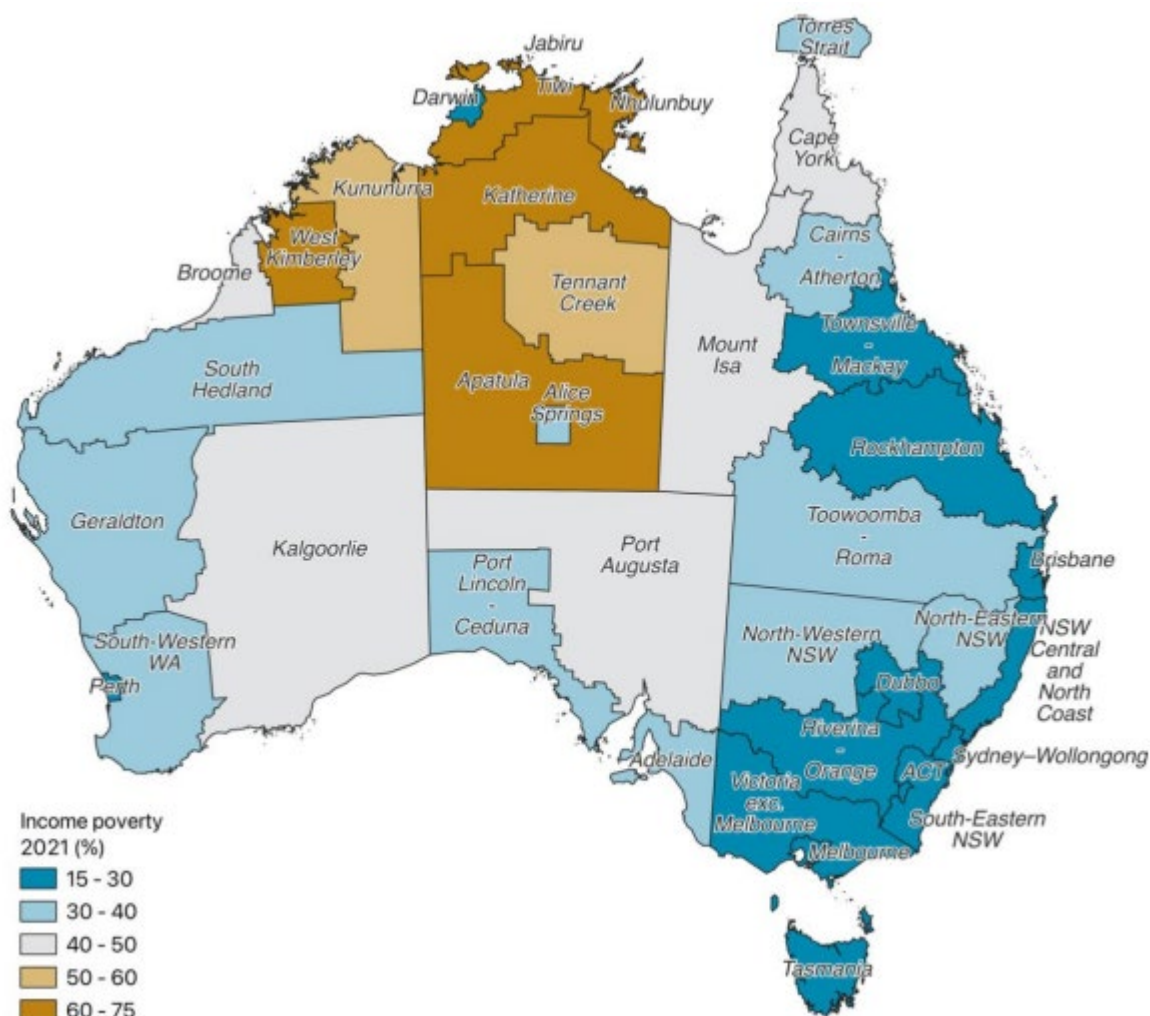
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<sup>64</sup> Department of Social Services, *Submission 12*, p. 16.

<sup>65</sup> Dr Francis Markham, *Submission 251*, p. 2.

<sup>66</sup> Dr Francis Markham, *Submission 251*, p. 2.

**Figure 3.1 Indigenous income poverty rates by Indigenous Region in the 2021 Census**



Source: Dr Francis Markham, *Submission 251*, p. 6.

- 3.46 Due to severe housing shortages, reliance on social housing, and lack of adequate infrastructure in remote First Nations communities, approximately 42 per cent of First Nations people in remote regions live in overcrowded or severely overcrowded dwellings.<sup>67</sup>
- 3.47 Basic living costs are also higher in remote communities, as evidenced by reports of prices in remote community stores being on average 39 per cent higher than major supermarkets elsewhere.<sup>68</sup> According to Ms Krakouer, Director at the National Suicide Prevention and Trauma Recovery Project, she had observed throughout her travels to remote communities across the country that ‘even

<sup>67</sup> Department of Social Services, *Submission 12*, p. 16.

<sup>68</sup> ACOSS, *Submission 23*, p. 13.

buying a punnet of strawberries or a corned beef in these shops costs \$13, \$14 or \$15'.<sup>69</sup> This was supported by Dr Kelly from NTCOSS who said:

There's also the cost of purchasing food and groceries in remote communities as compared to the cost in urban areas. It just builds and builds and cycles. Organisations like Foodbank are struggling to keep up with demand.<sup>70</sup>

### **Lack of employment opportunities**

3.48 As described in the interim report, poor employment outcomes and low economic participation are both causes and effects of poverty.<sup>71</sup> Dr Francis Markham provided evidence which outlined that a lack of employment opportunities in remote First Nations communities is a major challenge:

A significant cause of escalating remote Indigenous poverty is the near absence of private-sector jobs in remote regions, constraining Indigenous communities to the limited number of suitable publicly funded jobs available and to social security.<sup>72</sup>

3.49 Dr Stephanie Kelly from the Northern Territory Council of Social Services (NTCOSS) noted that a 'longstanding issue in the [Northern] Territory is the failure to close the employment gap from urban to remote and having those opportunities for meaningful employment'.<sup>73</sup>

### **Poor health and lack of education as drivers of poverty**

3.50 As described in the above section, First Nations people experience a gap in health and education outcomes compared to non-First Nations people. These outcomes can contribute to a cycle of poverty and disadvantage.

#### **Poor health**

3.51 Submitters highlighted the impact of poor health and lack of access to healthcare as a driver of poverty for First Nations people.<sup>74</sup>

3.52 For example, the Aboriginal Health and Medical Research Council of NSW's submission discussed the 'health-poverty trap' – a linear relationship between poverty and ill-health. They explained this is where 'individuals cannot afford to access the things that support their health including quality healthcare and

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<sup>69</sup> Ms Megan Krakouer, Director, National Suicide Prevention and Trauma Recovery Project, *Committee Hansard*, 31 October 2023, p. 14.

<sup>70</sup> Dr Stephanie Kelly, Chief Executive Officer, NTCOSS, *Committee Hansard*, 31 October 2023, p. 4.

<sup>71</sup> Senate Community Affairs References Committee, *The extent and nature of poverty in Australia: Interim Report*, May 2023, pp. 42–44.

<sup>72</sup> Dr Francis Markham, Private capacity, *Committee Hansard*, 31 October 2023, p. 28.

<sup>73</sup> Dr Stephanie Kelly, Chief Executive Officer, NTCOSS, *Committee Hansard*, 31 October 2023, p. 3.

<sup>74</sup> See, for example, Aboriginal Health and Medical Research Council of NSW, *Submission 72*, [p. 5]; NACCHO, *Submission 130*, p. 12.

basic necessities'.<sup>75</sup> The Aboriginal Health and Medical Research Council of NSW suggested that 'many Aboriginal and Torres Strait Islander people forgo healthcare because they simply cannot afford it'.<sup>76</sup>

- 3.53 The Aboriginal Health and Medical Research Council of NSW also discussed the challenges in accessing affordable and culturally appropriate healthcare, pointing out there has been a reduction in the number of General Practitioners who bulkbill.<sup>77</sup> Similarly, NACCHO explained that First Nations people experience significant difficulties 'navigating complex health, care, legal, and welfare systems', and highlighted that:

A lack of culturally appropriate care can lead to unequal, sub-optimal or inappropriate health-service provision. It can lead to misdiagnosis and the dismissal of symptoms. This can mean Aboriginal and Torres Strait Islander people are less likely to seek care and it can contribute to higher rates of early discharge from services.<sup>78</sup>

- 3.54 NACCHO and the Aboriginal Health and Medical Research Council of NSW both stressed the critical importance of Aboriginal Controlled Community Health Organisations (ACCHOs) that are the preferred providers for many First Nations people but are in short supply.<sup>79</sup>

- 3.55 The Aboriginal Health and Medical Research Council of NSW explained that the poor health outcomes experienced by First Nations people entrench the cycle of poverty:

Ill health can ... lead to poverty, particularly when individuals must spend significant amounts of their disposable income on healthcare. ... Aboriginal and Torres Strait Islander people, who are more likely to experience intergenerational poverty and episodes of ill-health in their lifetimes are a stark example of this.<sup>80</sup>

### *Access to education*

- 3.56 Inquiry participants provided evidence about how the lack of adequate educational opportunities and attainment for some First Nations people is a key driver of poverty and disadvantage.<sup>81</sup> VACCA, for example, said that 'poverty

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<sup>75</sup> Aboriginal Health and Medical Research Council of NSW, *Submission 72*, [p. 5].

<sup>76</sup> Aboriginal Health and Medical Research Council of NSW, *Submission 72*, [p. 5].

<sup>77</sup> Aboriginal Health and Medical Research Council of NSW, *Submission 72*, [p. 4].

<sup>78</sup> NACCHO, *Submission 130*, p. 12.

<sup>79</sup> Aboriginal Health and Medical Research Council of NSW, *Submission 72*, [p. 4]; NACCHO, *Submission 130*, p. 12.

<sup>80</sup> Aboriginal Health and Medical Research Council of NSW, *Submission 72*, [p. 6].

<sup>81</sup> See, for example, NACCHO, *Submission 130*, p. 6; Australian Human Right Commission, *Submission 244*, p. 45; and NTCOSS, *Submission 139*, Attachment 3, p. 8.

is both a contributing factor to and also an outcome of a lack of access to quality, culturally appropriate educational opportunities'.<sup>82</sup>

3.57 Additionally, NACCHO highlighted the wide-ranging effects of low English literacy and numeracy on some First Nations people's lives:

... low English literacy and numeracy could be implicated in many of the areas of relative disadvantage. Low literacy makes it difficult for a person to find and access education, training and employment opportunities. It makes it harder to navigate the health system to understand what your medication is for or how much to take, to ask questions of your doctors, to provide informed consent if you need an operation. To access and navigate support services like Centrelink, NDIS or aged care. It increases the risk of substance abuse. And all of this has profound impacts on the mental health and the social and emotional wellbeing of Aboriginal and Torres Strait Islander people.<sup>83</sup>

3.58 Likewise, the Australian Human Right Commission pointed out the challenges faced by First Nations people in navigating a complex social security system due to 'difficulties in language, literacy ... [and] low educational attainment'.<sup>84</sup>

3.59 VACCHO pointed out that 'education can break the poverty cycle', yet First Nations people have disproportionately low levels of educational attainment.<sup>85</sup>

### **Intersectional challenges**

3.60 First Nations people frequently face multiple, intersecting layers of disadvantage. For example, the Australian Human Right Commission submitted that 'higher rates of disability, unemployment, and socio-economic disadvantage for First Nations people in Australia' create 'intersectional inequalities' that must be addressed by any poverty reduction strategies.<sup>86</sup>

3.61 Mr Damian Griffis, CEO of the First Nations Disability Network Australia, said:

First Peoples with disability experience intersectional inequality, which is the compounding of inequality that affects those people who are members of two marginalised groups—that is, Aboriginal and Torres Strait Islander people and people with disability.<sup>87</sup>

3.62 He elaborated that First Nations poverty is exacerbated by challenges such as the unaffordability and inaccessibility of NDIS supports; the 'lack of allied health professionals in remote areas and long waiting lists in other areas for

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<sup>82</sup> VACCA, *Submission 81*, p. 23.

<sup>83</sup> NACCHO, *Submission 130*, p. 6.

<sup>84</sup> Australian Human Right Commission, *Submission 244*, p. 45.

<sup>85</sup> VACCHO, *Submission 116*, p. 2.

<sup>86</sup> Australian Human Right Commission, *Submission 244*, p. 47.

<sup>87</sup> Mr Damian Griffis, Chief Executive Officer, First Peoples Disability Network Australia, *Committee Hansard*, 31 October 2023, p. 8.



families to get appropriate supports'; the lack of 'fair and equitable access to Disability Support Pension'; and the 'disproportionate impact' of environmental and climate crisis including on food security.<sup>88</sup>

### Existing policies and programs

3.63 This section outlines the Australian Government's approach to policies and programs that aim to address First Nations poverty, including the National Agreement on Closing the Gap, and various payments and services targeted at First Nations people.

#### National Agreement on Closing the Gap (the National Agreement)

3.64 The broad policy framework for First Nations people is the National Agreement on Closing the Gap. It has 19 national socio-economic targets across 17 socio-economic outcome areas that have an impact on life outcomes for First Nations people.<sup>89</sup> It includes initiatives such as the Housing Policy Partnership, programs for digital inclusion, and the Disability Sector Strengthening Plan.<sup>90</sup>

3.65 Organisations such as NACCHO, APO NT and NTCOSS supported the ongoing implementation of the National Agreement's principles,<sup>91</sup> particularly the realisation of its four Priority Reforms:

- formal partnerships and shared decision making;
- building the community-controlled sector;
- transformation of government organisations; and
- shared access to data and information at a regional level.<sup>92</sup>

3.66 NACCHO stated that 'the four Priority Reforms offer a roadmap to meaningfully impact structural drivers of poverty and poor outcomes'.<sup>93</sup>

3.67 However, the committee heard that there has been minimal progress on achieving the National Agreement's targets in a range of areas, including housing and health.<sup>94</sup> Ms Krakouer, Director of the National Suicide Prevention

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<sup>88</sup> Mr Damian Griffis, Chief Executive Officer, First Peoples Disability Network Australia, *Committee Hansard*, 31 October 2023, p. 8.

<sup>89</sup> Closing the Gap, *Closing the Gap Targets and Outcomes*, [www.closingthegap.gov.au/national-agreement/targets](http://www.closingthegap.gov.au/national-agreement/targets) (accessed 21 November 2023).

<sup>90</sup> Department of Social Services, *Submission 12*, pp. 23 and 31.

<sup>91</sup> NTCOSS, *Submission 139*, [pp. 1 and 2]; APO NT, *Submission 118*, [pp. 5 and 6]; and NACCHO, *Submission 130*, p. 3.

<sup>92</sup> Closing the Gap, *Priority Reforms*, [www.closingthegap.gov.au/national-agreement/priority-reforms](http://www.closingthegap.gov.au/national-agreement/priority-reforms) (accessed 21 November 2023); NACCHO, *Submission 130*, pp. 8 and 9.

<sup>93</sup> NACCHO, *Submission 130*, p. 8.

<sup>94</sup> See, for example, QAIHC, *Submission 33*, pp. 4, 8 and 16; APO NT, *Submission 118*, [pp. 18, 19 and 27]; Central Land Council, *Submission 119*, pp. 7 and 16; NACCHO, *Submission 130*, p. 14; Ms Megan

and Trauma Recovery Project, observed that ‘many [National Agreement targets] aren’t getting better and two are getting extremely worse—that is, incarceration and suicide’.<sup>95</sup> Accordingly, she stated:

They [government] can't keep running the same thing, because it is not working; it's not having an impact on the Closing the Gap strategies. Our people need government to step up.<sup>96</sup>

### Support for remote areas

- 3.68 The Australian Government provides a regular extra payment for income support recipients who live in a remote area. Known as the Remote Area Allowance (RAA), this payment acknowledges the additional costs associated with living in remote Australia and is currently set at an additional \$18.20 per fortnight.<sup>97</sup> While this payment is available to all Australians, it has a significant impact on First Nations people on income support payments, including those on payments like JobSeeker, Youth Allowance and ABSTUDY.
- 3.69 APO NT noted that the RAA ‘has remained at the same level since 1990’ and has failed to keep pace with the rising cost of living.<sup>98</sup> ACOSS supported a review of the adequacy of income support for people living in remote areas, including the RAA.<sup>99</sup>
- 3.70 Several submitters supported increasing the RAA to a ‘meaningful level based on input from experts’.<sup>100</sup> For example, Dr Francis Markham recommended an increased rate ‘commensurate to the higher cost of living in remote communities for basic commodities such as food, fuel and energy’ and indexation based on the prices of these basic goods.<sup>101</sup>
- 3.71 The department also provides housing support in remote Indigenous communities, including a \$200 million allocation from the Housing Australia

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Krakouer, Director, National Suicide Prevention and Trauma Recovery Project, *Committee Hansard*, 31 October 2023, pp. 9 and 11.

<sup>95</sup> Ms Megan Krakouer, Director, National Suicide Prevention and Trauma Recovery Project, *Committee Hansard*, 31 October 2023, p. 9.

<sup>96</sup> Ms Megan Krakouer, Director, National Suicide Prevention and Trauma Recovery Project, *Committee Hansard*, 31 October 2023, p. 11.

<sup>97</sup> Services Australia, *Remote Area Allowance: How much you can get*, 8 May 2023, [www.servicesaustralia.gov.au/how-much-remote-area-allowance-you-can-get?context=22571](http://www.servicesaustralia.gov.au/how-much-remote-area-allowance-you-can-get?context=22571) (accessed 27 February 2024).

<sup>98</sup> APO NT, *Submission 118*, [p. 26].

<sup>99</sup> ACOSS, *Submission 23*, p. 13.

<sup>100</sup> See, for example, Antipoverty Centre, *Submission 29*, p. 19, APO NT, *Submission 118*, [p. 4]; Central Land Council, *Submission 119*, p. 3; ACOSS, *Submission 23*, p. 13; and Dr Francis Markham, *Submission 251*, p. 10.

<sup>101</sup> Dr Francis Markham, *Submission 251*, p. 10.

Future Fund for repair, maintenance, and improvements, and the Housing Policy Partnership that will work toward the goals in the Closing the Gap National Agreement.<sup>102</sup>

## Employment services

### *Community Development Program (CDP) reforms*

- 3.72 Administered by NIAA, the Community Development Program (CDP) is a remote employment and community development service, which aims to support job seekers in remote Australia to build skills, address barriers to employment and contribute to their communities through activities and training.<sup>103</sup> CDP covered 75 per cent of Australia's land mass including over 1000 communities.<sup>104</sup> The Department of Social Services advised the committee that the CDP will be replaced with 'a new program with real jobs, proper wages and decent conditions – developed in partnership with First Nations people'.<sup>105</sup>
- 3.73 Currently, the Australian Government is working to replace the CDP with a new program developed with First Nations people, including a *New Jobs Program Trial* funded at the 2023–24 Budget. The new trial will subsidise wages at a minimum wage rate, superannuation, and other condition for up to 200 CDP participants to work in community jobs. It will test multiple approaches and incentivise existing CDP providers to try new ways to support jobs in local communities.<sup>106</sup>
- 3.74 Some submitters highlighted their views on the shortcomings of the long-running CDP program, including its reliance on mutual obligations and systems of penalties and suspensions for those that failed to comply,<sup>107</sup> high cost of administration and poor outcomes,<sup>108</sup> and how it became a driver of disengagement and deterrence to employment altogether due to the lack of employment opportunities in remote areas.<sup>109</sup>

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<sup>102</sup> Department of Social Services, *Submission 12*, p. 23.

<sup>103</sup> National Indigenous Australians Agency, *The Community Development Program*, [www.niaa.gov.au/indigenous-affairs/employment/cdp](http://www.niaa.gov.au/indigenous-affairs/employment/cdp) (accessed 21 November 2023).

<sup>104</sup> Department of Social Services, *Submission 12*, pp. 28 and 29.

<sup>105</sup> Department of Social Services, *Submission 12*, p. 28.

<sup>106</sup> Department of Social Services, *Submission 12*, pp. 28 and 29.

<sup>107</sup> Dr Francis Markham, *Submission 251*, p. 8; NTCOSS, *Submission 139*, [p. 6].

<sup>108</sup> APO NT, *Submission 118*, [p. 29]; Central Land Council, *Submission 119*, p. 8.

<sup>109</sup> NACCHO, *Submission 130*, p. 10.

3.75 At a hearing, Dr Francis Markham broadly welcomed the CDP reforms but noted the lack of details currently available on the extent and nature of the reforms:

In the short term, it's pleasing that the government has committed to reforming the CDP, the Community Development Program. There's very little information available about what that will look like, but, if there were a proper root-and-branch overhaul of that program to provide the sorts of jobs that people are able and willing to do in remote communities—jobs that are flexible to the needs of people in their particular circumstances—that's probably the single most important thing.<sup>110</sup>

3.76 Dr Markham also highlighted the importance of community control at the local level in the employment space, including the need for employment and job providers that are locally controlled by the community and that fit with cultural preferences.<sup>111</sup>

*Other employment services*

3.77 The National Indigenous Australians Agency also provides training and employment related services, including the Indigenous Skills and Employment Program that connects First Nations people to jobs, career advancement opportunities, and job-ready training activities.<sup>112</sup> VACCA outlined its support for an expansion of this program.<sup>113</sup>

*Income management schemes*

3.78 In 2007, the Northern Territory Emergency Response initiative introduced income management (IM).<sup>114</sup> Its primary mechanism was to quarantine proportions of income support payments for some recipients in some locations, with aims including reducing hardship, improving individual budgeting, reducing discretionary income available for alcohol and gambling, and promoting socially responsible behaviour.<sup>115</sup>

3.79 According to NTCOSS, most people subject to compulsory IM schemes such as the Cashless Debit Card and Basics Card are First Nation people.<sup>116</sup> Similarly,

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<sup>110</sup> Dr Francis Markham, Private capacity, *Committee Hansard*, 31 October 2023, p. 30.

<sup>111</sup> Dr Francis Markham, Private capacity, *Committee Hansard*, 31 October 2023, p. 33.

<sup>112</sup> National Indigenous Australians Agency website, *Indigenous Skills and Employment Program*, [www.niaa.gov.au/indigenous-affairs/employment/indigenous-skills-and-employment-program-isep](http://www.niaa.gov.au/indigenous-affairs/employment/indigenous-skills-and-employment-program-isep) (accessed on 2 November 2023).

<sup>113</sup> VACCA, *Submission 81*, pp. 6 and 26.

<sup>114</sup> Don Arthur, *Income management: a quick guide*, Parliamentary Library, 15 July 2015 (accessed 2 November 2023).

<sup>115</sup> Don Arthur, *Income management: a quick guide*, Parliamentary Library, 15 July 2015 (accessed 2 November 2023).

<sup>116</sup> NTCOSS, *Submission 139*, p. 2.

Dr Shelley Bielefeld from Griffith Law School wrote that numerous First Nations people in the Northern Territory objected to compulsory IM as a ‘racially discriminatory measure’ and how the ‘cashless welfare cards can intensify the vulnerability of people on social security payments’.<sup>117</sup>

- 3.80 Dr Elise Klein from the Accountable Income Management Network (AIMN) submitted that experiences of poverty are linked to compulsory income management and ‘cannot be separated from the punitive nature of social security’ and the ‘inadequacy of payments’.<sup>118</sup> She contended:

regarding people who are long-term unemployed and their ability to manage money, compulsory income management often makes the management of money harder, deepening experiences of poverty.<sup>119</sup>

- 3.81 Through interviews with users of income management, another submitter highlighted most people were ‘weary of the program and the impact it had on them and their families’, citing interview comments such as:

It’s been horrible... it’s been hard... it has caused lots of drama... we want cash in the hand... hard to work with a card that is weighing you down.<sup>120</sup>

- 3.82 Antipoverty Centre recommend people should have the freedom to exit IM immediately and advocated for strong protections to protect against future income control and further coercion.<sup>121</sup> Economic Justice Australia supported this view and suggested changes to exemption and exit policies to address systemic barriers for First Nations people in remote communities.<sup>122</sup>

- 3.83 Mrs Jessica Stevens, Member of AIMN and Advocacy Project Officer at Uniting Communities emphasised that AIMN would like to see ‘extensive consultation’ with communities who are transitioning away from compulsory income management. She also advised that there should be transitional arrangements in place to support the communities impacted, particularly for those who have been part of compulsory income management over 15 years.<sup>123</sup>

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<sup>117</sup> Dr Shelley Bielefeld, *Submission 132*, p. 4.

<sup>118</sup> Dr Elise Klein OAM, Member, Accountable Income Management Network and Associate Professor of Public Policy, Crawford School of Public Policy, Australian National University, *Committee Hansard*, 31 October 2023, p. 16.

<sup>119</sup> Dr Elise Klein OAM, Member, Accountable Income Management Network and Associate Professor of Public Policy, Crawford School of Public Policy, Australian National University, *Committee Hansard*, 31 October 2023, p. 16.

<sup>120</sup> Dr Shelley Bielefeld, *Submission 132*, p. 3.

<sup>121</sup> Antipoverty Centre, *Submission 29*, p. 20.

<sup>122</sup> Economic Justice Australia, *Submission 16*, pp. 11 and 12.

<sup>123</sup> Mrs Jessica Stevens, Member, Accountable Income Management Network and Advocacy Project Officer, Uniting Communities, *Committee Hansard*, 31 October 2023, p. 19.

- 3.84 First Nations Disability Network Australia referred to income management as ‘not just institutionally racist’ but also ‘institutionally ableist’.<sup>124</sup> Dr Shelley Bielefeld recommended removing all punitive mandatory measures pertaining to social security for First Nations people and for bottom-up policy design in line with the United Nations Declaration on the Rights of Indigenous People.<sup>125</sup>
- 3.85 Ms Krakouer from the National Suicide Prevention and Trauma Recovery Project, focused on IM’s mandatory nature and its negative impacts on First Nations people:
- it’s had a very draconian, disastrous impact on a lot of the families that are forced to use it. The way forward is not about penalising the family. It’s not about demonising the families. It’s about providing that support, that love, that kindness, that respect and giving opportunities that every single Australian brother and sister is entitled to. Not by any means do I support income management, because I know that there are other ways—and it’s called kindness.<sup>126</sup>
- 3.86 On 4 September 2023, an ‘Enhanced income management and SmartCard’ program came into effect. According to the Department of Social Services, the new program provides access to modern banking technologies and operating in specific regions including the entire Northern Territory and select areas of NSW, Queensland, South Australia, Western Australia, and Victoria.<sup>127</sup>
- 3.87 Many submitters remain opposed to compulsory income management. One submitter, AIMN maintained their concern that these latest changes ‘effectively entrench compulsory income management in Australia’ and how the program continues to exhibit ‘very opaque processes’.<sup>128</sup>

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<sup>124</sup> Mr Damian Griffis, Chief Executive Officer, First Nations Disability Network Australia, *Committee Hansard*, 31 October 2023, p. 11.

<sup>125</sup> Dr Shelly Bielefeld, *Submission 132*, p. 8.

<sup>126</sup> Ms Megan Krakouer, Director, National Suicide Prevention and Trauma Recovery Project, *Committee Hansard*, 31 October 2023, p. 12.

<sup>127</sup> Department of Social Services, *Enhanced Income Management*, [www.dss.gov.au/families-and-children/programs-services/welfare-conditionality/enhanced-income-management-overview](http://www.dss.gov.au/families-and-children/programs-services/welfare-conditionality/enhanced-income-management-overview) (accessed 2 November 2023).

<sup>128</sup> Dr Elise Klein OAM, Member, Accountable Income Management Network and Associate Professor of Public Policy, Crawford School of Public Policy, Australian National University, *Committee Hansard*, 31 October 2023, p. 16.

## Advocacy for change

3.88 Many inquiry participants argued for change to improve outcomes for First Nations people and communities who experience poverty.<sup>129</sup>

3.89 Highlighting the critical need for change, Ms Megan Krakouer from the National Suicide Prevention and Trauma Recovery Project observed:

It is not right that we are the 12th-richest economy in the world yet we have the worst statistics in relation to incarceration and child removals. It is not right. I am seeing the disconnect not only between Aboriginal people and the government but also between Aboriginal people themselves in terms of some of the services that are being rolled out. If you want the same, fund the same. In terms of Closing the Gap targets: of the 19, 15 are worsening; and, of the 15, two are worsening even further. What I'm suggesting is that we need to do a lot of things. We need to shift the thinking. If we don't shift the thinking, and if we don't shift the funding cycles and so forth, we're going to get the same.<sup>130</sup>

3.90 Submitters expressed various views on how to improve outcomes for First Nations people, including First Nations control of services, increased government investment, and changes to existing programs.

## First Nations controlled services and solutions

3.91 Several submitters stressed the importance of First Nations co-design and control over policy and programs that aim to improve outcomes for First Nations communities.<sup>131</sup>

3.92 For example, NACCHO emphasised the importance, and success of Aboriginal and Torres Strait Islander leadership, self-determination, and community control. It asserted:

If we hope to see real and sustained improvements for Aboriginal and Torres Strait Islander communities - improvements in their ability to participate fully in the education of their children, to contribute to the well-being of their communities, to experience better health outcomes and improved social and emotional wellbeing, and to escape cycles of poverty - Aboriginal and Torres Strait Islander leadership and control must be at the

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<sup>129</sup> See, for example, NACCHO, *Submission 130*, p. 3; APO NT, *Submission 118*, [pp. 3 and 4]; Central Land Council, *Submission 119*, pp. 3–5; QAIHC, *Submission 33*, pp. 4 and 5; VACCA, *Submission 81*, pp. 5–7.

<sup>130</sup> Ms Megan Krakouer, Director, National Suicide Prevention and Trauma Recovery Project, *Committee Hansard*, 31 October 2023, p. 9.

<sup>131</sup> See, for example, APO NT, *Submission 118*, [p. 7]; VACCA, *Submission 81*, pp. 5 and 23; QAIHC, *Submission 33*, pp. 15–18; Families Australia, *Submission 88*, p. 3; ANTAR, *Submission 112*, p. 11; VACCHO, *Submission 116*, p. 2; Aboriginal Health and Medical Research Council of NSW, *Submission 72*, [p. 7]; Mr Daniel Morrison-Bird, Chief Executive Officer, Wungening Aboriginal Corporation, *Committee Hansard*, 31 October 2023, p. 21; Ms Damiya Hayden, Policy Lead, Change the Record, *Committee Hansard*, 31 October 2023, p. 22.

core of systemic, seismic shifts in the way government seeks to address poverty and health outcomes for our people.<sup>132</sup>

- 3.93 Mr Daniel Morrison-Bird, Chief Executive Officer of the Wungening Aboriginal Corporation also stressed the need for self-determined solutions to address First Nations people's experiences of poverty:

The missing piece is clear to everyone that I talk to from my community, and that is that we know what works best for our children, our families and our communities. Doing things on our behalf doesn't work. We must see self-determination if we want to see change.<sup>133</sup>

- 3.94 Similarly, Ms Damiya Hayden, Policy Lead at Change the Record told the committee that social policy is almost always something 'done to and for First Nations peoples, not by and with First Nations people. Ms Hayden observed that changing this would take 'political and economic empowerment of mob' including genuine self-determination, reparations and rights to land and resources.<sup>134</sup>

- 3.95 NACCHO also outlined the critical importance of First Nations self-determination and 'building the capacity of the community-controlled sector'.<sup>135</sup>

- 3.96 NACCHO emphasised the need for, an importance of, Aboriginal and Torres Strait Islander leadership and community control 'in the development, design and implementation of meaningful approaches to address poverty for Aboriginal and Torres Strait Islander communities'.<sup>136</sup> It stated:

There is also a clear preference for Aboriginal and Torres Strait Islander peoples to access community-controlled services. Indeed, many will bypass mainstream services to access one where they are confident their cultural safety is guaranteed. Rooted in self-determination, ACCHOs help overcome many of the barriers to access experienced by Aboriginal and Torres Strait Islander people.<sup>137</sup>

- 3.97 Several other organisations also pointed out the preference for First Nations-led and controlled services, including Aboriginal Community Controlled Organisations (ACCOs).<sup>138</sup> For example, VACCA, a state-wide ACCO, stated

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<sup>132</sup> NACCHO, *Submission 130*, p. 15.

<sup>133</sup> Mr Daniel Morrison-Bird, Chief Executive Officer, Wungening Aboriginal Corporation, *Committee Hansard*, 31 October 2023, p. 21.

<sup>134</sup> Ms Damiya Hayden, Policy Lead, Change the Record, *Committee Hansard*, 31 October 2023, p. 22.

<sup>135</sup> NACCHO, *Submission 130*, p. 8.

<sup>136</sup> NACCHO, *Submission 130*, p. 5.

<sup>137</sup> NACCHO, *Submission 130*, p. 13.

<sup>138</sup> See, for example, Aboriginal Health and Medical Research Council of NSW, *Submission 72*, [p. 7]; VACCA, *Submission 81*, pp. 5 and 6; APO NT, *Submission 118*, [p. 3]; QAIHC, *Submission 33*, p. 5; NACCHO, *Submission 130*, pp. 3, 12. Note, some organisations also refer to Aboriginal Community



‘our Aboriginality distinguishes us from mainstream services and enables us to deliver the positive outcomes we achieve for our people’.<sup>139</sup>

- 3.98 The submission highlighted the value of First Nations-led services in delivering positive outcomes for First Nations people through a case study:

... a staff member ... noticed James was sleeping rough in a local park. James was not local and had no family or friends living nearby. With no available crisis accommodation, the staff provided James with some camping equipment and provision to see through the night.

Early the next morning two VACCA staff went out to look for James and spent time with him learning more about his situation. James had recently separated from his family due to an incident. He had been left stranded, without any means of contacting family. James is a resilient Aboriginal man proud of his culture and people. James spoke of his previous struggles with addiction but had been 14 years sober. Staff were able to bring James back to the VACCA office where he had a meal, charged his phone and provided phone credit. VACCA staff spent the day with James and organised crisis accommodation and support through our Emergency Relief program. The next day James felt more rested, safe and able to travel by train so he could be with family. He thanked our staff for their help and staff have kept in touch with James. He was surprised, but grateful to come across multiple people he’d never met that were willing to help him out.<sup>140</sup>

- 3.99 The Queensland Aboriginal and Islander Health Council specifically called for funding to support Aboriginal and Torres Strait Islander Community Controlled Health Organisations infrastructure and ‘co-design and leadership from Aboriginal and Torres Strait Islander people to take care of the population as they know their own needs’.<sup>141</sup>

- 3.100 VACCA recommended that ACCOs lead many of its policy recommendations in delivering housing, childcare, employment and workforce programs, and early education.<sup>142</sup>

### **Increased investment**

- 3.101 Submitters highlighted the need for greater investment by the Australian Government to reduce poverty for First Nations communities. For example, submitters highlighted the need for increased investment in the Northern Territory, as well as amendments to agreements between the Australian

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Controlled Health Organisations (ACCHOs) and Aboriginal and Torres Strait Islander Community Controlled Health Organisations (ATSICCHOs).

<sup>139</sup> VACCA, *Submission 81*, p. 4.

<sup>140</sup> VACCA, *Submission 81*, p. 19.

<sup>141</sup> QAIHC, *Submission 33*, p. 18.

<sup>142</sup> VACCA, *Submission 81*, pp. 5 and 6.

Government, the Northern Territory Government, and land councils to guide that investment.<sup>143</sup>

3.102 Several organisations singled out First Nations-specific housing as a focal point for priority investment, including a new long-term agreement between governments, councils, and First Nations housing organisations.<sup>144</sup> APO NT also highlighted that priority funding is needed for housing repairs and maintenance, with a focus on addressing overcrowding.<sup>145</sup>

3.103 APO NT also made several recommendations regarding investment in education, increasing flexibility in educational programs, bilingual learning, adult literacy and other evidence-based education programs for First Nations people, and the reintroduction of secondary schooling in remote communities.<sup>146</sup>

3.104 The Queensland Aboriginal and Islander Health Council (QAIHC) recommended increased investment in financial counselling services designed by and for First Nations people, culturally safe primary healthcare, and health prevention strategies.<sup>147</sup>

3.105 NACCHO agreed with increasing health expenditure on First Nations people to a 'level commensurate with the burden of disease'.<sup>148</sup>

3.106 The Aboriginal Health and Medical Research Council of NSW focused on increased investment into the ACCO sector to deliver culturally safe health services, and broader funding changes to Medicare and other programs to ensure First Nations people have access to the healthcare and assistance they need.<sup>149</sup>

## **Employment**

3.107 Several organisations supported the view that employment is a key lever to addressing poverty for First Nations people. For example, Dr Francis Markham suggested the key to tackling First Nations poverty is providing employment opportunities, including community control at the local level of employment services, that fit cultural preferences, long-term funding commitments, and

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<sup>143</sup> See, for example, APO NT, *Submission 118*, [p. 3]; VACCA, *Submission 81*, p. 6; NACCHO, *Submission 130*, p. 3; Central Land Council, *Submission 119*, pp. 17–22.

<sup>144</sup> See, for example, VACCA, *Submission 81*, p. 6; APO NT, *Submission 118*, [p. 3]; Central Land Council, *Submission 119*, p. 4.

<sup>145</sup> APO NT, *Submission 118*, [p. 4].

<sup>146</sup> APO NT, *Submission 118*, [p. 4].

<sup>147</sup> QAIHC, *Submission 33*, pp. 15–18.

<sup>148</sup> NACCHO, *Submission 130*, p. 3.

<sup>149</sup> Aboriginal Health and Medical Research Council of NSW, *Submission 72*, [p. 7].

locally determined key performance indicators.<sup>150</sup> He argued that the new CDP should consider ‘a guaranteed job program which would provide state-funded part time work to all who want it’ and an adequately funded poverty alleviation objective.<sup>151</sup>

3.108 VACCA recommended targeted employment and workforce programs designed and led by First Nations controlled community organisations, and expanding the Indigenous Skills and Employment Program that connects First Nations people to jobs, career advancement, and training services.<sup>152</sup>

3.109 The First Nations Employment Alliance recommended better data collection to tailor employment services for First Nations people; investigation into workplace racial discrimination by the Fair Work Commission; training and national standards for addressing racism against First Nations people in workplaces; and permanent and meaningful employment opportunities for First Nations people such as through the new CDP.<sup>153</sup>

### **Income support payments**

3.110 In parallel to the calls from many inquiry participants to increase income support payments to address poverty across Australia,<sup>154</sup> a similar argument was pursued in the First Nations context in relation to various payments and supplements and their accessibility.<sup>155</sup>

3.111 For example, Dr Francis Markham recommended ‘a better social safety net be introduced for those who are unable to work’, including increased rates of social security payments across the board, increased RAA in line with higher cost of living and for the allowance to be indexed, and a ‘serious return to face-to-face servicing of remote communities’.<sup>156</sup>

3.112 Other submitters supported this view and recommended a priority examination of the adequacy of income support for people in remote areas including the Remote Area Allowance.<sup>157</sup>

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<sup>150</sup> Dr Francis Markham, Private capacity, *Committee Hansard*, 31 October 2023, p. 33.

<sup>151</sup> Dr Francis Markham, *Submission 251*, p. 10.

<sup>152</sup> VACCA, *Submission 81*, pp. 26–28.

<sup>153</sup> First Nations Employment Alliance, *Submission 141*, pp. 8 and 9.

<sup>154</sup> See discussion in Chapter 2 of this report and Senate Community Affairs References Committee, *The extent and nature of poverty in Australia: Interim Report*, May 2023, pp. 65–68.

<sup>155</sup> See, for example, Dr Francis Markham, *Submission 251*, p. 10; ACOSS, *Submission 23*, p. 13; Central Land Council, *Submission 119*, p. 12.

<sup>156</sup> Dr Francis Markham, *Submission 251*, p. 10.

<sup>157</sup> See, for example, ACOSS, *Submission 23*, p. 13; Central Land Council, *Submission 119*, p. 12.

- 3.113 Some inquiry participants specifically mentioned ABSTUDY – a group of payments targeted at First Nations students to costs for school, boarding, travel and other costs<sup>158</sup> – as another payment that should be increased alongside mainstream income support payments and for eligibility to be broadened.<sup>159</sup>
- 3.114 In addition to the issues of income payment levels, inquiry participants also referenced the accessibility of various income support payments for First Nations people. For example, Victorian Aboriginal Community Controlled Organisation (VACCHO) recommended earlier access for First Nations people to the Age Pension.<sup>160</sup>
- 3.115 Dr Francis Markham argued for tailored assistance for First Nations people living in remote areas to access the Disability Support Pension, for which demonstrating eligibility can be challenging for First Nations people.<sup>161</sup>
- 3.116 In support of increasing accessibility, the Central Land Council recommended increased practical focus and outreach to ensure First Nations people receive the income support payments they are eligible for, including expansions of access to face-to-face Centrelink services to enable this.<sup>162</sup>

### **Income management**

- 3.117 As discussed earlier in the chapter, several submitters and witnesses were of the view that all IM schemes are discriminatory for First Nations people and recommended they be abolished and replaced with ‘voluntary’ or ‘opt-in models that empower families and communities’.<sup>163</sup>
- 3.118 A voluntary model would be in place of the ongoing IM program, including the Enhanced Income Management program that began in September 2023.

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<sup>158</sup> Services Australia, *ABSTUDY*, [www.servicesaustralia.gov.au/abstudy](http://www.servicesaustralia.gov.au/abstudy) (accessed 2 November 2023).

<sup>159</sup> See, for example, Micah Projects, *Submission 110*, p. 5; National Shelter, *Submission 123*, p. 6; Economic Justice Australia, *Submission 16*, p. 7; Lee Jia-Yi Carnie, Executive Director, Advocacy and Programs, Foundation for Young Australians, *Committee Hansard*, 31 January 2023, p. 33.

<sup>160</sup> VACCHO, *Submission 116*, p. 8.

<sup>161</sup> Dr Francis Markham, *Submission 251*, p. 10.

<sup>162</sup> Central Land Council, *Submission 119*, p. 11.

<sup>163</sup> See, for example, APO NT, *Submission 118*, [p. 27]; ACOSS, *Submission 23*, p. 13; Mr Damian Griffis, Chief Executive Officer, First Nations Disability Network Australia, *Committee Hansard*, 31 October 2023, p. 11; Ms Megan Krakouer, Director, National Suicide Prevention and Trauma Recovery Project, *Committee Hansard*, 31 October 2023, p. 12; Dr Elise Klein OAM, Member, Accountable Income Management Network and Associate Professor of Public Policy, Crawford School of Public Policy, Australian National University, *Committee Hansard*, 31 October 2023, p. 17.

Transitional arrangements would be required to support communities, especially for those who have been part of compulsory IM for many years.<sup>164</sup>

3.119 The committee understands that the Australian Government is committed to consulting with affected communities on the future of IM. According to the Minister for Social Services, the Hon Amanda Rishworth MP, ‘the government is committed to consulting with affected communities on the future of IM and it will not make changes to the operation of IM until meaningful consultation has occurred’.<sup>165</sup>

### **Committee view**

3.120 Whilst the committee acknowledges that not all First Nations Australians share a universal experience, there is a disproportionate experience of poverty and unacceptable levels of disadvantage in living standards, life-expectancy, education, health, and employment among First Nations people.

3.121 The committee notes that a range of interrelated factors contribute to First Nations experiences of poverty, including historical factors; intergenerational trauma; institutional racism; poor health, educational and employment outcomes; and housing insecurity.

3.122 For First Nations people living in remote Australia, these factors can be compounded by geographic remoteness, lack of services, and higher cost of living.

3.123 The committee is acutely aware that self-determination and First Nations-led solutions must be central to the development and delivery of policies and programs that address outcomes for Aboriginal and Torres Strait Islander peoples experiencing poverty.

3.124 The committee emphasises that Commonwealth, State, Territory, local governments, and the private sector alike, must all continue to listen to, and collaborate with First Nations communities, organisations and peak bodies to develop First Nations-led solutions to poverty that are sustainable, strengths-based and self-determined.

### **Employment services**

3.125 The evidence clearly demonstrates the importance of employment opportunities to address poverty. Currently, employment opportunities in remote communities are too often scarce.

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<sup>164</sup> Mrs Jessica Stephens, Member, Accountable Income Management Network and Advocacy Project Officer, Uniting Communities, *Committee Hansard*, 31 October 2023, p. 15.

<sup>165</sup> Parliamentary Joint Committee on Human Rights (PJCHR), *Human rights scrutiny report – Report 5 of 2023*, 9 May 2023, pp. 48 & 60; PJCHR, *Ministerial Responses – Report 5 of 2023*, [p. 8].

3.126 The committee recognises the shortcomings of the long-standing Community Development Program, and the need for reform to improve the employment opportunities for First Nations people in remote areas.

3.127 The committee agrees with inquiry participants that First Nations self-determination is key to driving better outcomes for First Nations people. In line with this principle, the committee considers that it is critically important for any employment services to be co-designed with First Nations communities.

### **Recommendation 6**

**3.128 The committee recommends the Australian Government commit to the principles of First Nations-led co-design of all First Nations employment services, and accelerate the Community Development Program reforms.**

### **Remote areas**

3.129 The committee received compelling evidence on the unique challenges for remote First Nations communities, including severe overcrowding and poor-quality housing, high cost of living, and lack of services.

3.130 The committee strongly believes that extra support is needed for First Nations people living in remote areas. This may include increasing the Remote Area Allowance to provide further targeted support for First Nations people in remote areas across the country.

### **Recommendation 7**

**3.131 The committee recommends that the Australian Government consider asking the Economic Inclusion Advisory Committee to review the adequacy of the Remote Area Allowance with the view to set an adequate rate of payment to address the higher costs of living in remote Australia; and to consider appropriate indexation arrangements.**

### **Income management**

3.132 The committee received extensive evidence regarding the negative impacts of compulsory income management schemes on First Nations communities. The committee heard that these schemes have the effect of disincentivising employment seeking altogether. The committee is concerned about the ongoing effects of these quarantining programs that detract from the self-determination of First Nations people.

### **Recommendation 8**

**3.133 The committee recommends the Australian Government continue to reform income management with the view to replace compulsory income management with voluntary models that empower families and communities.**

# Chapter 4

## Child poverty

*Poverty has an all-encompassing negative effect on children. It undermines every aspect of a child's life and development, including the sense of stability, safety and routine that is vital for children to thrive. Poverty robs children of their childhood.<sup>1</sup>*

- 4.1 This chapter outlines the rates of child poverty in Australia, and details the confronting and wide-ranging impacts that poverty has on Australian children and young people. It highlights the hardships and deprivations that children in poverty face across all facets of their life including on their health, development, relationships, education, social participation and other opportunities.
- 4.2 It also explores some of the drivers of child poverty and how it impacts on intergenerational disadvantage and contributes to the cycle of poverty.
- 4.3 This chapter also considers the solutions proposed by inquiry participants about how best to address the impacts of poverty on Australian children and young people and concludes with the committee's view.

### What is child poverty?

- 4.4 Save the Children and 54 Reasons, a global organisation focused on children's rights, explained what child poverty means:

Children can be said to be living in poverty when they do not have enough to meet their fundamental needs for a standard of living that every child in Australia should expect. This extends well beyond basic material needs such as food and shelter and includes the broader wellbeing, development, participation, connection and inclusion needs that are integral to children's life opportunities and outcomes.<sup>2</sup>

- 4.5 The Children's Policy Centre at the Australian National University which undertakes rights-based and inter-disciplinary research with children on a range of children's policy issues, outlined that child poverty impacts on children's future outcomes, has broad social implications, and damages and sometimes destroys children's childhoods.<sup>3</sup>
- 4.6 The Children's Policy Centre also explained that poverty shuts down opportunities for play, participation, education and learning, and development for children, and that it puts relationships – particularly within families – under

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<sup>1</sup> Save the Children and 54 Reasons, *Submission 133*, p. 11.

<sup>2</sup> Save the Children and 54 Reasons, *Submission 133*, p. 10.

<sup>3</sup> Children's Policy Centre, *Submission 38*, pp. 4 and 5.

enormous and unreasonable pressure. Overall, it noted that child poverty creates deeply unequal experiences that impact every aspect of children's lives.<sup>4</sup>

- 4.7 In the context of child poverty, several submitters highlighted the importance of the United Nations Convention on the Rights of the Child.<sup>5</sup> The United Nations Association Australia (Western Australia Division) explained the convention and its functions:

The UN Convention on the Right of the Child protects children's right to a safe life and sets out their economic, health, educational, social and political rights. Australia as a party to this treaty is obliged to protect children from poverty as it denies them of those rights.<sup>6</sup>

- 4.8 The Child Poverty Centre submitted that 'child poverty is a fundamental breach of children's human rights'<sup>7</sup> and Save the Children and 54 Reasons provided a quote from Yanghee Lee, former chairperson of the United Nations Committee on the Rights of the Child, which outlines the inextricable link between poverty and child rights:

Child poverty must be understood as the denial of the range of rights laid out in the CRC [Convention on the Rights of the Child] ... Almost all of the articles in the CRC, either directly or indirectly, address the issue of poverty.<sup>8</sup>

- 4.9 The South Australian Commissioner for Children and Young People highlighted that children and young people 'firmly believe that poverty is not an inevitability', and that they want decision makers to listen and act upon the voices of people with lived experience of poverty, including children and young people, to achieve the United Nations Sustainable Development Goal to 'end poverty in all its forms'.<sup>9</sup>

## Rates of child poverty in Australia

- 4.10 The Commissioner for Children and Young People Western Australia noted that there is no national approach to reporting on child poverty and that data is varied and contested.<sup>10</sup>

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<sup>4</sup> Children's Policy Centre, *Submission 38*, pp. 4 and 5.

<sup>5</sup> See, for example, Children's Policy Centre, *Submission 38*, p. 5; National Association for Prevention of Child Abuse and Neglect (NAPCAN), *Submission 70*, pp. 5 and 6; Families Australia, *Submission 88*, p. 2; Australian Lawyers for Human Rights, *Submission 107*, pp. 6 and 7; Save the Children and 54 Reasons, *Submission 133*, p. 15.

<sup>6</sup> United Nations Association Australia (Western Australia Division), *Submission 66*, [p. 3].

<sup>7</sup> Children's Policy Centre, *Submission 38*, p. 5.

<sup>8</sup> Save the Children and 54 Reasons, *Submission 133*, p. 15.

<sup>9</sup> South Australian Commissioner for Children and Young People, *Submission 109*, p. 1.

<sup>10</sup> Commissioner for Children and Young People Western Australia, *Submission 124*, p. 2.



- 4.11 In terms of poverty rates amongst youth, the Melbourne Institute highlighted that ‘measuring the experience of poverty for young people is not straightforward.’ It explained that when measuring poverty in this group, many rely on parental income data. However, it also wrote that student poverty rates are unreliable using this method because most data does not allow for observation of parental income for students who do not live with their families.<sup>11</sup>
- 4.12 Despite the absence of an official measure of child poverty, many inquiry participants referenced figures from the Poverty and Inequality Partnership between the Australian Council of Social Service (ACOSS) and the University of New South Wales (UNSW) (the ACOSS & UNSW Partnership) when discussing child poverty.<sup>12</sup>
- 4.13 According to the ACOSS & UNSW Partnership, latest data from the ABS Survey of Income and Housing, indicates that in 2019–20, one in six children (16.6 per cent) in Australia lived below the poverty line after taking account of their housing costs, equating to 761 000 Australian children.<sup>13</sup>
- 4.14 For context, and as flagged earlier in Chapter 1, a total of one in eight people (13.4 per cent) in Australia lived below the poverty line after taking into account of housing costs, equating to over three million (3 319 000) Australians living in poverty.<sup>14</sup>
- 4.15 In absence of an official measure of child poverty, some other submitters referred to different rates and measures. For example:
- The Australian Institute of Family Studies (AIFS) submitted that data from its longitudinal study suggests that one in 10 children aged zero to 12 years live in relative poverty.<sup>15</sup>
  - The Committee for Economic Development of Australia submitted that 17.7 per cent of children under the age of 15 are living in poverty.<sup>16</sup>

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<sup>11</sup> Melbourne Institute: Applied Economic & Social Research, *Submission 39*, p. 15.

<sup>12</sup> See, for example, Commissioner for Children and Young People Western Australia, *Submission 124*, p. 2; Australian Human Rights Commission, *Submission 244*, p. 23; The Salvation Army, *Submission 20*, p. 51; Australian Health Promotion Association (Western Australia Branch), *Submission 62*, [p. 1]; United Nations Association Australia (Western Australia Division), *Submission 66*, [p. 1]; Centre for Community Child Health, *Submission 10*, p. 3; Professor Sharon Bessell, Director, Children's Policy Centre, Crawford School of Public Policy, Australian National University, *Committee Hansard*, 5 August 2023, p. 22.

<sup>13</sup> Australian Council of Social Service & University of New South Wales Poverty and Inequality Partnership, *Submission 22*, p. 5.

<sup>14</sup> Australian Council of Social Service & University of New South Wales Poverty and Inequality Partnership, *Submission 22*, p. 5.

<sup>15</sup> Australian Institute of Family Studies (AIFS), *Submission 14*, p. 8.

<sup>16</sup> Committee for Economic Development of Australia, *Submission 115*, p. 3.

- 4.16 The Committee for Economic Development of Australia (CEDA) flagged that if current trends in child poverty are repeated for children expected to be born over the next decade, a further 280 000 to 550 000 young Australians will encounter child poverty in the future. However, CEDA pointed out that ‘this outcome is not inevitable’ and that ‘we can and should choose to fundamentally change the way we support people in disadvantage’ and that we must act earlier to prevent it being entrenched across generations.<sup>17</sup>
- 4.17 Mr Tony Pietropiccolo AM, Director of Centrecare emphasised that it should be remembered that a child sits behind every one of these statistics:

Behind every one of those statistics is a child, each with their own hopes and dreams, their favourite TV show and their favourite ice cream. They have their best friends, and they love to play their favourite sport or dance to their favourite song. Each child wants to feel safe, loved and accepted.<sup>18</sup>

### **The impact of poverty on Australian children and young people**

- 4.18 Several inquiry participants described the wide-ranging impacts that poverty can have across every aspect of a child’s life.<sup>19</sup>
- 4.19 Amongst other submitters, Save the Children and 54 Reasons highlighted that children have distinct experiences of poverty that are different to those of adults.<sup>20</sup> It also submitted that any meaningful attempt to address child poverty, must be strongly informed by children’s direct perspectives and experiences.<sup>21</sup>
- 4.20 The Australian Human Rights Commission similarly expressed that whilst many impacts of poverty on children mirror those of adults, children also have unique experiences of poverty that ‘need to be understood by policymakers so that their basic needs can be met’.<sup>22</sup>
- 4.21 Save the Children and 54 Reasons emphasised children’s direct perspectives regarding their experiences of poverty:

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<sup>17</sup> Committee for Economic Development of Australia, *Submission 115*, p. 2.

<sup>18</sup> Mr Tony Pietropiccolo AM, Director, Centrecare, *Committee Hansard*, 15 August 2023, pp. 14 and 15.

<sup>19</sup> See, for example, Centre for Community Child Health, *Submission 10*, pp. 3 and 4; AIFS *Submission 14*, p. 5; St Vincent de Paul Society National Council of Australia, *Submission 27*, p. 3; Centre for Excellence in Child and Family Welfare, *Submission 86*, p. 4; Uniting Vic Tas, *Submission 34*, p. 8; The Salvation Army, *Submission 20*, pp. 51 and 52; Mrs Lorilee Gale, Senior Policy Officer, Commissioner for Children and Young People, Western Australia, *Committee Hansard*, 4 April 2023, p. 4.

<sup>20</sup> See, for example, Save the Children and 54 Reasons, *Submission 133*, p. 11; Children’s Policy Centre, *Submission 38*, p. 3; Mrs Lorilee Gale, Senior Policy Officer, Commissioner for Children and Young People, Western Australia, *Committee Hansard*, 4 April 2023, p. 1.

<sup>21</sup> Save the Children and 54 Reasons, *Submission 133*, p. 11.

<sup>22</sup> Australian Human Rights Commission, *Submission 244*, p. 28.

From children we work with at 54 reasons, we hear words like “embarrassed”, “ashamed”, “isolated”, “alone”, “anxious” and “stressed” when describing their experiences of poverty and its effects, and phrases like “I can’t go to school when I don’t have what I need”.<sup>23</sup>

- 4.22 Ben, a 12-year-old who provided a submission to the inquiry, told the committee that ‘those that already have enough get more, those who don’t have enough don’t get enough to survive’. He added:

... there is nothing fair about this, but it is the way this country works.

Our economy is fueled [sic] by exploitation of the poorest people for the benefit of those who are already doing really well.<sup>24</sup>

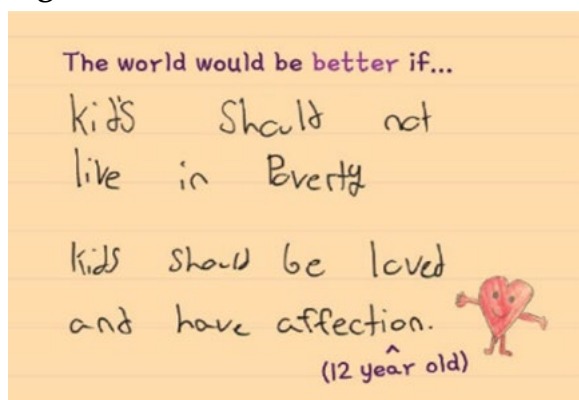
- 4.23 Ben also described his desire to get a good education, but how the cost of education, and his need to earn an income, may impede his ability to reach his educational goals and broader potential:

Education is my ticket out of poverty, but I cant [sic] afford the fare. Education and particularly high school and tertiary education can help me get a better, higher paying job where I can meet my potential.

... In NSW after I turn 15 and once I finish year 10, I can work full time. Before these conditions are met, I may be able to work part time with certain restrictions, I [will] be commencing [sic] full time work as soon as I am legally able to. This is out of necessity to survive, it will [disrupt] and possibly permanently [sic] derail my education, as the immediate need for basic necessities is more important than long term goals.<sup>25</sup>

- 4.24 Some other direct reflections of children’s experiences of poverty received by the committee are provided below.

**Figure 4.1 Reflection one**

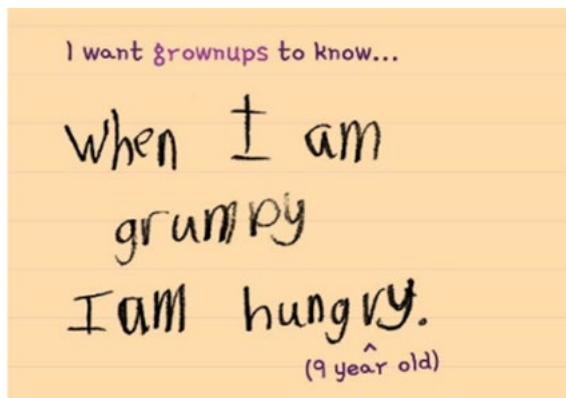


Source: South Australian Commissioner for Children and Young People, Submission 109, p. 8.

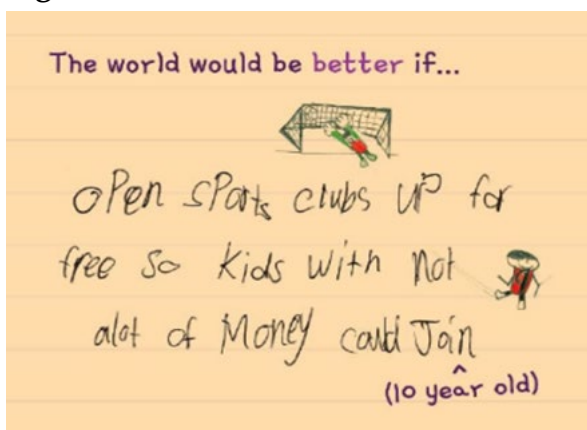
<sup>23</sup> Save the Children and 54 Reasons, Submission 133, p. 12.

<sup>24</sup> Ben, Submission 245, p. 4.

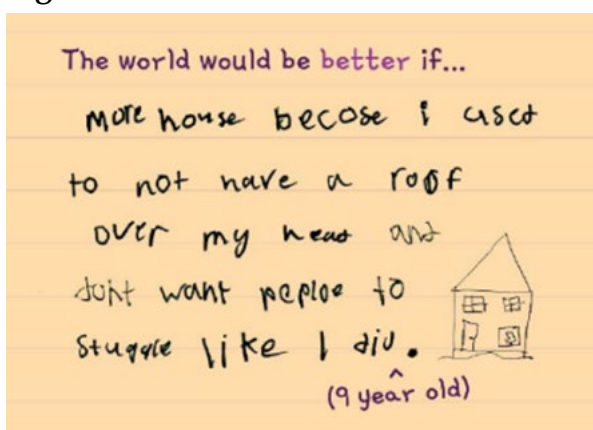
<sup>25</sup> Ben, Submission 245, p. 4.

**Figure 4.2 Reflection two**

Source: South Australian Commissioner for Children and Young People, Submission 109, p. 3.

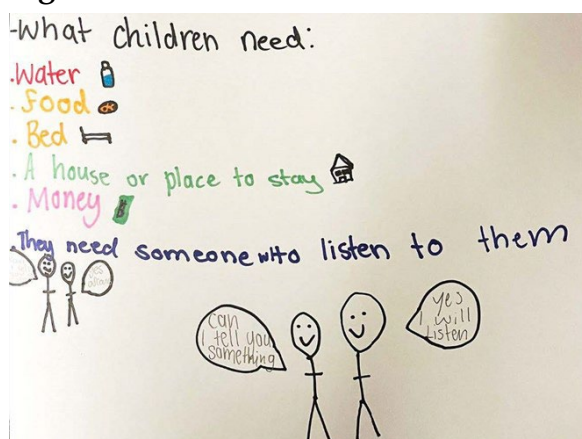
**Figure 4.3 Reflection three**

Source: South Australian Commissioner for Children and Young People, Submission 109, p. 8.

**Figure 4.4 Reflection four**

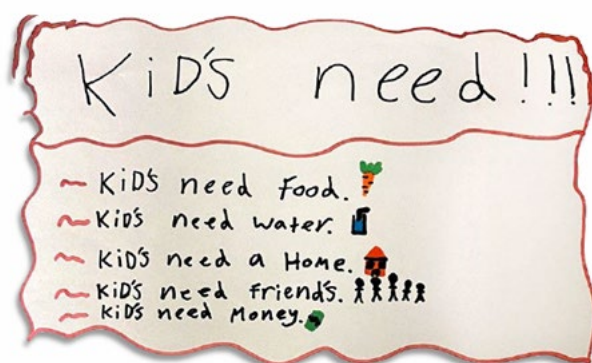
Source: South Australian Commissioner for Children and Young People, Submission 109, p. 3.

**Figure 4.5 Reflection five**



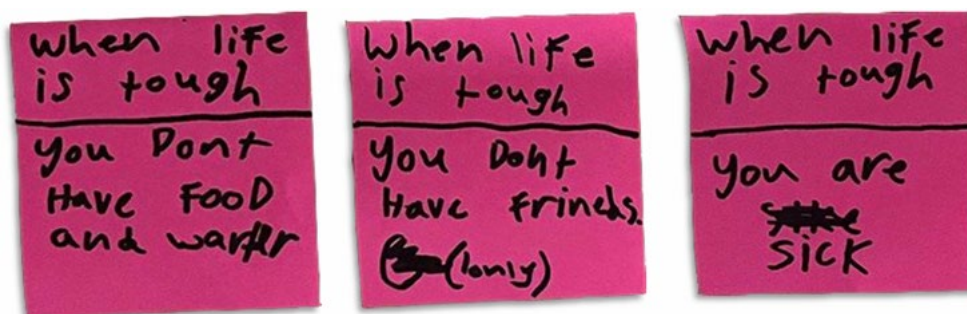
Source: Children's Policy Centre, Submission 38, p. 11.

**Figure 4.6 Reflection six**



Source: Children's Policy Centre, Submission 38, p. 12.

**Figure 4.7 Reflection seven**



Source: Children's Policy Centre, Submission 38, p. 12.

### Child poverty is multi-dimensional

4.25 The Children's Policy Centre at the Australian National University which conducts research with children in middle childhood and adolescence to understand their experiences of poverty, explained that it has developed a three-dimensional framework to understand how poverty impacts on children's

lives. These dimensions include material basics, opportunities and relationships.<sup>26</sup>

4.26 The Children's Policy Centre further defined the framework as follows:

Material Deprivation:

- Insufficient money and material resources to meet basic needs.
- Inadequate and inaccessible essential infrastructure.

Opportunity Deprivation:

- Inadequate and inaccessible child-friendly, quality services.
- The absence of meaningful activities that contribute to participation and ongoing development.

Relational Deprivation:

- Severe pressure on relationships as a result of poverty.
- Social and economic structures and systems that fail to support strong and supportive relationships for children.<sup>27</sup>

4.27 Several other submitters also referred to this framework in their evidence to the committee and it is used below to outline the vast and confronting impacts of poverty on Australian children as highlighted by inquiry participants.<sup>28</sup>

### **Material deprivation**

4.28 The Children's Policy Centre noted that the material deprivation dimension of poverty plays out in children's lives in a multitude of ways. It outlined that children have described the effects of poverty in terms of insufficient medicines, being cold due to inadequate clothing, not having electricity, not having pillows or blankets, being hungry, or not having a permanent or secure place to live.<sup>29</sup>

4.29 Save the Children and 54 Reasons explained that material deprivation is grounded in income poverty and is a core element of the experience of child poverty. It stated that when children are unable to access the material basics such as food, shelter, clothing and transport, their most fundamental needs are undermined, including safety, health and even survival.<sup>30</sup>

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<sup>26</sup> Children's Policy Centre, *Submission 38*, pp. 5 and 6.

<sup>27</sup> Children's Policy Centre, *Submission 38*, p. 6

<sup>28</sup> See, for example, National Association for Prevention of Child Abuse and Neglect, *Submission 70*, p. 3; FamilyCare, *Submission 55*, p. 5; Paul Ramsay Foundation, *Submission 125*, p. 3; Brotherhood of St Laurence, *Submission 21*, p. 5; South Australian Commissioner for Children and Young People, *Submission 109*, p. 4; Families Australia, *Submission 88*, p. 2; Victorian Aboriginal Child Care Agency, *Submission 81*, p. 9.

<sup>29</sup> Children's Policy Centre, *Submission 38*, p. 7.

<sup>30</sup> Save the Children and 54 Reasons, *Submission 133*, p. 10.

4.30 The South Australian Commissioner for Children and Young People explained how material deprivation can affect children's learning and broader experiences at school:

Not having clothes, toys, digital devices or access to the internet or period products, sets [children] apart from their peers and are significant barriers to their participation at school, in social outings and extracurricular activities.<sup>31</sup>

4.31 The Children's Policy Centre also detailed how material deprivation, including hunger and food insecurity, can play out for children at school:

Children have told us of the shame of having no food at school or having very little in their lunch box. Children have explained their strategies for dealing with the absence of school lunch. Some children have friends who share food with them; others ensure they are alone at lunchtime and recess so other children won't know they have nothing; some children skip school when there is no lunch to take.<sup>32</sup>

4.32 It also explained that housing insecurity and homelessness creates stress in children's lives, including fear of becoming homeless and fear of having to move. When housing insecurity results in multiple house moves, the sense of safety and connectedness that is essential for children's wellbeing is undermined and 'sometimes shattered'.<sup>33</sup>

4.33 The Children's Policy Centre also told the committee that children with experiences of homelessness have described deep feelings of shame, fear, and insecurity and that homelessness leaves children feeling disconnected and sends the message that society does not care about them.<sup>34</sup>

### **Opportunity deprivation**

4.34 The South Australian Commissioner for Children and Young People provided the following quotes from young people which highlight how poverty can impact young people's opportunities and aspirations:

Living in poverty can make a young person give up because they don't think they belong. – 14 year old.<sup>35</sup>

... Not having enough money can prevent you from participating in the things you want to do outside of school. – 15 year old.<sup>36</sup>

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<sup>31</sup> South Australian Commissioner for Children and Young People, *Submission 109*, p. 4.

<sup>32</sup> Children's Policy Centre, *Submission 38*, p. 7.

<sup>33</sup> Children's Policy Centre, *Submission 38*, p. 7.

<sup>34</sup> Children's Policy Centre, *Submission 38*, p. 8.

<sup>35</sup> South Australian Commissioner for Children and Young People, *Submission 109*, p. 4.

<sup>36</sup> South Australian Commissioner for Children and Young People, *Submission 109*, p. 8.

4.35 The Children’s Policy Centre submitted that poverty impacts directly on children’s opportunities, including on their educational experiences and outcomes, on their health and ability to access healthcare, and opportunities to participate in society, both now and into the future.<sup>37</sup>

4.36 The Children’s Policy Centre explained that in its research, children have described exclusion from a range of activities that they would like to participate in, and that they understand that asking to engage in activities they are interested in is not always possible. It highlighted one particular example, and noted this strategy was also used by other children to various extents:

This girl said that she tried never to ask for anything, including permission to go on school excursions, to play sport or to engage in other activities, to participate in holiday activities. All of these things cost money that she knew her mother did not have – and so ... she stayed [quiet].<sup>38</sup>

4.37 The Salvation Army also described how disadvantage can greatly limit children’s and young people’s opportunities and potential and how these impacts can flow on into adulthood:

Disadvantage reduces the opportunities for young people to realise their full potential as individuals and participate in the broader community. We know that growing up in poverty can limit children’s chances of thriving at school, which in turn affects their ability to reach their full potential and limits their overall life outcomes, continuing the cycle of disadvantage. Young people who do not complete their education, enter the labour market, or receive support to recover from past trauma, can suffer long-term psychological, social, and economic harm. Appropriate intervention is critical to avoid these long-term harms. They have a greater likelihood of continuing to live on low incomes into adulthood and suffer poor mental health. This is also how intergenerational disadvantage can manifest.<sup>39</sup>

4.38 Mr Tony Pietropiccolo AM, Director of Centrecare expressed similar sentiments about how poverty can limit children’s potential:

Due to poverty, many children have developed, and continue to develop, far from their full potential. As a result of child poverty, it is likely that we have foregone the benefits of many doctors, engineers, artists, leaders, inventors and individuals who could have solved climate change or cancer, and inspired generations of Australians if only they were given the opportunity to maximise their potential rather than being constrained by their experience of poverty.<sup>40</sup>

4.39 FamilyCare, a child and family service provider in the Goulburn Valley region of Victoria, summarised that poverty undermines children’s health, wellbeing

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<sup>37</sup> Children’s Policy Centre, *Submission 38*, p. 7.

<sup>38</sup> Children’s Policy Centre, *Submission 38*, pp. 8 and 9.

<sup>39</sup> The Salvation Army, *Submission 20*, p. 51.

<sup>40</sup> Mr Tony Pietropiccolo AM, Director, Centrecare, *Committee Hansard*, 15 August 2023, pp. 14 and 15.



and development, and that it robs children of these aspirations and their opportunity to enjoy childhood. It concluded with the following quote from a survey conducted by the Centre for Excellence in Child and Family Welfare:

Children are the ones paying the price for the lack of access to quality food, participation in fun social and sporting activities. Their social skills and mental health is [sic] in decline from the lack of joy in their lives.<sup>41</sup>

4.40 Mr Shane Maddocks, Chief Executive Officer of Anglican Community Care Inc, further expanded on the challenges these experiences presented for full participation in schooling and education, highlighting:

In some of our communities, for example, in Mount Gambier, a quarter of our five-year-olds are arriving at school not ready to learn. That's significantly contributed by poverty. These are children who, because of the lottery of life, are born into poverty. We can't blame them. We can't blame them for not having a job or just because of the circumstance of where they're born. These children don't keep up, and then they don't catch up. Our school system is not designed to cope with a quarter of the children in every class who don't have the health or social support they need or the early parenting, first teachers for the first five years of their lives, and the school system is not able to catch them up.<sup>42</sup>

### **Relational deprivation**

4.41 The Children's Policy Centre explained that relationships are at the centre of children's lives and are essential to feelings of safety, self-worth, connectedness and wellbeing.<sup>43</sup>

4.42 The Centre for Excellence in Child and Family Welfare shared one quote which describes how children can take on the emotional stress of poverty, and how it can impact on a range of opportunities for social connection:

They are often dealing with insecure housing, and the family's inability to travel to visit extended family. They hide their hopes for gifts or a birthday party or to go on a camp or have a new pair of sandals/sneakers. This evidence of children taking on some of the emotional strain of poverty is distressing, as are reports of them being teased at school and excluded from social and sports activities.<sup>44</sup>

4.43 The Children's Policy Centre explained how factors relating to poverty can negatively impact children's relationship with their parents:

Many children have described the ways in which insufficient money, insecure jobs, welfare conditionality and fear of losing benefits, a lack of support, and untreated health issues put pressure on their parents, making

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<sup>41</sup> FamilyCare, *Submission 55*, pp. 3 and 6.

<sup>42</sup> Mr Shane Maddocks, Chief Executive Officer, Anglican Community Care Inc, *Committee Hansard*, 13 December 2022, p. 12.

<sup>43</sup> Children's Policy Centre, *Submission 38*, p. 9.

<sup>44</sup> Centre for Excellence in Child and Family Welfare, *Submission 86*, p. 4.

them inattentive and grumpy. Children often describe understanding why their parents are angry or distracted, but also describe their own feelings of frustration.<sup>45</sup>

4.44 The Australian Human Rights Commission similarly described these impacts:

One of the main impacts that children describe in this research relate to the impact on relationships. Children spoke about how lack of employment and lack of income made their parents grumpy and sad. They explained how lack of income and efforts to earn money impacted on what they value most— connection and time with their parents.<sup>46</sup>

4.45 Further, the South Australian Commissioner for Children and Young People also reported that it has heard children and young people describing how the pressures of having no food, water, electricity or gas can lead to ‘less connection with their family’, due to parents being stressed or needing to work constantly. It also noted that these factors affect friendships, with children being too embarrassed to have friends over due to the state of their home.<sup>47</sup>

4.46 The South Australian Commissioner for Children and Young People also highlighted how ‘poverty stigma’ can impact young people’s relationships and affect how they are treated and perceived by people in the community:

Young people also describe the impact of ‘poverty stigma’ when people make assumptions about their family and poverty that make them feel judged, blamed or embarrassed. This extends to how they are treated by their friends’ parents, by teachers, coaches and other community members, including health professionals, police or others in the justice system.<sup>48</sup>

4.47 Barnardos Australia, a not-for-profit children’s social care organisation, concerningly highlighted how poverty can be a direct causal factor of child abuse and neglect, which brings children to the attention of statutory child protection systems in Australia and increases risk of children being separated from their family and entering out-of-home care (OOHC). It expanded on how placement in OOHC can severely impact children’s relationships:

Children who are placed in OOHC for *any* period of time are consistently reported to have poorer functioning in socio-economic circumstances, family formation and relationships, and living arrangements in later life...<sup>49</sup>

4.48 The Children’s Policy Centre noted that in its research, it hears some children’s accounts of parental behaviour that is unacceptable and damaging to children, and it pointed out that poverty is not a justification for this behaviour. However,

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<sup>45</sup> Children’s Policy Centre, *Submission 38*, p. 9.

<sup>46</sup> Australian Human Rights Commission, *Submission 244*, p. 29.

<sup>47</sup> South Australian Commissioner for Children and Young People, *Submission 109*, p. 4.

<sup>48</sup> South Australian Commissioner for Children and Young People, *Submission 109*, p. 4.

<sup>49</sup> Barnardos Australia, *Submission 87*, pp. 2 and 3. Citation omitted.

it also highlighted that throughout its research, most children talk about their parents' love and care in contexts of deep hardship. The stories that it hears from children describe the ways in which poverty undermines relationships through 'unbearably high levels of stress, anxiety, anger and frustration'. It concluded:

These are not stories of 'bad parenting', they are stories of unequal and unjust social and economic structures, of broken systems, and of punitive measures imposed on people experiencing economic hardship.<sup>50</sup>

### **Impacts on adolescents and youth**

4.49 The committee also heard about the specific impacts of poverty experienced by adolescents and young people.<sup>51</sup>

4.50 The Department of Social Services (the department) defined 'youth' as people aged 15 to 24, a cohort of 2.3 million people (or 16 per cent of the labour force) that:

... tends to bear the brunt of economic downturns and experience higher levels of unemployment, as they are generally less experienced than older workers and are often marginally attached to the labour force.<sup>52</sup>

4.51 Mrs Lorilee Gale, Senior Policy Officer representing the Commissioner for Children and Young People, Western Australia, provided some direct reflections from young people about their experiences of financial hardship:

From a 13-year-old: "I have nothing else to say except that my family is low on money and I'm suffering from not eating or sleeping much. And I'm extremely stressed about schoolwork".

From a 14-year-old: "Sometimes I get a little stressed when it comes to paying for class trips that are expensive because my mum is a single parent and she gets stressed with having to pay everything, and I feel bad for wanting to go".

From a 15-year-old: "We need more places for teenagers to go. For example, there used to be a bowling alley when I was a little kid that isn't there anymore. It feels like there is nothing for us to do in town other than go to the beach and walk around shops, and that's especially hard when you don't have any money and can only look".<sup>53</sup>

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<sup>50</sup> Children's Policy Centre, *Submission 38*, pp. 9, 10.

<sup>51</sup> See, for example, Youth Affairs Council of South Australia, *Submission 84*, [pp. 1–8]; Multicultural Youth Advocacy Network Australia, *Submission 69*, pp. 3, 5–20; Mrs Gale, *Committee Hansard*, 4 April 2023, p. 4; Mr Duncan Emmins, Wellbeing and Engagement Mentor, Murray Bridge High School, *Committee Hansard*, 13 December 2022, pp. 39–41; Ms Tina Louise, Housing and Homelessness Support Worker, Zig Zag Young Women's Resource Centre, *Committee Hansard*, 6 December 2023, pp. 6 and 7.

<sup>52</sup> Department of Social Services, *Submission 12*, p. 14.

<sup>53</sup> Mrs Lorilee Gale, Senior Policy Officer, Commissioner for Children and Young People, Western Australia, *Committee Hansard*, 4 April 2023, p. 4.

4.52 Many of these issues faced by young people were also described by other submitters. For example, the Melbourne Institute highlighted the critical experience of young peoples' transition into adulthood, and how this can be impacted by poverty:

The transition at the end of high school is critical in shaping one's future. Choices made will impact education and employment pathways, which can have long-lasting consequences. Young adults affected by poverty or other forms of disadvantage may be impeded in their ability to make optimal choices.<sup>54</sup>

4.53 The Youth Affairs Council of South Australia noted that young people in Australia today are experiencing 'a vastly different economic situation to older generations' and outlined how poverty can impact young people, particularly regarding education and employment opportunities:

Poverty effects young people's ability to look for work as they struggle to cover costs of transport, clothing, and training. Poverty can also affect young people's transition from education or training to employment, putting young people at greater risk of social and economic exclusion.<sup>55</sup>

4.54 The Youth Affairs Council of South Australia also described how poverty can impact young peoples' mental, social and physical wellbeing:

Living in poverty has significant impacts by increasing the risk of depression, experiences of psychological distress, and most concerningly increasing risks of self-harm and suicide, with cost of living pressures recently reported to be the highest risk factor for suicide.

... Poverty forces young people into social exclusion which contributes to low wellbeing, high levels of stress, and experiences of other mental health-related issues like depression and anxiety.

... Young people in Australia are living without essential items and have reported delaying medical treatment, discontinuing required medications, and avoiding optometric and dental healthcare due to the cost.<sup>56</sup>

4.55 Orygen informed the committee that the association between poverty and mental ill-health may disproportionately impact young people. It explained:

Young people aged 16-25 years old have the highest prevalence of mental ill-health, with most instances of mental ill-health occurring before the age of 25.<sup>57</sup>

4.56 A submission from the Multicultural Youth Advocacy Network, focused on young people aged 12 to 24 from refugee and migrant backgrounds, highlighted that for these young people, economic shocks and structural barriers to

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<sup>54</sup> Melbourne Institute: Applied Economic & Social Research, *Submission 39*, p. 15.

<sup>55</sup> Youth Affairs Council of South Australia (YACSA), *Submission 84*, [p. 5].

<sup>56</sup> YACSA, *Submission 84*, [p. 6].

<sup>57</sup> Orygen, *Submission 78*, p. 3. Citations omitted.

economic participation 'impair healthy adolescent development, disrupts settlement, and risk[s] individual long-term financial exclusion and disadvantage'.<sup>58</sup>

#### **Box 4.1 Case study – Burnie, Tasmania**

As part of the inquiry, the committee visited Burnie and Wynyard in North-West Tasmania. The site visit included hearing from local community organisations – Burnie Community House, Burnie Works, Loaves and Fishes Tasmania, and Big hART – and Wynyard High School. Committee members heard that young school students in this region are frequently taking up part time jobs during high school to help support their families financially. Community members that spoke to the committee raised concerns about how this is affecting students' education participation and performance, as well as their long-term prospects. It was explained that students are coming to school exhausted from working late shifts on school nights and are unable to concentrate and engage fully in the classroom.

### **Drivers of child poverty**

4.57 There are a range of complex and multifaceted factors that drive poverty in Australia – including structural drivers listed below and as discussed in the committee's interim report for this inquiry:

- Economic factors (including fiscal policies, inflation and cost of living pressures)
- Labour force factors (including employment and education opportunities) □
- Housing factors (including rental affordability and home ownership opportunities)
- Social factors (including intergenerational disadvantage and family violence).<sup>59</sup>

4.58 The committee also heard how some factors can drive child poverty in particular. Save the Children and 54 Reasons submitted that where child poverty exists in Australia, it is due to systemic and structural forces. It continued:

In particular, the common assumption that poverty is the fault of the child's parents and they have the power to 'fix' it is simply untrue. Poverty by definition is a result of the operation of structural economic and social forces. Poverty will not be ended by pointing the finger at individual

<sup>58</sup> Multicultural Youth Advocacy Network, *Submission 69*, p. 3.

<sup>59</sup> See Chapter 4 of the committee's interim report for this inquiry. The full report can be accessed on the inquiry webpage: [www.aph.gov.au/Parliamentary\\_Business/Committees/Senate/Community\\_Affairs/PovertyinAustralia/Interim\\_Report](http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Community_Affairs/PovertyinAustralia/Interim_Report).

families who are struggling due to structural disadvantage that has been inherited over generations.<sup>60</sup>

4.59 A joint submission from the financial counselling sector, provided by Financial Counselling Australia, also highlighted how structural factors can drive child poverty:

... structural issues, such as lack of access to basic resources, for example the money required to participate fully in education, to enjoy decent diets and live in adequate and stable housing, exacerbate an already precarious position for at least 17 per cent of our young people.<sup>61</sup>

4.60 AIFS highlighted that in its Longitudinal Study of Australian Children from 2004 to 2012, 11 to 14 per cent of children aged between zero to 12 experience relative income poverty. AIFS explained some of the drivers of these outcomes, including that many of these families depended on government supports as their main source of income, with such dependence being particularly prevalent in the very early years of childhood.<sup>62</sup>

### **Single-parent families**

4.61 Several submitters highlighted that children in single-parent families are at a greater risk of poverty.<sup>63</sup>

4.62 For example, AIFS explained that children living in single-parent families were at a higher risk of poverty or financial disadvantage, with the poverty rates for these families ranging from 29 to 41 per cent.<sup>64</sup>

4.63 Further, the Children's Policy Centre reported that children living in families where the main income earner is female are more than twice as likely to grow up in poverty; and that 44 per cent of sole parent families live in poverty, with sole mother families especially vulnerable.<sup>65</sup>

4.64 Centrecare provided similar evidence, and particularly highlighted the gender disparity in terms of poverty rates in single-mother families, compared to single-father families:

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<sup>60</sup> Save the Children and 54 Reasons, *Submission 133*, p. 14.

<sup>61</sup> Financial Counselling Australia, *Submission 31*, p. 3.

<sup>62</sup> AIFS, *Submission 14*, pp. 2 and 3.

<sup>63</sup> See, for example, AIFS, *Submission 14*, pp. 2 and 3; National Council for Single Mothers and their Children, *Submission 48*, p. 1; NAPCAN, *Submission 70*, p. 6; Department of Social Services, *Submission 12*, p. 13; Centrecare, *Submission 14*, [p. 6]; FamilyCare, *Submission 55*, p. 2; and Anti-Poverty Week, *Submission 17*, p. 1; Australian Human Rights Commission, *Submission 244*, pp. 23 and 24.

<sup>64</sup> AIFS, *Submission 14*, pp. 2 and 3. Note, AIFS uses an equivalised 50 per cent of median measure.

<sup>65</sup> Children's Policy Centre, *Submission 38*, p. 5.

Families with children where the main income earner is female are more than twice as likely to be in poverty compared to families where the main income earner is male (23% compared to 10%). Poverty in sole-parent families is 35.2% overall however there is a clear gender disparity in this demographic too; in female-led sole-parent families, the poverty rate is 37% compared with 18% for male-led sole-parent families. For children living in single-parent families, the poverty rate is 44%.<sup>66</sup>

- 4.65 FamilyCare also pointed out that the vast majority of single-parent families, 81.8 per cent, are headed by a single mother.<sup>67</sup>

### **Domestic and family violence**

- 4.66 The committee also heard that domestic and family violence is a significant factor in relation to child poverty.<sup>68</sup> The Paul Ramsay Foundation explained:

It is well-documented that exposure to domestic and family violence at a young age affects children's physical and mental wellbeing, development and schooling, and is the leading cause of children's homelessness in Australia.<sup>69</sup>

- 4.67 Save the Children and 54 Reasons also outlined the harmful impacts of domestic and family violence on children and their mothers and explained how it can reinforce poverty:

There is a vicious cycle between poverty and domestic and family violence. When families are under financial pressure and stress, violence increases. At the same time, domestic and family violence itself is a major cause of poverty – overwhelmingly for women and children.

Children are the hidden victims and survivors of domestic and family violence. While their experiences of domestic and family violence are complex and varied, the harm done to them by such violence is clear.<sup>70</sup>

- 4.68 The St Vincent de Paul Society National Council of Australia also highlighted the inextricable link between poverty and domestic violence, and noted that in 2016, there were an estimated 185 700 women who had experienced violence by a partner in a relationship, now living as single mothers with children.<sup>71</sup>

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<sup>66</sup> Centrecare, *Submission 14*, [p. 6].

<sup>67</sup> FamilyCare, *Submission 55*, p. 2.

<sup>68</sup> See, for example, NAPCAN, *Submission 70*, p. 6; Council of Single Mothers and their Children, *Submission 100*, p. 9; Paul Ramsay Foundation, *Submission 125*, p. 3; Save the Children and 54 Reasons, *Submission 133*, pp. 6, 23, 25 and 30.

<sup>69</sup> Paul Ramsay Foundation, *Submission 125*, p. 3.

<sup>70</sup> Save the Children and 54 Reasons, *Submission 133*, p. 25. Citations omitted.

<sup>71</sup> St Vincent de Paul Society National Council of Australia, *Submission 27*, p. 4.

### First 1000 days

- 4.69 The committee heard compelling evidence that the first 1000 or 2000 days of a child's life are of crucial importance to children's long-term development and outcomes.<sup>72</sup> For example, the Salvation Army outlined there is a strong correlation between poverty in the first thousand days of a child's life and adverse health and wellbeing outcomes in later life including poor educational and employment outcomes.<sup>73</sup>
- 4.70 Centrecare also explained that research demonstrates that children are more vulnerable to adverse experiences in the first 1000 days, and that significant adversity in these early years can have lifelong impacts.<sup>74</sup>
- 4.71 The Centre for Community Child Health also explained the significance of the first 2000 days of life (birth to five years):

Our submission recognises that the conditions in which a child is born and grows have significant impacts on their lifelong health, development, wellbeing, and educational outcomes. Poverty is a fundamental social determinant of child and family health and development, which can cause lifelong and intergenerational harm.<sup>75</sup>

### Other at-risk groups

- 4.72 As canvassed in the committee's interim report for this inquiry, as well as throughout this report, particular cohorts across the community, through no fault of their own, are more likely to experience poverty.<sup>76</sup>
- 4.73 At a broad level, and noting that these cohorts are not mutually exclusive and often intersect, the committee heard that these cohorts include:
- people living with disability;<sup>77</sup>
  - people from culturally and linguistically diverse backgrounds (particularly

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<sup>72</sup> See, for example, Save the Children and 54 Reasons, *Submission 133*, p. 30; Centre for Community Child Health, *Submission 10*, p. 3; Centrecare, *Submission 6*, [p. 12]; FamilyCare, *Submission 55*, p. 10; The Hive, *Submission 112*, p. 4.

<sup>73</sup> The Salvation Army, *Submission 20*, p. 19.

<sup>74</sup> Centrecare, *Submission 6*, [p. 12].

<sup>75</sup> Centre for Community Child Health (CCCH), *Submission 10*, p. 3

<sup>76</sup> For further discussion see the committee's interim report for this inquiry, pp. 5–8. The full report can be accessed on the inquiry webpage: [https://www.aph.gov.au/Parliamentary\\_Business/Committees/Senate/Community\\_Affairs/PovertyinAustralia/Interim\\_Report](https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Community_Affairs/PovertyinAustralia/Interim_Report).

<sup>77</sup> See, for example, The Salvation Army, *Submission 20*, pp. 56–58; People with Disability Australia, *Submission 76*, pp. 5 and 6; Australian Federation of Disability Organisations, *Submission 102*, p. 12; Children and Young People with Disability Australia, *Submission 44*, pp. 6 and 7; Antipoverty Centre, *Submission 29*, pp. 13 and 14; Physical Disability Council of New South Wales, *Submission 90*, pp. 5 and 6; JFA Purple Orange, *Submission 97*, pp. 5–7; Public Health Association of Australia, *Submission 144*, p. 10; ME/CFS Australia, *Submission 137*, p. 1.



- refugees and asylum seekers);<sup>78</sup>
- people living in rural and remote communities;<sup>79</sup>
- people on income support payments;<sup>80</sup> and
- First Nations people.<sup>81</sup>

4.74 Evidently, children and young people form parts of these cohorts and are particularly vulnerable to the layered forms of disadvantage experienced by these groups. Some submitters highlighted the distinct and overlapping effects of poverty on these children.<sup>82</sup>

### *Children and young people with disability*

4.75 Children and Young People with Disability Australia explained that young people with disability face additional vulnerability due to unique experiences of oppression and discrimination.<sup>83</sup> The South Australian Commissioner for Children and Young People also outlined the disproportionate impacts of poverty on children and young people living with disability:

Where systems fail to support children with disability and their families, this exacerbates poverty and increases the likelihood of crisis situations and a need for more services. The hoops that families must go through to get their child support through the [National Disability Insurance Scheme] or state

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<sup>78</sup> See, for example, The Salvation Army, *Submission 20*, pp. 48 and 49; Multicultural Australia, *Submission 47*, pp. 2–5; Multicultural Youth Advocacy Network, *Submission 69*, pp. 2–6; Asylum Seeker Resource Centre, *Submission 79*, pp. 1–5; SydWest Multicultural Services, *Submission 140*, pp. 2–6; NSW Service for the Treatment and Rehabilitation of Torture and Trauma Survivors (STARTTS), *Submission 143*, p. 5; Cohealth, *Submission 28*, pp. 1–12.

<sup>79</sup> See, for example, Centrecare, *Submission 15*, [pp. 15 and 16]; National Rural Health Alliance, *Submission 35*, pp. 6–9.

<sup>80</sup> See, for example, Ms Deb Tsorbaris, Chief Executive Officer, Centre for Excellence in Child and Family Welfare, *Committee Hansard*, 15 August 2023, p. 23.

<sup>81</sup> See, for example, The Salvation Army, *Submission 20*, pp. 46–48; NACCHO, *Submission 130*, pp. 4–8; APO NT, *Submission 118*, pp. 5–7; VACCHO, *Submission 116*, pp. 1 and 2; VACCA, *Submission 81*, pp. 10–12; Aboriginal Health and Medical Research Council of New South Wales, *Submission 72*, pp. 3, 4; QAIHC, *Submission 33*, pp. 4–8; AN TAR, *Submission 122*, p. 3; Central Land Council, *Submission 119*; p. 7; Sisters Inside Inc, *Submission 89*, pp. 6 and 7; Families Australia, *Submission 88*, p. 2; Committee for Economic Development of Australia, *Submission 115*, p. 6; Uniting Vic Tas, *Submission 34*, p. 3; Sacred Heart Mission, *Submission 117*, p. 13; Centrecare, *Submission 15*, [p. 20].

<sup>82</sup> See, for example, Uniting Vic Tas, *Submission 34*, pp. 8 and 9; South Australian Commissioner for Children and Young People, *Submission 109*, p. 5; Children and Young People with Disability Australia, *Submission 44*, p. 3; Multicultural Youth Advocacy Network, *Submission 69*, p. 6; Australian Research Alliance for Children and Youth, *Submission 54*, p. 4; Save the Children and 54 Reasons, *Submission 133*, p. 35.

<sup>83</sup> Children and Young People with Disability Australia, *Submission 44*, p. 3.

services is also often a hurdle, and many families cannot afford the cost of a formal diagnosis...<sup>84</sup>

- 4.76 The South Australian Commissioner for Children and Young People also explained the disproportionate impacts of poverty on young people leaving care and children and young people with caring responsibilities.<sup>85</sup>

### *Children and young people from migrant and refugee backgrounds*

- 4.77 The Multicultural Youth Advocacy Network advised that young people from migrant and refugee backgrounds face particular challenges and structural barriers in accessing educational and employment opportunities and are at a heightened risk of economic exclusion. It added:

The confluence of age, the life stage of adolescence, the migration experience, and structural access and equity barriers mean that this group of young people are at heightened risk of economic exclusion... While the implications of poverty for Australia's youth population are significant, young people from migrant and refugee backgrounds, particularly asylum seekers and more recently arrived refugees are at heightened risk of financial hardship and the multiple negative impacts of poverty given pre-existing access and equity barriers.<sup>86</sup>

### *First Nations children*

- 4.78 As outlined in Chapter 3, First Nations people are at a much greater risk of experiencing poverty, with inquiry participants highlighting that poverty experienced by First Nations people, is primarily a result of the history and 'enduring process' of colonisation, dispossession, trauma, racism, and policy-driven disadvantage and social exclusion.<sup>87</sup>
- 4.79 The Victorian Aboriginal Child Care Agency (VACCA) noted that whilst Aboriginal families are already facing compounding pressures and inequalities, financial hardship can also have flow on effects for Aboriginal children, including increased risk of child poverty, child protection involvement, rates of family violence, as well as poor health, wellbeing and education.<sup>88</sup>

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<sup>84</sup> South Australian Commissioner for Children and Young People, *Submission 109*, p. 5.

<sup>85</sup> South Australian Commissioner for Children and Young People, *Submission 109*, p. 5.

<sup>86</sup> Multicultural Youth Advocacy Network, *Submission 69*, p. 6.

<sup>87</sup> See, for example, Dr Francis Markham, *Submission 251*, p. 2; VACCA, *Submission 81*, pp. 10 and 11; APO NT, *Submission 118*, [p. 6]; NACCHO, *Submission 130*, p. 3; Central Land Council, *Submission 119*, p. 7; Mr Damian Griffis, Chief Executive Officer, First Peoples Disability Network, *Committee Hansard*, 31 October 2023, p. 8; and Ms Leah House, private capacity, *Committee Hansard*, 31 October 2023, p. 23.

<sup>88</sup> VACCA, *Submission 81*, p. 14.

- 4.80 Aboriginal Peak Organisations Northern Territory (APO NT) similarly outlined that poverty impacts many aspects of First Nations children's lives, from physical and mental health, educational outcomes, and access to healthcare.<sup>89</sup>
- 4.81 APO NT also reported that poverty, socioeconomic disadvantage and exclusion are the primary causal factors for the shockingly high rates of Aboriginal children in OOHC and youth detention. It added:
- For far too many of our families, multiple forms of discrimination and inequalities, systemic racism and intergenerational trauma have a corrosive effect on our cultural and social fabric. These issues combine and compound and form the conditions for the high prevalence of family violence, drug and alcohol dependence, abuse and childhood trauma. All of these issues have become key factors in community fragmentation and driving contact with child protection and the youth justice system.<sup>90</sup>
- 4.82 VACCA noted that connection to culture is a protective factor which helps to alleviate the risk factors that contribute to poverty and its impact on First Nations people and communities. Specifically, it highlighted that connection to culture and community is fundamental for First Nations children and young people's wellbeing, including 'being strong in their identity and knowing who their mob and who their family is'.<sup>91</sup>
- 4.83 The Australian Research Alliance for Children and Youth outlined that for First Nations children, young people and families, the impacts of poverty are deepened and exacerbated by entrenched racism, the impacts of colonialism and intergenerational trauma. It emphasised that progress lies in self-determination and investment in solutions co-designed and delivered by First Nations communities and organisations.<sup>92</sup>
- 4.84 Save the Children and 54 Reasons similarly noted that for First Nations children and families, experiences of poverty are inseparable from the continuing effect of historical and present-day colonisation, dispossession, violence and systemic racism.<sup>93</sup>
- 4.85 Broader discussion regarding the impacts of poverty on educational experiences and outcomes for First Nations children is contained in Chapter 3.

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<sup>89</sup> APO NT, *Submission 118*, [p. 19].

<sup>90</sup> APO NT, *Submission 118*, [p. 19].

<sup>91</sup> VACCA, *Submission 81*, p. 42.

<sup>92</sup> Australian Research Alliance for Children and Youth, *Submission 54*, p. 4.

<sup>93</sup> Save the Children and 54 Reasons, *Submission 133*, p. 35.

## Intergenerational impacts of child poverty

- 4.86 Numerous inquiry participants highlighted that children growing up in poverty have a much greater risk of remaining in poverty as an adult.<sup>94</sup>
- 4.87 Amongst several other submitters,<sup>95</sup> the Australian Human Rights Commission referenced findings from the Melbourne Institute's Breaking Down Barriers research, which found that experiencing just a single year of poverty during childhood is associated with poorer socio-economic outcomes in terms of educational attainment, labour market performance and even overall life satisfaction in early adulthood.<sup>96</sup>
- 4.88 Submitters highlighted another key finding of this research, that children from poor households are 3.3 times more likely to suffer adult poverty than those who grew up in 'never poor' households.<sup>97</sup> The report also concluded that the longer the period of time you are in poverty as a child, the poorer the outcomes in adulthood.<sup>98</sup>
- 4.89 The St Vincent de Paul Society National Council of Australia detailed the lifelong effects of child poverty and disadvantage, and how these impacts extend into adulthood:

Childhood poverty causes significant individual lifelong harm, including childhood developmental delay and an increased likelihood of experiencing disadvantage later in life. It causes significant social and economic harm, including increased costs in justice, health and welfare. Financial stress is

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<sup>94</sup> See, for example, The Hive, *Submission 112*, p. 4; Paul Ramsay Foundation, *Submission 125*, p. 4; Save the Children and 54 Reasons, *Submission 133*, pp. 6, 12; Australian Human Rights Commission, *Submission 244*, p. 30; Anti-Poverty Week, *Submission 17*, p. 2; Centrecare, *Submission 6*, [p. 8]; Anglicare Southern Queensland, *Submission 30*, p. 11; Australian Health Promotion Association, *Submission 62*, [p. 2] Citations omitted; Mr Tony Pietropiccolo AM, Director, Centrecare, *Committee Hansard*, 15 August 2023, p. 15.

<sup>95</sup> See, for example, Anti-Poverty Week, *Submission 17*, p. 2; Centrecare, *Submission 6*, [p. 11]; St Vincent de Paul Society National Council of Australia, *Submission 27*, p. 3; Anglicare Southern Queensland, *Submission 30*, p. 11; Uniting Vic Tas, *Submission 34*, p. 8; Families Australia, *Submission 88*, p. 4. Citations omitted.

<sup>96</sup> Australian Human Rights Commission, *Submission 244*, p. 30; Citation omitted. For more information regarding the Melbourne Institute's Breaking Down Barriers research see, Melbourne Institute: Applied Economic & Social Research, University of Melbourne, [Does poverty in childhood beget poverty in adulthood in Australia?](#), October 2020.

<sup>97</sup> See, for example, Committee for Economic Development, *Submission 115*, p. 3; Australian Human Rights Commission, *Submission 244*, p. 30; Anti-Poverty Week, *Submission 17*, p. 2. Centrecare, *Submission 6*, [p. 8]; Anglicare Southern Queensland, *Submission 30*, p. 11. Citations omitted.

<sup>98</sup> Melbourne Institute: Applied Economic & Social Research, University of Melbourne, *Does poverty in childhood beget poverty in adulthood in Australia?*, October 2020, p. 68.

also the biggest cause of relationship breakdown in Australia, with major flow on effects for children and their parents.<sup>99</sup>

- 4.90 Several submitters highlighted the importance of addressing child poverty to break the cycle of disadvantage going forward.<sup>100</sup> For example, Save the Children and 54 Reasons submitted:

Children who experience poverty are far more likely to also be poor as adults, as are their own children, entrenching poverty intergenerationally. Ending child poverty is the key to ending poverty. It should be a social and political priority of the highest order.<sup>101</sup>

- 4.91 Similarly, Centrecare stated that given the intergenerational nature of poverty, ‘the importance of addressing child poverty cannot be overstated if we are to successfully reduce overall poverty rates in Australia’.<sup>102</sup>

- 4.92 The Children’s Policy Centre also emphasised that investing in child poverty is key to improving adult outcomes later in life:

There is overwhelming evidence that investing in children, including investment to end child poverty, enhances adult outcomes across most aspects of life – from education and earning attainment to better health and reduced participation in crime have been attributed to early childhood experiences.<sup>103</sup>

### **Advocacy for change and suggested solutions**

- 4.93 The following sections canvas a range of measures put forward by inquiry participants to address child poverty in Australia.

#### **Increasing and reforming income support to alleviate the impacts of poverty on children and young people**

- 4.94 Whilst Chapter 2 of this report broadly discusses the adequacy of JobSeeker and other working age payments, this section specifically highlights how increasing and reforming various income supports will benefit the lives of children and young people in poverty in particular.

- 4.95 Several inquiry participants considered that increasing income support payments would help address the impacts of poverty on children and young people.<sup>104</sup>

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<sup>99</sup> St Vincent de Paul Society National Council of Australia, *Submission 27*, p. 3. Citation omitted.

<sup>100</sup> See, for example, Save the Children and 54 Reasons, *Submission 133*, p. 12; Centrecare, *Submission 6*, [p. 12].

<sup>101</sup> Save the Children and 54 Reasons, *Submission 133*, p. 6.

<sup>102</sup> Centrecare, *Submission 6*, [p. 12].

<sup>103</sup> Children’s Policy Centre, *Submission 38*, p. 4. Citation omitted.

<sup>104</sup> See, for example, South Australian Commissioner for Children and Young People, *Submission 109*, p. 11; Barnardos Australia, *Submission 87*, p. 6; Centre for Community Child Health, *Submission 10*,

- 4.96 For example, the South Australian Commissioner for Children and Young People specifically advocated for income support to be raised above the poverty line to keep children, young people and families out of poverty. It also suggested that consideration should be given to how payments can be targeted to keep children, young people and families out of poverty, and to recognise the additional costs of single parenthood.<sup>105</sup>
- 4.97 The South Australian Commissioner for Children and Young People also provided direct observations from young people regarding the inadequacy of income support payments:
- A 17-year-old male stated: “One thing I would like to change is the centre link [sic] money so my [mum] can be able to take better health care for me”.
- A 15-year-old stated: “Prices of housing education etc. continue to increase. Government funding is not sufficient enough to support individuals living in poverty”.<sup>106</sup>
- 4.98 The St Vincent de Paul Society National Council of Australia considered that policies that increase the disposable incomes of low-income households have a significant impact on addressing the adverse consequences of child poverty.<sup>107</sup> The Commissioner for Children and Young People Western Australia similarly advocated for increasing income support to help lift children out of poverty:
- There is little doubt that increasing income support and urgently addressing housing supply and affordability will lift many families – including children – out of poverty. These changes are urgently needed, and I support the national and state-driven campaigns that have been calling for them.<sup>108</sup>
- 4.99 Professor Sharon Bessell, Director of the Children's Policy Centre considered that increasing working age benefits across the board would have an immediate positive impact on poverty broadly, and a ‘clear positive impact on children’ in particular. She explained how the temporary increase of income support payments during COVID-19 lifted children and their families out of poverty and

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p. 7; St Vincent de Paul Society National Council of Australia, *Submission 27*, p. 3; AIFS, *Submission 14*, p. 7; Commissioner for Children and Young People Western Australia, *Submission 124*, Attachment 2, p. 10; Professor Sharon Bessell, Director, Children's Policy Centre, Crawford School of Public Policy, Australian National University, *Committee Hansard*, 15 August 2023, pp. 22 and 26.

<sup>105</sup> South Australian Commissioner for Children and Young People, *Submission 109*, p. 11.

<sup>106</sup> South Australian Commissioner for Children and Young People, *Submission 109*, p. 12.

<sup>107</sup> St Vincent de Paul Society National Council of Australia, *Submission 27*, p. 3.

<sup>108</sup> Commissioner for Children and Young People Western Australia, *Submission 124*, p. 3.

that children were able to go to the dentist, get healthcare and other things children need to have ‘a minimally decent life’.<sup>109</sup>

- 4.100 Other submitters also highlighted how boosted income supports during the COVID-19 pandemic reduced the burden of poverty in children and young people. For example, Save the Children and 54 Reasons outlined that the boosts to income support during the early stages of the pandemic ‘made a massive difference in lifting families and children out of poverty’. It also noted that their later withdrawal had the opposite effect, ‘plunging many thousands of children into worsening poverty’.<sup>110</sup>
- 4.101 FamilyCare provided similar reflections. It submitted that the provision of the Coronavirus supplement of \$550 per fortnight to Australians receiving income support payments, including JobSeeker and the Parenting Payment, was immediately impactful, with many households with dependent children lifted out of short-term poverty as soon as the payments commenced.<sup>111</sup>
- 4.102 FamilyCare noted that research by Swinburne University and the Centre for Excellence in Child and Family Welfare indicated that children were primary beneficiaries of the increased payments. It also provided the following reflection from one research participant, which highlights the various positive impacts on children:
- “It has made me feel like a good parent being able to actually care for my children and buy them clothes and shoes and send them to outings with their friends when normally they miss out because they know we don’t have any money”.<sup>112</sup>
- 4.103 Evidence from the Commissioner for Children and Young People Western Australia and AIFS noted that whilst additional financial assistance to low-income families is important, such measures alone will not completely overcome the impacts of child poverty.<sup>113</sup>
- 4.104 Other submitters specifically called for increases to the Parenting Payment, Youth Allowance and Austudy payments. These views are canvassed in the sections below.

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<sup>109</sup> Professor Sharon Bessell, Director, Children's Policy Centre, Crawford School of Public Policy, Australian National University, *Committee Hansard*, 15 August 2023, p. 26.

<sup>110</sup> Save the Children and 54 Reasons, *Submission 133*, p. 13

<sup>111</sup> FamilyCare, *Submission 55*, p. 4.

<sup>112</sup> FamilyCare, *Submission 55*, p. 5. Citation omitted.

<sup>113</sup> Commissioner for Children and Young People Western Australia, *Submission 124*, Attachment 2, p. 10; AIFS, *Submission 14*, p. 7.

### *Parenting Payment reforms*

4.105 As outlined earlier in this chapter, the committee heard that poverty is experienced at a higher rate amongst single-parent families – with families headed by a single-mother, at particular risk.

4.106 Submitters including the National Council of Single Mothers & their Children (now Single Mother Families Australia) and the Australian Human Rights Commission advocated for the Parenting Payment rates to be increased.<sup>114</sup>

4.107 Similarly, Anglicare Australia outlined that the current Parenting Payment rate is insufficient, leaving single parents and their children particularly vulnerable:

While the Parenting Payment is more than JobSeeker, it comes nowhere near the true cost of providing children with a good start in life and leaves single parents, and their children, particularly vulnerable.<sup>115</sup>

4.108 These concerns were echoed by the Paul Ramsay Foundation, who particularly noted the insufficient rate and coverage of Parenting Payment (Single). The Paul Ramsay Foundation also described how an increased rate would help support single mothers and their children escaping violence:

For single mothers leaving violence, an adequate Parenting Payment Single (PPS) would support their and their children's transition to safety, and buffer early child development from the negative effects of sustained financial stress. Increasing the PPS rate to the single age pension rate of \$1,026.50 and expanding coverage of the payments so single parents can remain eligible until their youngest child leaves school, would reduce the rate and depth of poverty experienced by single parents and their children.<sup>116</sup>

4.109 VACCA and the St Vincent de Paul Society National Council of Australia recommended a review of the Parenting Payment (Single) allowance and eligibility to better support women who have experienced family violence.<sup>117</sup>

4.110 Further, several submitters called for expanded coverage of the Parenting Payment (Single), so that single parents can remain eligible for this payment beyond their child's eighth birthday.<sup>118</sup> Some called for eligibility to be expanded

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<sup>114</sup> See, for example, South East Community Links, *Submission 53*, p. 4; Australian Human Rights Commission, *Submission 244*, p. 6; National Council of Single Mothers & their Children, *Submission 48*, p. 7.

<sup>115</sup> Anglicare Australia, *Submission 7*, p. 5.

<sup>116</sup> Paul Ramsay Foundation, *Submission 125*, p. 3.

<sup>117</sup> VACCA, *Submission 81*, p. 34.

<sup>118</sup> See, for example, The Salvation Army, *Submission 20*, p. 8; Anti-Poverty Week, *Submission 17*, p. 1; Equality Rights Alliance, *Submission 63*, pp. 18 and 19; The National Council of Single Mothers & their Children, *Submission 28*, pp. 3 and 4; Micah Projects, *Submission 110*, p. 11; Dr Travers McLeod, Executive Director, Brotherhood of St Laurence, *Committee Hansard*, 15 August 2023, p. 1.



until the youngest child turns 16,<sup>119</sup> while others advocated for the cut off to be age 18.<sup>120</sup> The committee notes after submissions to this inquiry closed, the Australian Government announced changes to the eligibility criteria for the Parenting Payment (Single), raising the cut off age from 8 to 14, from 20 September 2023.<sup>121</sup> This reform means that from 20 September 2023, single parents will continue to receive a higher rate of payment until their youngest child turns 14.<sup>122</sup>

4.111 Finally, Good Shepherd recommended the immediate removal of mutual obligation requirements for Parenting Payment (Single) and ‘ending the practice of suspending payments for non-compliance (or because of administrative error) to Parenting Payment Single recipients and people subject to ParentsNext’.<sup>123</sup>

4.112 Other submitters also raised concerns regarding the ParentsNext program.<sup>124</sup>

4.113 The committee notes that in May 2023, the Australian Government committed to abolishing the ParentsNext by 1 July 2024, and to replace it with a new voluntary program designed in consultation with parents and stakeholders from across the community. The committee also understands that from May 5 2023, all compulsory requirements for participants in ParentsNext were paused.<sup>125</sup>

### *Income supports for young people*

4.114 The committee heard about the inadequacies of income support for young people. Uniting Vic Tas provided an overview of these issues:

It is becoming increasingly apparent that social security and youth income support is no longer a protective measure against poverty for young people.

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<sup>119</sup> See, for example, South-East Monash Legal Service, *Submission 114*, [p. 10]; Micah Projects, *Submission 110*, p. 11; Anti-Poverty Week, *Submission 17*, p. 1; Ms Jenny Davidson, Chief Executive Officer, Council of Single Mothers and their Children, *Committee Hansard*, 20 October 2023, p. 29; Genevieve, Private capacity, *Committee Hansard*, 20 October 2022, p. 55.

<sup>120</sup> See, for example, Council of Single Mothers and their Children, *Submission 100*, pp. 2 and 10.

<sup>121</sup> The Hon Anthony Albanese MP, Prime Minister of Australia, ‘Extending the financial safety net for single parents’, *Media Release*, 8 May 2023.

<sup>122</sup> The Hon Anthony Albanese MP, Prime Minister of Australia, ‘Extending the financial safety net for single parents’, *Media Release*, 8 May 2023.

<sup>123</sup> Good Shepherd, *Submission 96*, p. 5.

<sup>124</sup> See, for example, Per Capita, *Submission 131*, p. 18; Council of Single Mothers and their Children, *Submission 100*, pp. 2, 6, 7; FamilyCare, *Submission 55*, pp. 9 and 10; Equality Rights Alliance, *Submission 63*, p. 18.

<sup>125</sup> Department of Employment and Workplace Relations, *Changes to ParentsNext*, 4 May 2023, [www.dewr.gov.au/parentsnext/announcements/changes-parentsnext](http://www.dewr.gov.au/parentsnext/announcements/changes-parentsnext) (accessed 21 November 2023).

In 2022, analysis showed that zero per cent of rental listings were affordable for young people on youth allowance.<sup>126</sup>

4.115 Uniting Vic Tas considered that 'Australia's young people deserve better' and recommended that the rate of income supports for young people must be raised to keep young people out of poverty. It continued:

... no one should spend their teenage years worrying about if they can afford groceries or unable to begin employment due to the cost of a uniform. It is critical that Youth Allowance payments are changed to reflect the increased cost of living using the same principle applied to adults on JobSeeker and other forms of income support.<sup>127</sup>

#### *Youth Allowance*

4.116 Amongst several other submitters,<sup>128</sup> the Salvation Army called for Youth Allowance be raised. It recommended:

The Commonwealth Government increase the rate of Youth Allowance to be equal with the JobSeeker Payment, recognising the cost of living is the same irrespective of age and ensure that recipients are able to live with dignity.<sup>129</sup>

#### *Student payments*

4.117 Some also advocated for the rates of student payments including Austudy and ABSTUDY to be raised.<sup>130</sup> Centrecare was amongst these calls, and also suggested that eligibility criteria be expanded:

Raise the rate of Austudy to be at least as high as JobSeeker (and preferably bring the rate of JobSeeker in line with pensions). Make Austudy available to independent young people under 21.<sup>131</sup>

4.118 The issue of income support eligibility criteria for young people was also raised by Lee Jia-Yi Carnie, Executive Director at the Foundation for Young Australians. Lee Jia-Yi outlined that currently, Centrelink provides essential income support for people over 22, but that hundreds of thousands of 18- to 21-year-olds are not eligible for financial support. They continued:

Most people in Australia are seen as adults when they turn 18—it's compulsory to vote, you can drive unsupervised, you can buy alcohol and

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<sup>126</sup> Uniting Vic Tas, *Submission 34*, pp. 10.

<sup>127</sup> Uniting Vic Tas, *Submission 34*, pp. 10, 12.

<sup>128</sup> See, for example, St Vincent de Paul Society National Council of Australia, *Submission 27*, p. 4; South-East Community Links, *Submission 53*, p. 4; National Shelter, *Submission 123*, pp. 2, 6; Australian Human Rights Commission, *Submission 244*, p. 6; Uniting Vic Tas, *Submission 34*, p. 10.

<sup>129</sup> The Salvation Army, *Submission 20*, p. 9.

<sup>130</sup> See, for example, National Shelter, *Submission 123*, p. 2; Australian Human Rights Commission, *Submission 244*, p. 6; Centrecare, *Submission 14*, [p. 22].

<sup>131</sup> Centrecare, *Submission 14*, [p. 22].

cigarettes, and you're required to pay taxes. But when it comes to income support, the age of independence considers young people dependent until the age of 22, not 18, except in exceptional circumstances. Even students who have moved out of their family's home to attend university can be denied access to income support based on a parent or partner's income.<sup>132</sup>

4.119 Ms Bailey Riley, President of the National Union of Students, echoed concerns around payment rates and eligibility requirements of income supports for young Australians, and explained how this can affect students' educational outcomes:

I think it's very clear that the low-income support payments and the age of independence, which locks out over 400,000 students, really impact on students' ability to study. It's just a very, very terrible system for students to live in where they have to choose between full-time study and completing their degrees in a timely manner and having to live in poverty and study part-time and get less income support. It's an all-round bad experience for them.<sup>133</sup>

### **Child support reforms**

4.120 A submission from the department explained the scope an operation of Australia's child support system:

In the 2021-22 financial year (as at June 2022), the Child Support scheme supported 1.34 million parents/carers with 1.1 million children. The Child Support scheme assessed and transferred \$3.71 billion in child support. Around 50 per cent of child support cases are agency collect (Services Australia collect child support from the paying parent and pay it to the receiving parent), and 50 per cent of cases were privately managed.

Since the Child Support scheme was introduced in 1988, around 95 per cent of all child support assessed in agency collect cases had been paid, and \$1.69 billion in unpaid child support has accrued.<sup>134</sup>

4.121 The committee heard evidence around various issues and inadequacies of this scheme.<sup>135</sup>

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<sup>132</sup> Lee Jia-Yi Carnie, Executive Director, Advocacy and Programs, Foundation for Young Australians, *Committee Hansard*, 31 January 2023, p. 33.

<sup>133</sup> Ms Bailey Riley, President, National Union of Students, *Committee Hansard*, 31 January 2023, p. 34.

<sup>134</sup> DSS, *Submission 12*, p. 34.

<sup>135</sup> See, for example, Anti-Poverty Week, *Submission 17*, p.1; Financial Counselling Australia, *Submission 31*, pp. 3 and 4; National Council of Single Mothers and their Children, *Submission 48*, Attachments 2 and 3, p. 6; Legal Aid NSW, *Submission 126*, [pp. 38–45]; Ms Jenny Davidson, Chief Executive Officer, Council of Single Mothers and their Children, *Committee Hansard*, 20 October 2022, pp. 32 and 34; Genevieve, Private capacity, *Committee Hansard*, 20 October 2022, pp. 54 and 55; Dr Jozica Kutin, Senior Research and Policy Analyst, Good Shepherd Australia and New Zealand, *Committee Hansard*, 6 December 2022, pp. 41 and 42; Ms Terese Edwards, Chief Executive Officer, National Council of Single Mothers and their Children, *Committee Hansard*, 13 December 2022, p. 35.

4.122 The Council of Single Mothers and their Children raised issues around the rate and enforcement of child support payments. It called for the child support system to be reformed urgently, 'so that assessments are based on real costs of raising children and payments are made in full and on time'.<sup>136</sup>

4.123 Ms Terese Edwards, Chief Executive Officer of the Single Mother Families Australia and Ms Jenny Davidson Chief Executive Officer of the Council of Single Mothers and their Children, also raised concerns around the inadequacy of the current child support rate.<sup>137</sup> Ms Davidson told the committee:

We need child support to be paid to cover the costs that women have. The child support formula no longer has a portion for the person who's raising the children primarily. That isn't included; it is just the basic costs of raising children. Children are expensive. We know that. The child support formula doesn't really provide enough to help women who have the carriage of these costs and the subsequent opportunity costs of not being able to work. That's a big barrier.<sup>138</sup>

4.124 Financial Counselling Australia explained that financial counsellors often see issues with the payment of child support to the primary care giver (normally the mother). It considered it 'a flawed system' where it is difficult for the primary care giver to enforce the appropriate payment. It further explained:

... as the onus to act sits with the primary care giver, rather than an impartial agency, it can be cumbersome, frustrating and ineffectual. For some primary care givers this can be adversarial and potentially dangerous, where family violence is involved.<sup>139</sup>

4.125 Financial Counselling Australia called for the child system to be 'rethought' to ensure that primary care givers are not disadvantaged by the way it operates. It also expressed support for the recommendations set out in the *In the Best Interests of the Children – Reforming the Child Support Scheme Taskforce on Child Support* report to increase the enforcement powers of the Child Support Agency, noting child support is now administered by Services Australia.<sup>140</sup>

4.126 Further, Legal Aid NSW outlined there are various aspects of the administration of the scheme that undermine its objectives, as laid out in its establishing legislation. It considered that these factors commonly affect eligible carers, placing them and their children at risk of financial hardship. The key issues

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<sup>136</sup> Council of Single Mothers and their Children, *Submission 100*, p. 2.

<sup>137</sup> Ms Terese Edwards, Chief Executive Officer, National Council of Single Mothers and their Children, *Committee Hansard*, 13 December 2022, p. 35; Ms Jenny Davidson, Chief Executive Officer, Council of Single Mothers and their Children, *Committee Hansard*, 20 October 2023, p. 34.

<sup>138</sup> Ms Jenny Davidson, Chief Executive Officer, Council of Single Mothers and their Children, *Committee Hansard*, 20 October 2022, p. 34

<sup>139</sup> Financial Counselling Australia, *Submission 31*, p. 4

<sup>140</sup> Financial Counselling Australia, *Submission 31*, p. 4; Legal Aid NSW, *Submission 126*, [p. 38].

included unpaid child support, a lack of enforcement, and foregoing child support due to family violence.<sup>141</sup>

4.127 Legal Aid NSW proposed various recommendations to review, reform and improve the scheme, including:

- ... To protect the integrity of the scheme, and achieve greater general deterrence, Services Australia Child Support should implement an expanded, and well targeted litigation program to enforce unpaid child support.
- Consideration should be given to reforming superannuation laws so that superannuation funds can be more easily accessed and [garnished] in cases of unpaid child support...
- The scheme should be reviewed to ensure that it adequately [addresses] the needs of victims of domestic violence...<sup>142</sup>

4.128 Other submitters also called for review and reforms to Australia's current child support scheme.<sup>143</sup>

4.129 To improve the child support scheme over the longer-term, the government has committed \$5.1 million over 5 years to implement key recommendations made by the Joint Select Committee on Australia's Family Law System:

- establish a Child Support Stakeholder Consultation Group to provide a strong voice to government on issues impacting families;
- commission expert research on the costs of raising children in Australia and consider whether changes are needed to the child support formula to ensure child support payments provide children with an adequate level of financial support;
- review compliance in the child support scheme, with a focus on collection and enforcement;
- review the interaction between the child support scheme and Family Tax Benefit to ensure vulnerable single parent families are financially supported after separation; and
- undertake an evaluation of separated families to understand what can be done to support parents with caring responsibilities where private collect arrangements have broken down<sup>144</sup>.

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<sup>141</sup> Legal Aid NSW, *Submission 126*, [pp. 44 and 45].

<sup>142</sup> Legal Aid NSW, *Submission 126*, [pp. 44 and 45].

<sup>143</sup> See, for example, Legal Aid NSW, *Submission 126*, [pp. 7, 8, 44, 45]; Anti-Poverty Week, *Submission 17*, p. 1; Financial Counselling Australia, *Submission 31*, p. 4; Council of Single Mothers and their Children, *Submission 100*, p. 2.

<sup>144</sup> Senator the Hon Katy Gallagher and the Hon Jim Chalmers MP, *Women's Budget Statement 2023–24*, May 2023, p. 22.

### **Early childhood education and care**

4.130 The committee heard evidence of the importance of access to early childhood education and care, especially noting its significance in early childhood development and the potential adverse impacts for children unable to receive early childhood care as a result of poverty.

4.131 Dr Cassandra Goldie, Chief Executive Officer of ACOSS, emphasized:

We know that families experiencing poverty are more disadvantaged when it comes to getting access to those early learning services, if I can put it that way, so the kids are at a greater disadvantage.<sup>145</sup>

4.132 Further, Mrs Kristen Manson, General Manager Community Development at the Rural City of Murray Bridge explained:

Early childhood services are obviously critical, as Shane was saying. If children are reaching school age and not having the skills that they need to enter school and start their learning journey – their learning journey needs to have started much earlier than that. For many reasons, people can't get to and from kindies, they can't afford child care, they're not accessing playgroups and so on.<sup>146</sup>

4.133 The committee acknowledges the work being undertaken by the Australian Government in this domain through the development of the whole-of-Commonwealth Early Years Strategy.<sup>147</sup> According to the Department of Social Services, the strategy will:

... improve coordination between Government programs, funding and frameworks impacting early childhood development. It will aim to maximise the outcomes of the Government's investment in the critical early years, which can have long-term impacts on reducing disadvantages in later life.<sup>148</sup>

### **Early intervention and place-based initiatives**

4.134 As outlined in the section above regarding the intergenerational impacts of child poverty, several submitters highlighted the importance of early intervention to help address child poverty and break the cycle of disadvantage.<sup>149</sup>

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<sup>145</sup> Dr Cassandra Goldie, Chief Executive Officer, ACOSS, *Committee Hansard*, 27 February 2023, p. 24.

<sup>146</sup> Mrs Kristen Manson, General Manager Community Development, Rural City of Murray Bridge, *Committee Hansard*, 13 December 2022, p. 13.

<sup>147</sup> Department of Education, *Early Years Strategy*, 7 December 2023, [www.education.gov.au/early-childhood/strategy-and-evaluation/early-years-strategy](http://www.education.gov.au/early-childhood/strategy-and-evaluation/early-years-strategy) (accessed 26 February 2024).

<sup>148</sup> Department of Social Services, *Submission 12*, p. 25.

<sup>149</sup> See, for example, Mrs Fiona Caniglia, Executive Director, Q Shelter, *Committee Hansard*, 6 December 2023, p. 72; Mrs Kristen Manson, General Manager Community Development, Rural City of Murray Bridge, *Committee Hansard*, 13 December 2022, p. 13; Centrecare, *Submission 14*, [p. 22]; Uniting Vic Tas, *Submission 34*, p. 9; The Hive, *Submission 112*, p. 6.

4.135 For example, the Paul Ramsay Foundation broadly observed that early intervention strategies across the domains of employment, education and justice and safety, and place-based programs are key tools at governments' disposal to break intergenerational cycles of disadvantage.<sup>150</sup>

4.136 Save the Children and 54 Reasons submitted that due to the 'extraordinary harm' that child poverty does to children, this is in itself ample reason why ending child poverty 'should be a social and policy priority of the highest order'.<sup>151</sup> However, it also highlighted the importance of early intervention and explained that ending child poverty, is key to ending all poverty, and breaking its intergenerational cycle:

Child poverty does lifelong harm, so focusing on child poverty can prevent future harm, including the harmful effects of adult poverty and the intergenerational transmission of poverty.

... Effectively addressing child poverty is a paradigm example of the benefits of early intervention in preventing future harm to individuals and to broader society.<sup>152</sup>

4.137 Some submitters also outlined the economic benefits of early intervention initiatives.<sup>153</sup> For example, the Australian Human Rights Commission called for investment in prevention and early intervention measures that address the underlying causes and cycles of poverty, stating that this a more effective and cost-efficient approach. It noted that Anne Hollands, now Australia's National Children's Commissioner, has previously stated:

Intervening early is not only more effective, it is also more cost efficient ... If we as a society fail to invest more in prevention and early action, we are signing a blank cheque for much higher costs to society in the future.<sup>154</sup>

4.138 Centrecare put forward a similar case for prevention and early intervention initiatives, particularly that focus on children's first 1000 days:

Adding to the case to focus on children is research that demonstrates that children are more vulnerable to adverse experiences in the first 1000 days and that significant adversity in the early years can have lifelong impacts. Also, preventative action or early intervention during these 1000 days is much more effective than intervening later in life. The money you invest at age zero gives you infinite returns. The money you invest at age 28, when

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<sup>150</sup> Paul Ramsay Foundation, *Submission 125*, pp. 1, 5.

<sup>151</sup> Save the Children and 54 Reasons, *Submission 133*, p. 12.

<sup>152</sup> Save the Children and 54 Reasons, *Submission 133*, p. 12

<sup>153</sup> See, for example, Children's Policy Centre, *Submission 38*, p. 4; Australian Human Rights Commission, *Submission 244*, p. 5; Uniting Vic Tas, *Submission 34*, p. 9. Citations omitted.

<sup>154</sup> Australian Human Rights Commission, *Submission 244*, p. 5. Citation omitted.

you've already got someone who is self-harming, homeless and unable to hold down a job, is very high cost, much smaller return.<sup>155</sup>

4.139 Centrecare specifically recommended the prioritisation of, and increased funding for, prevention and early intervention programs for educationally at-risk young children and their families, such as the federally funded Communities for Children program.<sup>156</sup>

4.140 Ms Jennifer Kirkaldy, General Manager of Policy and Advocacy at the Salvation Army also outlined the benefits of the Communities for Children program as having national reach, but localised solutions:

Communities for Children program ... [is] having some fantastic outcomes, not just for individuals who access the service but for their families, their connections and their whole community. So that combination of having a national infrastructure with that very locally focused solution is already showing some great outcomes and is a model that we could replicate with other services.<sup>157</sup>

4.141 The Centre for Community Child Health similarly recommended that the Australian Government prioritise the reduction of childhood poverty by implementing and committing to policies and programs that directly reduce the impact poverty for children and their families in the first 2000 days of life. It also suggested that Australia's existing universal early years services could be used to identify and connect families experiencing, or at risk of poverty, to financial wellbeing services.<sup>158</sup>

4.142 In the context of First Nations communities and children, VACCA called for governments to invest in 'Aboriginal-led, early help, family support and early intervention systems that support families in addressing the causes of poverty.' It specifically made the following recommendation:

VACCA recommends for the Federal Government to ... coordinate with all jurisdictions to invest in Aboriginal-led, early help, family support and early intervention systems that support families in addressing the causes of poverty and are aligned to the National Agreement on Closing the Gap.<sup>159</sup>

4.143 APONT similarly called for First Nations-led, prevention and early intervention supports to address the drivers of child protection experienced by these communities:

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<sup>155</sup> Centrecare, *Submission 14*, [p. 12]. Citation omitted.

<sup>156</sup> Centrecare, *Submission 14*, [p. 22].

<sup>157</sup> Ms Jennifer Kirkaldy, General Manager, Policy and Advocacy, The Salvation Army, *Committee Hansard*, 15 August 2023, p. 11.

<sup>158</sup> Centre for Community Child Health, *Submission 10*, pp. 3 and 7.

<sup>159</sup> VACCA, *Submission 81*, pp. 42 and 43.



To address the drivers of child protection requires transformative systemic change, grounded in the strengths of culture, and led by Aboriginal people. Governments must live up to their commitments in Closing the Gap, the National Framework for Protecting Australia's Children (2021–2031) and provide Aboriginal Community-Controlled Organisations with the resources and decision-making power to provide family preservation and reunification, and other prevention and early intervention supports for our families.<sup>160</sup>

4.144 Uniting Vic Tas highlighted that it is well evidenced that early intervention is most effective when combined with other interventions that seek to address the complex and interconnected issues that children and families living in poverty face.<sup>161</sup>

4.145 Finally, the Children's Policy Centre also agreed that investment to end child poverty, enhances adult outcomes across most aspects of life but it pointed out that recent research indicates that 'early investments are essential but not sufficient' noting that there are also opportunities to improve outcomes at later points in the life cycle, crucially in adolescence and middle childhood.<sup>162</sup>

4.146 Chapter 5 of this report includes further discussion on the importance of place-based initiatives.

### **Calls for an official measure and monitoring of child poverty**

4.147 Some inquiry participants called for an official measure of poverty for children and young people in Australia.<sup>163</sup> For example, Professor Sharon Bessell, Director of the Children's Policy Centre, considered that 'we need a child-centred way of defining and assessing child poverty, across all its dimensions'.<sup>164</sup>

4.148 The Commissioner for Children and Young People Western Australia considered that defining, outlining and agreeing on a means of measuring child poverty 'is a critical first step'. It expanded:

This measure should incorporate the different aspects of child poverty, such as access to income, material basics, healthcare, education and housing. In

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<sup>160</sup> APO NT, *Submission 118*, [pp. 20 and 21].

<sup>161</sup> Uniting Vic Tas, *Submission 34*, p. 9.

<sup>162</sup> Children's Policy Centre, *Submission 38*, p. 4. Citations omitted.

<sup>163</sup> See for example, Commissioner for Children and Young People Western Australia, *Submission 124*, pp. 2 and 3; Professor Sharon Bessell, Director, Children's Policy Centre, Crawford School of Public Policy, Australian National University, *Committee Hansard*, 15 August 2023, pp. 22 and 27.

<sup>164</sup> Professor Sharon Bessell, Director, Children's Policy Centre, Crawford School of Public Policy, Australian National University, *Committee Hansard*, 15 August 2023, p. 22.

addition, a child poverty measure should consider some of the systemic barriers that impede participation, learning and development.<sup>165</sup>

4.149 As discussed earlier in this chapter, the Melbourne Institute highlighted current difficulties in measuring the experiences of poverty for young people. It emphasised the need to measure and understand the causes of poverty for this group, as ‘the transition at the end of high school is critical in shaping one’s future’.<sup>166</sup>

4.150 The Centre for Community Child Health also called for child poverty to be measured and monitored. It argued that this would allow governments, services and programs to monitor the impact of policy decisions for reducing childhood poverty and adapt and respond accordingly, both now and for future generations.<sup>167</sup>

4.151 The Centre for Community Child Health also pointed out the particular need for improved data pertaining to child poverty experienced within diverse demographics and communities in Australia. It explained:

... there is a lack of information on the experience of childhood poverty to a range of demographic groups and communities. More reliable data would enable more precision policy responses to preventing childhood poverty and lift children out of poverty.<sup>168</sup>

4.152 The Committee for Economic Development of Australia proposed that the ‘greatest opportunity to get ahead of disadvantage right now is better using data, integrated data sets and data analytics to identify those most at risk of experiencing deep disadvantage’. It explained there are opportunities to bring together key data sets, such as from Medicare, the Australian Tax Office and the Australian Bureau of Statistics at the federal level, with state and territory data from the health, child protection and education systems.<sup>169</sup>

4.153 It suggested that linked administrative data could be used for a variety of research, policy and evaluation purposes and pointed out linked data provides information on pathways from childhood through to adulthood, ‘allowing the design and implementation of programs that disrupt disadvantage at critical points’.<sup>170</sup>

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<sup>165</sup> Commissioner for Children and Young People Western Australia, *Submission 124*, p. 3.

<sup>166</sup> The Melbourne Institute: Applied Economic & Social Research, *Submission 39*, p. 15.

<sup>167</sup> Centre for Community Child Health, *Submission 10*, p. 8.

<sup>168</sup> Centre for Community Child Health, *Submission 10*, p. 8.

<sup>169</sup> Committee for Economic Development of Australia, *Submission 114*, p. 3.

<sup>170</sup> Committee for Economic Development of Australia, *Submission 114*, p. 3.

4.154 The Australian Human Rights Commission emphasised that in order to understand and measure child poverty, ‘researchers and policy-makers need to include and consider children’s knowledge, experiences and priorities’.<sup>171</sup>

### **A national commitment to reduce child poverty**

4.155 Several inquiry participants called for a national commitment to reduce child poverty.<sup>172</sup> For example, Professor Sharon Bessell told the committee that ‘we need a political commitment from all sides of parliament to reduce child poverty in this very wealthy country’.<sup>173</sup>

4.156 Centrecare also argued that when governments commit to prioritising the reduction of poverty, then poverty can be reduced. It provided the following examples:

For example, in Australia, Hawke’s government reduced child poverty by 30% in three years. There are international examples too. Canada has a strategy to halve poverty by 2030 and it’s working. In 2022 the percentage of people living in poverty in Canada was 6.4%, down from 10.3% in 2019 and 14.5% in 2015. Similarly in New Zealand, a strong and clear commitment by the government to reduce child poverty is working with all child poverty measures trending downwards over the last three years.<sup>174</sup>

4.157 Several other inquiry participants also referred to former Prime Minister Bob Hawke’s 1987 commitment to end child poverty by 1990, and outlined the some of the successes that followed.<sup>175</sup>

4.158 For example, Professor Whiteford, Member of the Economic Inclusion Advisory Committee, noted that whilst there was a lot of criticism surrounding the Hawke government’s failure to achieve this pledge, he pointed out that in that period of late eighties-early nineties, the Hawke government reduced child poverty by more than any other OECD country.<sup>176</sup>

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<sup>171</sup> Australian Human Rights Commission, *Submission 244*, p. 25.

<sup>172</sup> See, for example, Families Australia, *Submission 88*, p. 2; Centre for Community Child Health, *Submission 10*, p. 8; Australian Human Rights Commission, *Submission 244*, p. 32; Professor Sharon Bessell, Director, Children’s Policy Centre, Crawford School of Public Policy, Australian National University, *Committee Hansard*, 15 August 2023, p. 22.

<sup>173</sup> Professor Sharon Bessell, Director, Children’s Policy Centre, Crawford School of Public Policy, Australian National University, *Committee Hansard*, 15 August 2023, p. 22.

<sup>174</sup> Centrecare, *Submission 6*, [p. 7]. Citations omitted.

<sup>175</sup> See, for example, Professor Philip Mendes, *Submission 3*, [p. 19]; Centrecare, *Submission 15*, [p. 3]; Professor Whiteford, Member, Economic Inclusion Advisory Committee, *Committee Hansard*, 31 October 2023, p. 41; Children’s Policy Centre, *Submission 38*, p. 5.

<sup>176</sup> Professor Whiteford, Member, Economic Inclusion Advisory Committee, *Committee Hansard*, 31 October 2023, p. 41.

4.159 The St Vincent de Paul Society National Council of Australia specifically recommended that a target to halve child poverty by 2030 should be set as a benchmark, along with appropriate policy and funding levels to enable the target to be reached. Finally, the Centre for Community Child Health noted that as a signatory to the United Nations Sustainable Development Goals, Australia has already committed to reduce by half, the proportion of children of all ages living in poverty.<sup>177</sup>

### **A national framework to reduce child poverty**

4.160 Inquiry participants proposed various versions of ‘national frameworks’ to reduce child poverty.<sup>178</sup>

4.161 One example, included the Centre for Community Child Health’s call for the Australian Government to commit to an ‘Australian Childhood Guarantee’. It envisaged that this guarantee ‘would ensure every child in Australia at risk of poverty has access to the most basic rights, prioritising Australia’s response to childhood poverty and reducing the intergenerational experience of poverty’. It pointed out that the European Commission is leading the way in this area, and explained how their model operates:

As part of the European Child Guarantee, member states have developed national action plans on how they will implement the child guarantee, including key targets and timelines, enabling countries to re-focus efforts to reduce child poverty and monitor progress.<sup>179</sup>

4.162 However, a key proposal that was suggested by several inquiry participants, was a Child Poverty Reduction Act.<sup>180</sup> Many referred to New Zealand’s recent introduction of its Child Poverty Reduction Act and called for a similar measure in Australia.<sup>181</sup>

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<sup>177</sup> St Vincent de Paul Society National Council of Australia, *Submission 27*, pp. 3 and 6; Centre for Community Child Health, *Submission 10*, p. 8.

<sup>178</sup> See, for example, Australian Human Rights Commission, *Submission 244*, p. 6; Centre for Community Child Health, *Submission 10*, p. 8; Ms Deb Tsorbaris, Chief Executive Officer, Centre for Excellence in Child and Family Welfare, *Committee Hansard*, 15 August 2023, p. 23.

<sup>179</sup> Centre for Community Child Health, *Submission 10*, p. 8.

<sup>180</sup> See, for example, United Nations Association Australia (Western Australia Division), *Submission 66*, [p. 4]; Australian Human Rights Commission, *Submission 244*, p. 6; Centrecare, *Submission 14*, [p. 23].

<sup>181</sup> See, for example, South Australian Commissioner for Children and Young People, *Submission 109*, p. 5; United Nations Association Australia (Western Australia Division), *Submission 66*, [p. 4]; Centrecare, *Submission 14*, [p. 23]; Australian Human Rights Commission, *Submission 244*, pp. 30 and 31; Commissioner for Children and Young People Western Australia, *Submission 124*, p. 3; Professor Sharon Bessell, Director, Children’s Policy Centre, Crawford School of Public Policy, Australian National University, *Committee Hansard*, 15 August 2023, p. 22.

4.163 The Australian Human Rights Commission explained that in 2018, New Zealand passed the *Child Poverty Reduction Act 2018 (NZ)*, that requires the government of the day to:

- set long-term (10 year) and intermediate (3 year) targets on a defined set of child poverty measures;
- report annually on the set of child poverty measures;
- report each Budget Day on how the Budget will reduce child poverty and how the government is progressing towards its targets; and
- report on child poverty related indicators.<sup>182</sup>

4.164 The Australian Human Rights Commission also highlighted New Zealand's early indicators of successes of this measure, with the latest figures for 2020–21 showing:

- rates on all nine income and material hardship measures that are specified in the *Child Poverty Reduction Act 2018 (NZ)* are trending downwards; and
- the NZ Government has achieved two out of three of the first three-year targets and made significant progress against the third target.<sup>183</sup>

4.165 It also noted that Australia's National Children's Commissioner has 'highlighted the need for a similar strong commitment in Australia' which includes 'clear actions, indicators and targets for reducing child poverty nationally'.<sup>184</sup>

4.166 Mr Tony Pietropiccolo AM, Director of Centrecare, considered that the New Zealand model is the best model currently operating to end child poverty and, therefore, all poverty.<sup>185</sup>

4.167 Dr Travers McLeod, Executive Director of the Brotherhood of St Laurence outlined his support for legislated poverty measures and pointed to New Zealand's success, including improved data and monitoring of child poverty. Dr McLeod also proposed that legislated measures would be 'a natural next step' for the government's Measuring What Matters framework:

... as a country, we should have legislated measures on poverty reduction and economic inclusion... New Zealand have done this very effectively with their four legislated measures for child poverty reduction and the indicators that they follow to support those measures. It's enabled not just a reduction in the first wave of reporting but a more sophisticated data and evaluation strategy so they can track how they're going as a country in reducing child

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<sup>182</sup> Australian Human Rights Commission, *Submission 244*, p. 31. Citation omitted.

<sup>183</sup> Australian Human Rights Commission, *Submission 244*, p. 32. Citation omitted.

<sup>184</sup> Australian Human Rights Commission, *Submission 244*, p. 32. Citation omitted.

<sup>185</sup> Mr Tony Pietropiccolo AM, Director, Centrecare, *Committee Hansard*, 15 August 2023, p. 16.

poverty. We think that's a natural next step from the Measuring what matters framework.<sup>186</sup>

### **Committee view**

4.168 The committee believes that all children and young people in Australia should have every opportunity to thrive. It is deeply concerned to hear about the devastating impacts that poverty can have across every aspect of children's lives, including their health, education, wellbeing and development, as well as on their family and social relationships and broader opportunities in life.

### **Recommendation 9**

**4.169 The committee recommends that all levels of government invest significantly to ensure that children, especially those from disadvantaged or vulnerable backgrounds, have access to high quality early education and care.**

4.170 The committee is particularly concerned about the layered and intersecting challenges faced by children and young people from First Nations communities, migrant and refugee communities, as well as children living with disability.

4.171 The committee understands that to address child poverty, the experience of children themselves must be at the centre of policies, rather than them being treated as an extension to adults. The committee also understands that addressing child poverty would result in major long-term reduction in rates of poverty overall, by breaking the intergenerational cycle that is seen far too often, and experienced by so many Australians.

### **Income support measures**

4.172 In addition to the broader calls for income support payments to be lifted as outlined in Chapter 2, the committee heard evidence that lifting the rates of income support payments would specifically help alleviate the effects of poverty on children and young people. Further, the committee understands that single-parent families are at greater risk of poverty and financial disadvantage, and notes that the overwhelming proportion of single-parent families are headed by women. It therefore reiterates Recommendation 1 of this report.

### ***Youth Allowance and student payments***

4.173 Submitters also highlighted particular concerns around the adequacy of income supports for young people, including the Youth Allowance, Austudy and ABSTUDY payments.

4.174 The committee notes that the rate of Youth Allowance is lower than Jobseeker. The committee also notes evidence from some submitters that cost of living is the same irrespective of age. The committee believes that like all Australians,

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<sup>186</sup> Dr Travers McLeod, Executive Director, Brotherhood of St Laurence, *Committee Hansard*, 15 August 2023, p. 5.

young people should have access to a level of income that allows them to meet their basic daily needs, obtain safe and affordable housing, and thrive in their education.

4.175 The committee understands that under current settings, young people are considered as 'dependent' until the age of 22. The committee heard concerns from several submitters that this deems a significant proportion of independent young Australian's aged 18 to 21 as ineligible for Youth Allowance, Austudy and ABSTUDY.

4.176 Therefore, the committee encourages the Australian Government to review the age of independence at which students can automatically access Youth Allowance, Austudy and ABSTUDY, alongside other features of the payment to ensure those most in need of support are able to access it.

### **Recommendation 10**

**4.177 The committee recommends the Australian Government review all student payments, giving consideration to the work of the University Accord panel.**

#### **Child support**

4.178 The committee was concerned to hear the range of issues regarding Australia's child support system that were raised by inquiry participants, including how these issues particularly impact single mothers and their children.

4.179 The committee understands that key child support system issues that need to be addressed include the adequacy of the current child support formula and rate; a lack of enforcement of unpaid child support payments; and that the current system does not appropriately meets the needs of women and children experiencing or escaping domestic and family violence.

### **Recommendation 11**

**4.180 The committee recommends the Australian Government conduct a review of Australia's child support scheme, which specifically considers:**

- **the adequacy of the current child support formula and rates;**
- **improving and increasing the enforcement of unpaid child support payments;**
- **ensuring the system adequately addresses the needs of victim-survivors of domestic and family violence; and**
- **improving the overall administration of the scheme.**

#### **Early intervention and place-based initiatives**

4.181 The committee heard compelling evidence regarding the effectiveness and wide-ranging benefits of early intervention, and place-based initiatives aimed at targeting and alleviating the impacts of child poverty in Australia.

- 4.182 Whilst place-based initiatives are discussed in more depth in Chapter 5, the committee notes here that it heard about the benefits of localised, place-based strategies and solutions to address child poverty and financial disadvantage in particular.
- 4.183 The committee agrees that investment in early intervention initiatives will not only assist in immediately addressing the impacts of poverty on Australian children, but that such initiatives are key to breaking the intergenerational cycle of poverty, and reducing the rates of poverty in the future.
- 4.184 The committee also understands that First Nations submitters broadly supported prevention and early intervention initiatives to support families, and the committee is acutely aware that such initiatives must be First Nations-led and aligned with the Government's existing commitments under the National Agreement on Closing the Gap.
- 4.185 Overall, the committee believes it is far more preferable to invest in, and address the impacts of poverty when people are young, before living in poverty becomes entrenched into their adulthood and across generations. Similarly, the committee agrees that prevention and early intervention measures are also more cost-efficient, and can result in significant savings in terms of broader economic and social costs going into the future. The committee also recognises the specific benefits associated with access to early education and care and the potential for enhanced educational outcomes for children experiencing poverty.
- 4.186 The committee acknowledges the \$199.8 million dollar investment the government made in the Targeting Entrenched Disadvantage Package. This focuses on place-based community led initiatives, including the establishment of the Investment Dialogue for Australia's Children that will support co-investment in early years initiatives in communities and in partnership with First Nations peoples. The committee considers that ongoing investment in programs such as these, is essential going forward.

### **Recommendation 12**

- 4.187 The committee recommends the Australian Government continue to invest, and consider increasing investment, in early intervention and place-based initiatives to address child poverty. Any initiatives aimed at supporting First Nations families and children must be led by and co-designed with First Nations people, and support existing commitments under the National Agreement on Closing the Gap.**

### **An official measure of child poverty**

- 4.188 The committee notes that there is not an agreed definition of child poverty in Australia. The committee recognises the evidence received of the value of measuring child poverty that would help governments, policy makers and the



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public alike, to better understand and address the wide-ranging aspects of and impacts of child poverty.

#### **A national commitment and legislated framework to reduce child poverty**

- 4.189 The committee received a substantive amount of evidence which strongly advocated for a national commitment, and a legislated national framework to reduce child poverty.
- 4.190 The committee agrees that further action is required to send a strong and clear message that reducing child poverty is a social and political priority, and that child poverty is not acceptable in a country like Australia.
- 4.191 The committee also notes and agrees with numerous inquiry participants, that a national legislative framework such as the model adopted by New Zealand in 2018, was key to driving down the rates and impacts of child poverty in New Zealand and may warrant further consideration in Australia.
- 4.192 The case for a broader national poverty reduction framework is discussed in the final chapter of this report. The committee is of the view that this framework should contain explicit definitions, targets and measures relating to child poverty.

#### **Recommendation 13**

- 4.193 **The committee recommends the Australian Government takes action to reduce child poverty.**



# Chapter 5

## Policy mechanisms to reduce poverty

Poverty is a policy decision, not an inevitable fact of life. What happens to individuals and families who have little power is directly related to the decisions of government and politicians, who have much. Inequality... is effectively set at the level the government of the day is content with.<sup>1</sup>

5.1 This chapter explores the evidence received on a range of existing policy mechanisms and proposed new policies to address rates of poverty and reduce disadvantage.

### National policy mechanisms

5.2 This section first covers current initiatives and policy mechanisms aimed at addressing disadvantage. It also outlines proposals from submitters, which would embed in national policy targets and measures to address and eradicate poverty.

### Economic Inclusion Advisory Committee (EIAC)

5.3 The Interim Economic Inclusion Advisory Committee (EIAC) was announced and established in November 2022 to 'provide non-binding written advice on economic inclusion, including policy settings, systems and structures, and the adequacy, effectiveness, and sustainability of income support payments ahead of every Budget'.<sup>2</sup>

5.4 While legislation has been introduced into Parliament to formally establish the EIAC at the time of this writing,<sup>3</sup> an Interim EIAC provided an initial report in April 2023 to inform the 2023–24 Budget. It made 37 recommendations across the following five themes:

- improving the adequacy of income support and rent assistance;
- supporting more Australians to participate in the economy through commitment to a broader full employment objective;
- addressing disadvantage in the places it is concentrated;
- removing barriers to economic inclusion for families with children; and

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<sup>1</sup> Anglicare Southern Queensland, *Submission 30*, p. 2.

<sup>2</sup> Interim Economic Inclusion Advisory Committee, [2023–24 Report to the Australian Government](#), April 2023, p. 90.

<sup>3</sup> Economic Inclusion Advisory Committee Bill 2023, *First Reading*, 19 October 2023.

- proposing legislated measures on economic inclusion and poverty reduction.<sup>4</sup>
- 5.5 In making these recommendations, the Interim EIAC explained that it focussed on the needs of people on JobSeeker, Youth Allowance, and related working age payments because they are ‘the largest number of Australians experiencing poverty and disadvantage today’.<sup>5</sup>
- 5.6 At a public hearing in Canberra, Professor Peter Whiteford, a member of the Interim EIAC, explained that:
- ... [EIAC’s work] on the adequacy of social security payments is essentially extremely similar to the same sorts of questions and issues and research that you have to do to look at poverty, because, while there are some distinctions to be made between what makes a social security payment adequate and what constitutes a poverty line, the issues are extremely similar.<sup>6</sup>
- 5.7 Inquiry participants expressed support for the work and recommendations made by the Interim EIAC.<sup>7</sup> For example, Ms Jennifer Kirkaldy from the Salvation Army considered the EIAC has ‘a good mandate’ and that it would ‘move us closer to being able to both measure and actually have some accountability about addressing poverty’.<sup>8</sup> Ms Kirkaldy added that there should be a Minister and a commitment to eradicate poverty.<sup>9</sup>
- 5.8 Similarly, Dr Cassandra Goldie from the Australian Council for Social Service (ACOSS) ‘warmly welcomed the establishment of the Interim EIAC’ and expressed their vision that it would:
- provide independent, transparent, and expert advice to governments and to the public about how to secure the adequacies of incomes for people who have been seriously left behind.<sup>10</sup>

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<sup>4</sup> Interim Economic Inclusion Advisory Committee, *2023–24 Report to the Australian Government*, April 2023, p. 4.

<sup>5</sup> Interim Economic Inclusion Advisory Committee, *2023–24 Report to the Australian Government*, April 2023, p. 4.

<sup>6</sup> Professor Peter Whiteford, Member, Interim Economic Inclusion Advisory Committee, *Committee Hansard*, 31 October 2023, p. 40.

<sup>7</sup> See, for example, Central Land Council, *Submission 119*, p. 13; Mr Tony Pietropiccolo AM, Director, Centrecare, *Committee Hansard*, 15 August 2023, pp. 15-16; and Professor Sharon Bessell, Director Children’s Policy Centre, Crawford School of Public Policy, Australian National University, *Committee Hansard*, 15 August 2023, p. 24.

<sup>8</sup> Ms Jennifer Kirkaldy, General Manager, Policy and Advocacy, The Salvation Army, *Committee Hansard*, 15 August 2023, p. 6.

<sup>9</sup> Ms Jennifer Kirkaldy, General Manager, Policy and Advocacy, The Salvation Army, *Committee Hansard*, 15 August 2023, p. 5.

<sup>10</sup> Dr Cassandra Goldie, Chief Executive Officer, Australian Council of Social Service (ACOSS), *Committee Hansard*, 10 November 2023, p. 8.

- 5.9 Centrecare stated they were pleased to see EIAC's work focused on exploring legislated measures and 'formalising the role of the Treasury portfolio in leading economic inclusion and poverty reduction'.<sup>11</sup> They also strongly agreed with the Interim EIAC's recommendations for the Australian Government to adopt a multi-dimensional poverty index, and to use the Measuring What Matters framework and Intergenerational Report to highlight and track disadvantage.<sup>12</sup>
- 5.10 The Central Land Council were supportive of the establishment of the EIAC and urged it to focus on 'improving the economic inclusion of Aboriginal and Torres Strait Islander people in remote Australia'.<sup>13</sup>
- 5.11 On 23 November 2023, the Community Affairs Legislation Committee completed its inquiry into the legislation for the EIAC. Most submitters provided a number of recommendations to strengthen the bill, including the inclusion of an explicit reference to ending poverty within the EIAC's remit.<sup>14</sup>

### **Measuring What Matters wellbeing framework**

- 5.12 As part of the 2023–24 Budget, the Treasurer released the government's wellbeing framework called Measuring What Matters (MWM) and its first statement outlining indicators of Australia's wellbeing that complement traditional economic metrics.
- 5.13 Although there are no poverty indicators contained in the MWM, the statement includes five wellbeing themes: healthy, secure, sustainable, cohesive, and prosperous. There are also 'cross-cutting' dimensions of inclusion, equity, and fairness, reflecting the need to ensure that wellbeing outcomes are 'fairly shared amongst the population'.<sup>15</sup>
- 5.14 Underneath the headline themes, there are 50 key indicators across different categories that cover wellbeing. Some examples of categories and indicators that could be relevant to poverty are:
- Having financial security and access to housing – including indicators such as: making ends meet, homelessness, and housing serviceability;

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<sup>11</sup> Mr Tony Pietropiccolo AM, Director, Centrecare, *Committee Hansard*, 15 August 2023, p. 15.

<sup>12</sup> Mr Tony Pietropiccolo AM, Director, Centrecare, *Committee Hansard*, 15 August 2023, p. 15.

<sup>13</sup> Central Land Council, *Submission 119*, p. 22.

<sup>14</sup> Senate Community Affairs Legislation Committee, *Economic Inclusion Advisory Bill 2023 [Provisions] Report*, 22 November 2023. A full copy of the committee's report is available at: [www.aph.gov.au/Parliamentary\\_Business/Committees/Senate/Community\\_Affairs/EconomicInclusion/Report](http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Community_Affairs/EconomicInclusion/Report).

<sup>15</sup> Treasury, *Measuring what matters*, <https://treasury.gov.au/policy-topics/measuring-what-matters> (accessed 2 November 2023).

- Broad opportunities for employment and well-paid, secure jobs – including indicators such as: job opportunities, broadening access to work, and secure jobs;
- Equitable access to quality health and care services including indicators such as: access to health services, and access to care and support services; and
- Access to education, skills development and learning throughout life – including indicators such as: childhood development, literacy and numeracy skills at school, and skills development.<sup>16</sup>

5.15 Submitters and witnesses noted the potential to embed poverty measures and targets in the MWM framework.<sup>17</sup>

5.16 For example, the Brotherhood of St Laurence said the new framework is an ‘enormously positive step’ and advocated for poverty measures to be added to the framework.<sup>18</sup> Brotherhood of St Laurence submitted that the framework should adopt a multi-dimensional approach to poverty reduction including consideration of economic equity, a suitable poverty index, and systems that ‘constrain people’s capability to save money and avoid debt’.<sup>19</sup> Brotherhood of St Laurence also argued that the EIAC could:

be responsible for working with DSS and Treasury to develop measures for poverty reduction that align with the Measuring What Matters framework and that the Treasurer be the responsible minister for setting targets and reporting against these measures.<sup>20</sup>

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<sup>16</sup> Treasury, *Measuring what matters*, <https://treasury.gov.au/policy-topics/measuring-what-matters> (accessed 2 November 2023).

<sup>17</sup> See, for example, Dr Cassandra Goldie, Chief Executive Officer, ACOSS, *Committee Hansard*, 27 February 2023, p. 21; Ms Taryn Harvey, Chief Executive Officer, Western Australian Association for Mental Health, *Committee Hansard*, 15 August 2023, p. 21; Ms Cara Nolan, Senior Advisor, Brotherhood of St Laurence, *Committee Hansard*, 10 November 2023, p. 8.

<sup>18</sup> Dr Travers McLeod, Executive Director, Brotherhood of St Laurence, *Committee Hansard*, 15 August 2023, p. 5.

<sup>19</sup> Brotherhood of St Laurence, *Submission 21*, pp. 3, 14.

<sup>20</sup> Ms Cara Nolan, Senior Advisor, Brotherhood of St Laurence, *Committee Hansard*, 10 November 2023, p. 8.

- 5.17 Other witnesses supported the inclusion of poverty measures in the wellbeing framework<sup>21</sup> and recommended it to include overall poverty and distributional measures.<sup>22</sup>
- 5.18 Conversely, Professor Sharon Bessell from the Children’s Policy Centre said there are ‘some gaps around children broadly’, and contended that with:
- wellbeing frameworks we need to be very careful that we don't end with an upward, middle-class or better-off gaze and that we ensure that those wellbeing approaches are supporting all Australians. That means thinking about poverty as the scaffold.<sup>23</sup>
- 5.19 The committee heard from Treasury that this is ‘only the first iteration’ and there would be further consultation with interest groups for further versions of the wellbeing statement.<sup>24</sup>
- 5.20 Ms Kristy Baker, Assistant Secretary, Social Policy Division at Treasury also advised that they have been liaising with the Interim EIAC on the wellbeing framework, including how its indicators and metrics relate to poverty and how to ‘shine light on the areas of poverty that can really inform policy development going forward’.<sup>25</sup>

### Setting targets to end poverty

- 5.21 Submitters told the committee that legislating and setting up objectives and targets were important and recommended the Australian Government set explicit targets and measures to reduce poverty.<sup>26</sup>

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<sup>21</sup> See, for example, Professor Peter Whiteford, Member, Interim Economic Inclusion Advisory Committee, *Committee Hansard*, 31 October 2023, p. 42; Centre for Community Child Health, *Submission 10*, pp. 8 and 9; Dr Cassandra Goldie, Chief Executive Officer, ACOSS, *Committee Hansard*, 27 February 2023, p. 21; Professor A. Abigail Payne, Director, The Melbourne Institute: Applied Economic & Social Research, *Committee Hansard*, 31 October 2023, p. 37; and Professor Kylie Valentine, Director, Social Policy Research Centre, University of NSW, *Committee Hansard*, 31 October 2023, p. 37.

<sup>22</sup> ACOSS, *Submission 21*, pp. 2 and 3.

<sup>23</sup> Professor Sharon Bessell, Director, Children's Policy Centre, Crawford School of Public Policy, Australian National University, *Committee Hansard*, 15 August 2023, p. 26.

<sup>24</sup> Ms Khanh Hoang, Assistant Secretary, Department of the Treasury, *Committee Hansard*, 15 August 2023, p. 64.

<sup>25</sup> Ms Kristy Baker, Assistant Secretary, Social Policy Division, Department of the Treasury, *Committee Community Affairs Legislation Committee Hansard*, 10 November 2023, pp. 17 and 18.

<sup>26</sup> See, for example, Professor Peter Whiteford, Member, Interim Economic Inclusion Advisory Committee, *Committee Hansard*, 31 October 2023, p. 41; Dr Travers McLeod, Executive Director, Brotherhood of St Laurence, *Committee Hansard*, 15 August 2023, p. 2; Save the Children and 54 Reasons, *Submission 133*, pp. 21 and 22; Committee for Economic Development of Australia, *Submission 115*, p. 6; St Vincent de Paul’s Society, *Submission 27*, p. 3; Australian Human Rights Commission, *Submission 244*, pp. 13 and 14.

5.22 For example, at a public hearing in Canberra, Professor Whiteford stressed the importance of setting targets to achieve progress and change:

If you want to hit a target, you have to know what the target is. So you have to have an objective. [...] in the past there was a lot of criticism of the Hawke government promising to end child poverty by 1990 because, of course, they didn't. But, in fact, in that period of the late eighties-early nineties, that government reduced child poverty by more than any other OECD country through the initiatives that they had in increasing family payments, in particular.<sup>27</sup>

5.23 Further, Professor Whiteford stated:

I think to make progress you have to have an objective and a target, and it has to be something concrete; it can't just be an aspiration of 'we'll make things better', because we want to measure progress against a target.<sup>28</sup>

5.24 Save the Children and 54 Reasons supported 'legislated targets to end child poverty', suggesting targets should be 'supported with clear accountability and reporting arrangements including through the annual budget process'.<sup>29</sup> They go on to express the view that targets would align with global consensus on what is needed to achieve real change in poverty, citing the Sustainable Development Goal (SDG) 1 requiring a 'national target for each country'.<sup>30</sup>

5.25 Similarly, the Committee for Economic Development of Australia (CEDA) considered setting targets is a good way to reaffirm Australia's commitment to meeting the SDGs and highlighted Australia's current lack of 'intermediate targets, milestones, reform actions, or reporting framework'.<sup>31</sup>

5.26 As outlined in Chapter 4, some submitters recommended passing legislation to set objectives, citing, for example, setting the objective to halve child poverty by 2030 with measurable targets and actions.<sup>32</sup>

5.27 For example, Mr Tony Pietropiccolo AM from Centrecare gave an example of New Zealand's *Child Poverty Reduction Act 2018*, which provides a long-term legislative basis and commitment to ending poverty. It includes four primary and six supplementary measures for addressing child poverty and requires the

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<sup>27</sup> Professor Peter Whiteford, Member, Interim Economic Inclusion Advisory Committee, *Committee Hansard*, 31 October 2023, p. 41.

<sup>28</sup> Professor Peter Whiteford, Member, Interim Economic Inclusion Advisory Committee, *Committee Hansard*, 31 October 2023, p. 41.

<sup>29</sup> Save the Children and 54 Reasons, *Submission 133*, pp. 21 and 22

<sup>30</sup> Save the Children and 54 Reasons, *Submission 133*, pp. 21 and 22

<sup>31</sup> Committee for Economic Development Australia, *Submission 115*, p. 6.

<sup>32</sup> See, for example, Anti-Poverty Week, *Submission 17*, p. 1; Commissioner for Children and Young People SA, *Submission 109*, p. 2; Commissioner for Children and Young People WA, *Submission 109*, p. 3; and Families Australia, *Submission 88*, p. 6.



relevant minister to set three- and ten-year targets for each measure and to report annually to New Zealand Parliament. This also provides a mechanism to prioritise poverty reduction in annual budget processes.<sup>33</sup>

5.28 At a public hearing in Canberra, Mr Pietropiccolo stated that the legislative approach:

... sent a strong message to the community to take child poverty seriously. The New Zealand model, in our view, is the best model currently operating to end child poverty and, therefore, all poverty.<sup>34</sup>

5.29 Similarly, Anti-Poverty Week urged 'all parliamentarians to pass legislation to halve child poverty by 2030, with measurable targets and actions to achieve this goal', citing the success of the New Zealand legislation. Referencing New Zealand's experience, Anti-Poverty Week stated that:

The Bill was passed in December 2019 with overwhelming support across the Parliament... Child poverty advocates say it was one of the major achievements – enshrining and to a great extent depoliticising - action to reduce child poverty.<sup>35</sup>

5.30 Anti-Poverty Week highlighted how legislation provides permanency for the poverty reduction targets and that a new government 'would need to repeal legislation to undo this commitment.'<sup>36</sup>

5.31 In support of this, the Commissioner for Children and Young People SA also supported the legislative approach and highlighted the success of New Zealand's legislation in driving a range of policies across affordable housing, child support payments, and other social programs to achieve its poverty reduction targets.<sup>37</sup>

5.32 Inquiry participants recommended various other overarching policy mechanisms, such as a national anti-poverty strategy addressing all portfolio areas and setting targets<sup>38</sup> or a 'National Poverty Commission' tasked with strategy development, research, and advice.<sup>39</sup>

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<sup>33</sup> Mr Tony Pietropiccolo AM, Director Centrecare, *Committee Hansard*, 15 August 2023, p. 16.

<sup>34</sup> Mr Tony Pietropiccolo AM, Director Centrecare, *Committee Hansard*, 15 August 2023, p. 16.

<sup>35</sup> Anti-Poverty Week, *Submission 17*, p. 3.

<sup>36</sup> Anti-Poverty Week, *Submission 17*, pp. 1 and 3.

<sup>37</sup> Commissioner for Children and Young People SA, *Submission 109*, pp. 5 and 6.

<sup>38</sup> See, for example, Australian Human Rights Commission, *Submission 244*, p. 6; National Council of Churches in Australia, *Submission 104*, p. 5.

<sup>39</sup> Per Capita, *Submission 131*, p. 7.

### *Mechanisms to report on progress*

- 5.33 Submitters stressed the importance of having mechanisms to track poverty and measure progress against any poverty reduction goals, including reporting requirements, responsibilities and accountabilities within the Australian Government, and links to other policy work that could help set the scene to guide action on poverty reduction.<sup>40</sup>
- 5.34 For example, CEDA submitted on the importance of the reporting and evaluation framework and suggested tracking of not only overall poverty rates but also ‘rates of poverty for by cohort, age, and location’. They argued this would ‘guide better policy and hold decision makers to account’.<sup>41</sup>
- 5.35 The Salvation Army recommended the Australian Government should demonstrate its commitment to ending poverty by ‘establishing a clear body or Cabinet position with accountability for progress toward ending poverty’.<sup>42</sup> In a similar vein, Centrecare supported ‘formalising the role of the Treasury portfolio in leading economic inclusion and poverty reduction’.<sup>43</sup>
- 5.36 Centrecare also highlighted the importance of linking reporting on progress with other policy mechanisms, including their support for the EIAC’s recommendation for:
- an expansion of the Intergenerational Report to include forecasting, benchmarking, tracking and modelling of savings from the alleviation of disadvantage, with a specific focus on outcomes in places of persistent disadvantage.<sup>44</sup>
- 5.37 The Salvation Army also referenced other mechanisms, recommending the Productivity Commission should be instructed to provide a ‘report on the economic cost of poverty and the likely benefits that would accrue in Australia if disadvantage and financial hardship were addressed’.<sup>45</sup> This would then

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<sup>40</sup> See, for example, Committee for Economic Development of Australia, *Submission 115*, p. 6; The Salvation Army, *Submission 20*, p. 7 and *Answer to Question on Notice*, provided on 10 November 2023; and Mr Tony Pietropiccolo AM, Director, Centrecare, *Committee Hansard*, 15 August 2023, p. 15.

<sup>41</sup> Committee for Economic Development of Australia, *Submission 115*, p. 6.

<sup>42</sup> The Salvation Army, *Submission 20*, p. 7 and *Answer to Question on Notice*, provided on 10 November 2023.

<sup>43</sup> Mr Tony Pietropiccolo AM, Director, Centrecare, *Committee Hansard*, 15 August 2023, p. 15.

<sup>44</sup> Mr Tony Pietropiccolo AM, Director, Centrecare, *Committee Hansard*, 15 August 2023, p. 15. Note: The Intergenerational Report is released once every five years and projects the outlook of the economy for a 40-year period, including key drivers of economic growth and future forces such as ageing population, climate change, technology demand for services, and geopolitical risks.

<sup>45</sup> The Salvation Army, *Submission 20*, p. 7.

represent a business case and a ‘blueprint for all governments and stakeholders to work together’ on poverty reduction.<sup>46</sup>

### Definition of poverty

5.38 As outlined in the committee’s interim report, a significant number of submitters to the inquiry recommended the Australian Government adopt a nationally agreed definition of poverty to measure poverty levels and track progress in reducing poverty over time.<sup>47</sup>

5.39 Organisations such as the ACOSS and University of NSW Partnership, the Melbourne Institute, and Per Capita supported a national definition that would allow the Australian Government to consider policy choices and funding allocations to tackle poverty.<sup>48</sup>

5.40 Anglicare Southern Queensland suggested a definition was necessary as currently ‘there is no definitive way to determine the scale of the problem, or the progress made (or not) in addressing it’.<sup>49</sup>

5.41 In support of this, Professor Whiteford from the Interim EIAC explained how their work in considering the adequacy of income support payments necessarily included a comparison of commonly used relative poverty measures across high-income countries.<sup>50</sup>

5.42 Agreeing with the need for a definition of poverty, Professor A. Abigail Payne from the Melbourne Institute also argued that:

it’s important because it’s important for us to have some comparability to be able to measure over time to identify opportunities, to identify deficits and to recognise successes.<sup>51</sup>

5.43 However, there were different views on what the precise definition should be.<sup>52</sup> For example, the Melbourne Institute highlighted the longstanding use of the Henderson poverty line and the useful ability to compare internationally using

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<sup>46</sup> The Salvation Army, *Submission 20*, p. 7.

<sup>47</sup> Senate Community Affairs References Committee, *The extent and nature of poverty in Australia: Interim Report*, May 2023, pp. 8–14.

<sup>48</sup> See, for example, Australian Council of Social Service & University of New South Wales Poverty and Inequality Partnership, *Submission 22*, p. 3; Per Capita, *Submission 131*, p. 7; The Melbourne Institute: Applied Economic & Social Research, *Submission 39*, p. 1.

<sup>49</sup> Anglicare Southern Queensland, *Submission 30*, pp. 3 and 4.

<sup>50</sup> Professor Peter Whiteford, Member, Interim Economic Inclusion Advisory Committee, *Committee Hansard*, 31 October 2023, p. 41.

<sup>51</sup> Professor A. Abigail Payne, Director, The Melbourne Institute: Applied Economic & Social Research, *Committee Hansard*, 31 October 2023, p. 36.

<sup>52</sup> Senate Community Affairs References Committee, *The extent and nature of poverty in Australia: Interim Report*, May 2023, pp. 8–14.

a 50 per cent of median income measure. They advocated for an adoption of an 'easily measured definition of poverty for Australia', and that they should be calculated at a sub-national level to allow for benchmarking in areas of concern.<sup>53</sup>

- 5.44 Other submitters highlighted the limitations of certain definitions, including how income-based measures did not consider the importance of wealth<sup>54</sup> and how a multi-dimensional approach to defining poverty was preferred.<sup>55</sup> The Department of Social Services outlined that '[p]overty is a multifaceted issue, and there is no single measure that can summarise every dimension of poverty and disadvantage'.<sup>56</sup> Further, the Department emphasised that:

... a range of indicators can be used to assess poverty and disadvantage. The various approaches to poverty measurements, as well as the data used, tend to give different answers about the extent of poverty, and even who suffers from poverty in Australia. This information is valuable as it facilitates seeing a more holistic picture of the incidence and the extent of poverty from a range of perspectives that cannot be encapsulated in a single statistic. Acknowledging the complexity of poverty and disadvantage, the Government uses a range of metrics and indicators and does not consider any single indicator in isolation.<sup>57</sup>

- 5.45 Discussion around the case for a specific definition of child poverty is canvassed in Chapter 4 of this report.

### **Policy interventions and programs**

- 5.46 This section looks at policy initiatives and programs in key areas that can influence poverty rates, including income support payments, housing, education, and employment services.
- 5.47 Chapter 2 discussed the role of income support payments and recommendations for the Australian Government to increase these payments to reduce poverty rates in Australia. Chapters 3 and 4 covered interventions specific to First Nations people and communities and child poverty respectively. Chapter 4 also captured initiatives and programs related to education.

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<sup>53</sup> The Melbourne Institute: Applied Economic & Social Research, *Submission 39*, p. 1.

<sup>54</sup> Professor Roger Wilkins, Private capacity, *Committee Hansard*, 27 February 2023, p. 30.

<sup>55</sup> Brotherhood of St Laurence, *Submission 21*, pp. 5 and 6.

<sup>56</sup> Department of Social Services, *Submission 12*, p. 43.

<sup>57</sup> Department of Social Services, *Submission 12*, p. 43.

## Health

- 5.48 The committee's interim report described the impacts of poverty on physical health and mental health.<sup>58</sup> For example, submitters outlined the negative health impacts associated with poverty, including high suicide rates<sup>59</sup> and impacts on growth and development such as poor brain growth and increased risk of mental illness and chronic disease.<sup>60</sup> Further, other submitters outlined that poverty leads to poor physical and mental health outcomes and, as such, contended that poor health and mental illness can increase one's susceptibility to experiencing poverty.<sup>61</sup>
- 5.49 There were calls to increase affordable healthcare support such as general practice bulkbilling incentives and reducing out of pocket costs, additional subsidies for those dependent on medication (such as expanding the Pharmaceutical Benefits Scheme), dental care, multidisciplinary clinics and services, and accessible primary healthcare for those on low incomes regardless of location.<sup>62</sup>
- 5.50 For example, Cohealth advocated for increased investment in health and social support services that provide care for people experiencing disadvantage, submitting that:

Many of the services and supports that people need to stay healthy and well are too expensive for people who experience poverty. Too many people are unable to access bulk billing GPs, dental care is unaffordable and public specialist care can have long wait times. We need to ensure people can access the health and social support services they need to keep them well. Our health system needs to prioritise the needs of people who experience disadvantage, and greater investment is needed in the primary health services that provide the integrated, wrap around care they need.<sup>63</sup>

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<sup>58</sup> Senate Community Affairs References Committee, *The extent and nature of poverty in Australia: Interim Report*, May 2023, pp. 24–30.

<sup>59</sup> Lifeline Australia, *Submission 2*, pp. 3 and 13.

<sup>60</sup> See, for example, Centre for Community Child Health, *Submission 10*, p. 2; Cancer Council Australia, *Submission 58*, p. 4.

<sup>61</sup> See, for example, Cohealth, *Submission 28*, p. 8; Royal Australian College of General Practitioners, *Submission 93*, [p. 3].

<sup>62</sup> See, for example, Cohealth, *Submission 28*, pp. 15 and 16; Royal Australian and New Zealand College of Psychiatrists, *Submission 91*, p. 9; Royal Australian College of General Practitioners, *Submission 93*, p. [5]; Australian College of Nursing, *Submission 92*, p. 4; Consumer Health Forum of Australia, *Submission 105*, pp. 11, 14; Australian Lawyers for Human Rights, *Submission 107*, p. 23; Victorian Aboriginal Controlled Community Organisation (VACCHO), *Submission 116*, p. 8; Public Health Association of Australia, *Submission 144*, p. 12; Ozharvest, *Submission 5*, p. 3; Foodbank, *Submission 6*, p. 27; Australian Human Rights Commission, *Submission 244*, p. 6; and Combined Pensioners and Superannuants Association, *Submission 85*, pp. 14–16.

<sup>63</sup> Cohealth, *Submission 28*, pp. 15 and 16.

- 5.51 Others argued for increased support for mental health services (including bulkbilling incentives) and greater coordination and awareness across government of the impacts of socioeconomic hardship on mental distress, suicidal behaviour, and self-harm.<sup>64</sup> For example, Lifeline Australia recommended a 'suicide prevention decision-making tool to embed suicide prevention into targeted initiatives, service planning, design, implementation and evaluation across sectors and government portfolios'.<sup>65</sup>
- 5.52 Similarly, Orygen, a youth mental health organisation, submitted that:
- Investment in youth mental health services may address and reduce poverty through early intervention, connection to broader services and the provision of vocational support. Given the association between poverty and mental ill-health, links between youth mental health services and social services are a critical support mechanism. The development and maintenance of relationships between services provide referral pathways that connect young people to the services they need.<sup>66</sup>
- 5.53 There were also calls for greater support for those in financial distress including for specialised health services and community-based financial literacy and counselling services.<sup>67</sup>
- 5.54 The Centre for Community Child Health viewed an increase in income support payments as a preventative investment strategy in children's health and development.<sup>68</sup> They also recommend targeting financial wellbeing services using early years health services, such as antenatal care, child and family health nursing, early childhood education and care.<sup>69</sup>

## Housing

- 5.55 The committee's interim report detailed the strong link between housing policy and poverty, including the experiences of homelessness, housing insecurity, and housing unaffordability.<sup>70</sup>

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<sup>64</sup> See, for example, Orygen, *Submission 78*, p. 4; Royal Australian and New Zealand College of Psychiatrists, *Submission 91*, p. 9; and Lifeline Australia, *Submission 2*, pp. 16 and 17.

<sup>65</sup> Lifeline Australia, *Submission 2*, pp. 16 and 17.

<sup>66</sup> Orygen, *Submission 78*, p. 4.

<sup>67</sup> See, for example, Australian College of Nursing, *Submission 82*, p. 7; Royal Australian College of General Practitioners, *Submission 93*, p. [4]; Western Australian Association for Mental Health, *Submission 129*, pp. 27 and 28; and Financial Counselling Australia, *Submission 31*, p. 7.

<sup>68</sup> Centre for Community Child Health, *Submission 10*, pp. 7–9.

<sup>69</sup> Centre for Community Child Health, *Submission 10*, pp. 7–9.

<sup>70</sup> Senate Community Affairs References Committee, *The extent and nature of poverty in Australia: Interim Report*, May 2023, pp. 21–24.

- 5.56 Submitters called for a national housing and homelessness strategy and measures to address the shortfall in supply of social and affordable housing.<sup>71</sup> For example, ACOSS and the University of NSW partnership recommended:
- ... sustained, increased investment in social and affordable housing over the long term, including in deeply subsidized housing as well as appropriately targeted affordable housing programs, to boost affordable and social housing stock and reduce housing costs for people on low incomes.<sup>72</sup>
- 5.57 Some submitters specifically recommended a 25 000 dwelling per year housing package to reduce homelessness.<sup>73</sup> ACOSS also recommended a new affordable rental investment scheme, boosting First Nations community housing stock, and partnerships with the states and territories on social and affordable housing targets.<sup>74</sup> St Vincent de Paul Society called for more private market incentives<sup>75</sup> while the Antipoverty Centre recommended taking measures to return housing to its primary purpose of providing shelter rather than wealth creation.<sup>76</sup>
- 5.58 Submitters recommended a focus on homelessness services where an immediate boost to funding specialist services is needed to acknowledge the interconnections between poverty, homelessness, incarceration, and family violence.<sup>77</sup> For example, Uniting Victoria and Tasmania recommended Commonwealth and state and territory governments should partner to construct purpose-built crisis accommodation to address underlying issues for those experiencing homelessness, such as links to mental health treatments, alcohol and other drugs treatments, financial counselling, medical care, and employment and legal services.<sup>78</sup>

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<sup>71</sup> See, for example, Brotherhood of St Laurence, *Submission 21*, p. 3; The Salvation Army, *Submission 20*, p. 7; Consortium of Neighbourhood Centres, *Submission 24*, p. 2; Anglicare, *Submission 7*, p. 13; Multicultural Youth Advocacy Network Australia, *Submission 69*, p. 16; Westjustice, *Submission 74*, [p. 7]; Centre for Excellence in Child and Family Welfare, *Submission 86*, p. 7; Committee for Economic Development of Australia, *Submission 115*, p. 8; Australian Human Rights Commission, *Submission 244*, p. 6; and Centrecare, *Submission 15*, p. [21].

<sup>72</sup> See, for example, Australian Council of Social Service and University of NSW partnership, *Submission 22*, p. 3 and Financial Counselling Australia, *Submission 31*, p. 7.

<sup>73</sup> See, for example, Australian Council of Social Service and University of NSW partnership, *Submission 22*, p. 3; and Homelessness Australia, *Submission 80*, p. 4.

<sup>74</sup> ACTCOSS, *Submission 26*, p. 7.

<sup>75</sup> St Vincent de Paul Society, *Submission 27*, p. 4.

<sup>76</sup> Antipoverty Centre, *Submission 29*, p. 29.

<sup>77</sup> See, for example, Anglicare Southern Queensland, *Submission 30*, p. 15; Multicultural Australia, *Submission 47*, p. 21; Royal Australian and New Zealand College of Psychiatrists, *Submission 91*, p. 9; Community Legal Centres Tasmania and JusTas, *Submission 121*, p. 8; and Uniting Victoria and Tasmania, *Submission 34*, p. 18.

<sup>78</sup> Uniting Victoria and Tasmania, *Submission 34*, p. 19.

- 5.59 Submitters also commented on improving conditions for renters who are more likely to be on lower incomes. For example, there were calls for minimum energy efficiency and health and safety standards for rental homes;<sup>79</sup> ending no-grounds evictions and capping rental increases;<sup>80</sup> and modernised Residential Tenancies Acts and independent bond boards.<sup>81</sup>
- 5.60 Recognising the issues around housing and renting, National Cabinet met in August 2023 to discuss these issues and committed to:
- The National Planning Reform Blueprint – including updates to state, regional, and local strategic plans to reflect housing supply targets, promotion of medium to high density housing well serviced areas, and streamlining approval pathways; and
  - A Better Deal for Renters – including a nationally consistent framework for reasonable grounds evictions, bans on rent bidding, minimum quality standards, improving rental applications processes, and improved considerations for tenants experiencing domestic and family violence.<sup>82</sup>
- 5.61 Further, the Australian Government has also recently implemented its \$10 billion Housing Australia Future Fund to support the states and territories deliver social and affordable homes, including the delivery of a National Housing and Homelessness Plan to establish a clear national housing strategy.<sup>83</sup>
- 5.62 The committee’s inquiry into the worsening rental crisis in Australia was exploring these acute issues in greater detail, particularly the challenges for those experiencing housing or rental stress who spend a significant portion of their income on housing.
- 5.63 The HAFF provides that \$500 million will be disbursed each financial year to 2028–29, indexed to CPI. The Australian Government intends to deliver 30 000 social and affordable homes through the HAFF over the first five years as follows:
- 20 000 homes for social housing (of which 4000 would be for ‘women and children leaving or experiencing domestic and family violence and older women on low incomes who are at risk of homelessness’); and

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<sup>79</sup> Better Renting, *Submission 42*, pp. 1, 39.

<sup>80</sup> See, for example, Tenants Union NSW, *Submission 98*, p. 3; Disability Advocacy NSW, *Submission 71*, p. 8; and Disability Advocacy NSW, *Submission 71*, p. 7.

<sup>81</sup> NT Shelter, *Submission 75*, pp. 7 and 8.

<sup>82</sup> The Hon Anthony Albanese MP, Prime Minister of Australia, ‘Meeting of National Cabinet – working together to deliver better housing outcomes’, *Media Release*, 16 August 2023.

<sup>83</sup> Department of Social Services, *Submission 12*, pp. 22 and 23.



- 10 000 ‘affordable homes for frontline workers like police, nurses and cleaners’.<sup>84</sup>

## Employment

- 5.64 The interim report showed how poverty is a barrier to employment and how unemployment, underemployment, and low wages are a driver of deprivation.<sup>85</sup>
- 5.65 The EIAC and ACOSS both recommended a full employment objective<sup>86</sup> which was subsequently explored by the Australian Government’s White Paper on Jobs and Opportunities.<sup>87</sup> ACOSS submitted this full employment objective should be aligned cross economic, fiscal, and monetary policy settings, and thus should be explicitly agreed between the Australian Government and the Reserve Bank of Australia.<sup>88</sup>
- 5.66 Submitters also stressed the importance of workplace protections. For example, the Australian Human Rights Commission argued for adequate minimum wages for people with disability, protections against sexual harassment, and culturally safe workplaces.<sup>89</sup>
- 5.67 Carers NSW highlighted the challenges facing carers in balancing work and care responsibilities, recommending improved workplace conditions and protections to enable economic participation that is conducive to the wellbeing of carers.<sup>90</sup>
- 5.68 Ms Deborah Fewster from the Victorian Council of Social Service pointed out that current low unemployment rates are ‘masking the fact that there are some workers who are living in poverty’ and that their participation in the gig economy was a ‘forced choice’.<sup>91</sup> Going further, some submitters suggested a need to address insecure work such as the gig economy that reduces access to

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<sup>84</sup> Revised Explanatory Memorandum, Housing Australia Future Fund Bill 2023, National Housing Supply and Affordability Council Bill 2023, Treasury Laws Amendment (Housing Measures No. 1) Bill 2023, p. 8.

<sup>85</sup> Senate Community Affairs References Committee, *The extent and nature of poverty in Australia: Interim Report*, May 2023, pp. 32–35.

<sup>86</sup> Interim Economic Inclusion Advisory Committee, *2023–24 Report to the Australian Government*, April 2023, pp. 8 and 9; ACOSS, *Submission 23*, p. 6.

<sup>87</sup> The Treasury, *Working Future: The Australian Government’s White Paper on Jobs and Opportunities*, September 2023.

<sup>88</sup> Australian Council of Social Service, *Submission 23*, p. 5.

<sup>89</sup> Australian Human Rights Commission, *Submission 244*, p. 6.

<sup>90</sup> Carers NSW, *Submission 99*, p. 11.

<sup>91</sup> Ms Deborah Fewster, Director, Policy and Advocacy, Victorian Council of Social Service, *Committee Hansard*, 20 October 2022, p. 4.

fair work safety nets and work entitlements (such as leave and superannuation).<sup>92</sup>

- 5.69 In support of workplace inclusion and diversity, MS Australia supported a national campaign to improve awareness of the value of employing people with disability, recognising the additional diversity and uniqueness of their perspectives and skills.<sup>93</sup>

### **Place-based strategies and programs**

- 5.70 Alongside the traditional government portfolio approaches discussed above, inquiry participants noted that geography is an important factor in the experience of poverty across Australia, including the accessibility of support services, and that solutions to address poverty should consider the location of interventions, programs, and services.<sup>94</sup>
- 5.71 In relation to addressing concentrated poverty, the Interim EIAC recommended place-based strategies to ‘rewire investment in areas where the biggest lift in economic inclusion can be achieved’, including long-term funding and a whole-of-government policy and investment framework, strong coordination and shared decision-making between different jurisdictions, and monitoring and evaluation.<sup>95</sup>
- 5.72 Illustrating this, the Melbourne Institute provided the below figure which demonstrates the concentration of poverty in specific areas around the country and the need to consider this in policy and program design.

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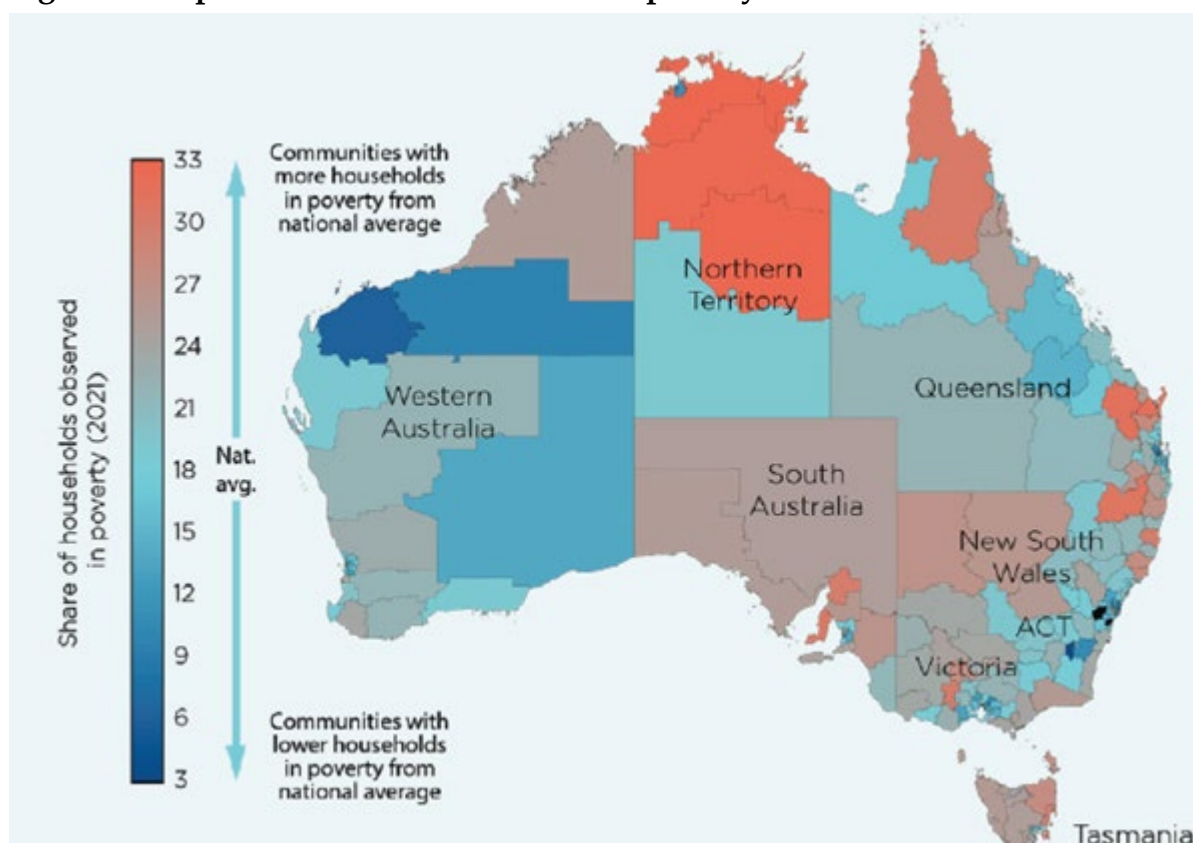
<sup>92</sup> See, for example, Suicide Prevention Australia, *Submission 49*, p. 3; National Tertiary Education Union, *Submission 101*, p. 7; Centre for Excellence in Child and Family Welfare, *Submission 86*, p. 6; and Catholic Archdiocese of Sydney, *Submission 65*, p. 3.

<sup>93</sup> MS Australia, *Submission 43*, p. 5.

<sup>94</sup> See, for example, Life Course Centre, *Submission 32*, p. 15; Good Shepherd, *Submission 96*, p. 4; Dr Francis Markham, *Submission 51*, pp. 3 and 4.

<sup>95</sup> Interim Economic Inclusion Advisory Committee, *2023–24 Report to the Australian Government*, April 2023, pp. 58 and 59.

**Figure 5.1 Spatial distribution of localised poverty rates in 2021**



Source: Melbourne Institute, additional information received 8 November 2023, [p. 15].

- 5.73 To implement this in the context of poverty reduction, the Life Course Centre highlighted the importance of place-based approaches as an effective way to address the complex nature of disadvantage by ‘looking at [the] physical and social environment’ and local service systems.<sup>96</sup> This allows for sub-population level analysis and targeting resources to tackle poverty, inequality, and unemployment at regional and local levels.<sup>97</sup>
- 5.74 The Life Course Centre also raised housing policy and delivery as an example of where all governments should be ‘more joined up’.<sup>98</sup> They argue that cooperation in housing requires the Australian Government to work with states and territories and local governments to ‘align local community needs, services and infrastructure’, and consider ‘state based rental subsidies and land use planning systems’.<sup>99</sup>
- 5.75 The Paul Ramsay Foundation’s submission also focused on place-based approaches, and recommended place-based, early intervention strategies to

<sup>96</sup> Life Course Centre, *Submission 32*, pp. 15–17.

<sup>97</sup> Life Course Centre, *Submission 32*, pp. 15–17.

<sup>98</sup> Life Course Centre, *Submission 32*, p. 10.

<sup>99</sup> Life Course Centre, *Submission 32*, p. 10.

break the cycle of disadvantage ‘in place’ and to minimise developmental vulnerabilities for children and young people.<sup>100</sup>

- 5.76 With similar focus on geography, state or territory-based organisations advocated for tailored consideration for policies and programs for their specific areas. For example, organisations recommended funding for housing and homelessness should be based on need rather than population share in the Northern Territory and should be based on tripartite agreements between different levels of government.<sup>101</sup>
- 5.77 As part of their calls for increased funding for the care economy, The Benevolent Society called for prioritising innovative services and funding models for regional and rural areas so that ‘support is readily available for clients and care work is financially viable for workers and providers’.<sup>102</sup>
- 5.78 Further distinction was made to consider remote and very remote regions. For example, the Interim EIAC suggested place-based approaches resonate strongly with the Closing the Gap agenda and actions to improve outcomes for First Nations people and communities.<sup>103</sup> Chapter 3 discusses the challenges of remoteness faced by First Nations communities.
- 5.79 Finally, some submitters advocated specifically for their own local areas, raising their local histories and efforts to alleviate poverty. They advocated for long-term funding of place-based community development, low-cost food programs, emergency relief, and health services to address the local social determinants of poverty.<sup>104</sup>

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<sup>100</sup> Paul Ramsay Foundation, *Submission 125*, p. 5.

<sup>101</sup> See, for example, NT Shelter, *Submission 75*, p. 7; Central Land Council, *Submission 119*, p. 17.

<sup>102</sup> The Benevolent Society, *Submission 83*, p. 4.

<sup>103</sup> Interim Economic Inclusion Advisory Committee, *2023–24 Report to the Australian Government*, April 2023, p. 6.

<sup>104</sup> See, for example, The Hive, *Submission 112*, p. 8; City of Onkarparinga, *Submission 127*, p. 5.

### **Box 5.1 Case study – Burnie, Tasmania**

As discussed in Chapter 4, the committee visited Burnie and Wynyard in North-West Tasmania. The site visit included hearing from local community organisations – Burnie Community House, Burnie Works, Loaves and Fishes Tasmania, and Big hART – and Wynyard High School. The committee heard about how these local organisations tailor their programs and services to support disadvantaged people and groups based on their intimate knowledge of the local characteristics and needs. This provided the committee with clear examples of how a place-based approach can effectively target poverty and disadvantage if provided sufficient funding and resources.

Key recommendations from community members to improve government initiatives aimed at reducing poverty included:

- longer term, untied grant funding for bespoke place-based approaches, run by community organisations that are on the ground.
- programs and policies that embed an asset-based approach rather than a deficit mindset; and
- better whole-of-government coordination of services and program implementation, including amongst bureaucrats at all levels, as well as Ministers.

### ***Place-based approaches in health***

5.80 Additionally, there was consideration of differences between urban and rural settings. For example, Disability Advocacy NSW recognised the challenges facing those seeking health services in non-urban settings in NSW and recommended focus on thin markets in those areas such as incentives to build GP and allied health presence.<sup>105</sup>

5.81 Similarly, the National Rural Health Alliance recommends rural-led and located research into place-based approaches, investment in rural communications infrastructure to address digital inclusion, increase access to Medicare for out-of-hospital services in rural areas, and rural multi-disciplinary health services.<sup>106</sup>

<sup>105</sup> Disability Advocacy NSW, *Submission 71*, pp. 9 and 10.

<sup>106</sup> National Rural Health Alliance, *Submission 35*, pp. 5 and 6.

## Committee view

### Place-based approaches

- 5.82 The committee received strong evidence that place-based approaches can have tangible impacts and be effective in breaking the cycle of disadvantage in local communities.
- 5.83 The committee acknowledges that location is one of the factors that drives the extent and nature of poverty and disadvantage across Australia. It heard about differences across states and territories, urban and non-urban settings, and remote and very remote areas. The evidence also highlighted how local organisations delivering services in specific locations are best placed to understand local characteristics and identify the needs of disadvantaged groups – needs that often cross between the different traditional government portfolios.
- 5.84 The committee is of the view that there should be a suitable mechanism in place that allows for place-based investments to reduce poverty.

### Recommendation 14

- 5.85 The committee recommends the Australian Government, in consultation with stakeholders, continue developing funding of longer-term place-based initiatives aimed at reducing poverty and disadvantage.**

### A national policy framework for poverty reduction

- 5.86 The committee acknowledges the evidence the inquiry received suggesting the need for an overarching policy framework for poverty, including targets and clear measures on poverty.
- 5.87 The committee is of the view that the Economic Inclusion Advisory Committee (EIAC) is best placed to progress any work towards this as required.
- 5.88 The committee notes comments from submitters that poverty reduction measures and targets should be embedded into the Measuring What Matters framework. The committee encourages Treasury to further broadly consult stakeholders, including people with direct experience of poverty, on the framework.
- 5.89 The committee acknowledges the importance of strengthening and developing and investing in programs in all portfolios to contribute to reducing poverty.

# Chair's Additional Comments and Recommendations

## Introduction

- 1.1 Next year marks fifty years since the release of the Henderson Inquiry's first main report. This report provided groundbreaking evidence about the extent and nature of poverty in Australia and produced a series of important recommendations on poverty reduction. Importantly, and at the heart of the final recommendations, was the call for a guaranteed minimum income scheme and significant reform to the income support system.<sup>1</sup>
- 1.2 Like the Henderson Inquiry, this Senate inquiry investigated poverty at a national level and gathered significant evidence from people, organisations and communities across the country about the current state of poverty in Australia. What was revealed by inquiry participants was that in the nearly half a century since the Henderson Inquiry report, successive government policy failures and overall inaction have left Australia plunging further into a poverty crisis.
- 1.3 Evidence presented to the committee made clear that while there were many complex and intersecting structural drivers of poverty in Australia, the current crisis is largely reflective of the failures of the social security system to adequately support people. Urgent reform of the social security system must be a priority to meaningfully address rates and impacts of poverty.
- 1.4 As Chair of the committee, I have put forward a suite of recommendations that will effectively transform the social security system, target entrenched disadvantage and build upon the work of the Henderson Inquiry. These include measures to significantly increase the rate and accessibility of income support payments and allowances, review the provision of social security by government agencies, abolish all punitive measures of the income support system, return the provision of employment services to the commonwealth, and ensure poverty alleviation, including measuring poverty, is a key responsibility of the Economic Inclusion Advisory Committee.
- 1.5 These recommendations and comments are in addition to the report and recommendations agreed to by the committee.

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<sup>1</sup> Professor Brian Howe, *The Conversation*, 13 February 2018, 'Australians support universal health care, so why not a universal basic income?', <https://theconversation.com/australians-support-universal-health-care-so-why-not-a-universal-basic-income-91572> (accessed 20 February 2023).

- 1.6 Before the election, Prime Minister Albanese made a promise to leave no one behind and hold no one back.<sup>2</sup> Since Labor came into government we have seen them implement a series of centre-right policies that prioritise corporate profits and leave people living below the poverty line.
- 1.7 This inquiry has laid bare the depth and breadth of the poverty crisis in Australia. The Labor government cannot dismiss this evidence as they, and so many governments before them, have done with the Henderson Inquiry. Australians can't afford another fifty years of meaningless rhetoric and policies that trap people in poverty. The Labor government must implement the committee and Chair's recommendations in the upcoming Federal Budget.

### **Broken and punitive: Australia's social security system**

- 1.8 Australia's social security system should provide people with a social safety net. It should ensure that no one is living in poverty and everyone has the opportunity to live with dignity.
- 1.9 Yet, in hearings across the country, the committee heard personal and devastating testimonies from individuals who have been failed by Australia's social security system and are trapped in poverty due to the inadequate rates of income support.
- 1.10 The failures of Australia's social security system to adequately support people out of and in poverty were also expressed by multiple organisations.
- 1.11 For example, in their submission, the Low Income Action Group, Adelaide South explained:
- We feel the systems that are supposed to support Australians, as a "social security safety net" are failing them to an extreme degree. People feel like the Government just doesn't listen, and when people complain, the Government and its agencies and representatives, are great at pretending to care, and appearing to take the correct actions, when in effect, it has no intention to help alleviate suffering, or change the status quo.<sup>3</sup>
- 1.12 Mr Oxton-White, the National Liaison for the Anti-Poverty Network Queensland (APNQ) similarly said:
- The welfare system, as it's currently structured, is traumatising to people dependent on it. It is intentionally difficult to navigate and arbitrarily punitive so that people don't access the support they need and are entitled to. As a baseline, the payments themselves are not enough to live on.<sup>4</sup>

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<sup>2</sup> Anthony Albanese PM, 'Labor's Plan For a Better Future', <https://anthonyalbanese.com.au/media-centre/labors-plan-for-better-future-speech> (accessed 21 February 2023).

<sup>3</sup> The Low Action Income Group, Adelaide South, *Submission 163*, p. 2.

<sup>4</sup> Mr Jayden Oxton-White, National Liaison, Anti-Poverty Network Queensland, *Proof Committee Hansard*, 6 December 2022, p. 22.



- 1.13 The Australian Human Rights Commission (AHRC) submitted ‘currently, Australia’s social security system tends to perpetuate poverty and social exclusion, rather than protect against it’.<sup>5</sup>
- 1.14 The Accountable Income Management Network (AIMN) said:
- The Australian social security system is premised on a fundamental distrust and devaluing of people requiring income support, rather than oriented towards promoting their general welfare. Such an approach to the delivery of social security has tangible effects: bar a temporary increase via the \$550 Coronavirus Supplement in 2020, rates of payment have been allowed to stagnate well below the poverty line. This has left people on social security incomes in sustained economic hardship, with associated detrimental impacts on health, wellbeing and social participation.<sup>6</sup>
- 1.15 AIMN’s concerns about the rate of income support payments were shared by an overwhelming majority of inquiry participants. It was made clear to the committee that the current rate of payments are completely inadequate and act as a structural driver of poverty.
- 1.16 The importance of adequate income support in alleviating poverty was also highlighted in the inquiry’s interim report and the government’s interim Economic Inclusion Advisory Committee’s (EIAC) report. This report was published three weeks before the 2023-24 Federal Budget and recommended the government raise the rate of the Jobseeker payment as a priority action.<sup>7</sup>
- 1.17 In response to this recommendation and calls from advocates, social security organisations and the broader community in the lead-up to the Federal Budget, the Labor government announced an increase to Jobseeker and other working-age payments by around \$4 a day, including indexation.
- 1.18 While these budget measures were welcomed, witnesses overwhelmingly felt these modest changes were inadequate and would have little to no impact on poverty reduction. Additionally, many witnesses compared the increase and its impacts to the Coronavirus supplement which, at the time, increased the base rate of Jobseeker to above the Henderson Poverty Line.<sup>8</sup>
- 1.19 For example, when asked about these budget measures, Ms Robson from the Consumer Action Law Centre blatantly told the committee:

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<sup>5</sup> Australian Human Rights Commission, *Submission 244*, p. 44.

<sup>6</sup> Accountable Income Management Network, *Submission 4*, p. 3.

<sup>7</sup> Interim Economic Inclusion Advisory Committee, 18 April 2023, *2023-24 Report to the Australian Government*, p. 4.

<sup>8</sup> Antipoverty Centre, *Submission 29*, p. 5.

It wasn't enough. It's not enough. The increase to welfare payments during COVID was enough to pull people out of poverty for that period. \$4 a day isn't touching the sides.<sup>9</sup>

1.20 Dr McLeod, Director of the Brotherhood of St Laurence (BSL) similarly said:

I don't think we can underestimate the significance of lifting those base rates to a more adequate standard. Our research into energy stress, which was released last year and called *Power Pain*, found that energy stress fell by 15 per cent in 2020, when the coronavirus supplement was introduced. Generally, households with someone relying on income support have double the rates of energy stress. That's why we said it was a welcome increase but that more would need to be done and a time frame needed to be set for those payments to reach an adequate level.<sup>10</sup>

1.21 Ms Kirkaldy, General Manager of The Salvation Army stated:

When people are living on so little, literally every dollar counts. So, in that sense, any increase is going to be welcome. But \$56 a fortnight—which doesn't even come in until 20 September [2023]—will very quickly, in our experience of looking at the budgets of people who come to us, get swallowed up by the increases to the cost of living that we've experienced so far and also the fact that people have been living on such a low level of income that they've had to go into debt. So, like I said, every dollar is welcome, but, no, the increase that we've seen is not actually going to be enough to lift people out of poverty and allow them to live with dignity...<sup>11</sup>

1.22 She went on to say:

Actually, when we go into the greater detail of how much people are spending and we compare how much people are spending on JobSeeker versus other payments, they're actually spending less on groceries and less on everything—all of those essentials—than people on any other payment. The reality is that they are already cutting corners, even on those essentials, and still going backwards. The \$4 a day that they're talking about isn't going to go to anything other than essentials and servicing debt.<sup>12</sup>

1.23 Small, piecemeal increases in income support are clearly failing to meet the rising cost of living. The Labor government must stop tinkering around the edges of the income support system and listen to unemployed advocates, organisations and the broader community and significantly raise the rate of all income support payments in the upcoming budget. The evidence makes it clear

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<sup>9</sup> Ms Kristy Robson, Financial Counsellor, Consumer Action Law Centre, *Proof Committee Hansard*, 15 August 2023, p. 18.

<sup>10</sup> Dr Travers McLeod, Director, Brotherhood of St Laurence, *Proof Committee Hansard*, 15 August 2023, p. 3.

<sup>11</sup> Ms Jennifer Kirkaldy, General Manager, The Salvation Army, *Proof Committee Hansard*, 15 August 2023, p. 3.

<sup>12</sup> Ms Jennifer Kirkaldy, General Manager, The Salvation Army, *Proof Committee Hansard*, 15 August 2023, p. 4.

that this is the simplest, most effective and most urgent step to lift people out of poverty.

- 1.24 The Chair believes that lifting the rate of all income support payments to \$88 a day will provide income support recipients with an adequate basic income to properly support them in their day-to-day life and cover essential items, as evidenced during the Coronavirus supplement, which was a comparable rate of payment.

### **Recommendation 15**

#### **1.25 The Australian Government lift the base rate of all income support payments to \$88 a day.**

- 1.26 The committee repeatedly heard that despite being created to support disabled people financially, the Disability Support Pension (DSP) is frequently inaccessible and almost always inadequate.
- 1.27 Issues with the DSP were investigated in the 2021-22 Senate Community Affairs References inquiry into the purpose, intent and adequacy of the Disability Support Pension. The inquiry made important recommendations to improve access and adequacy of the payment. Notably, these included recommendations for the government to improve access by removing the criteria to be 'fully diagnosed, treated and stabilised;' and reviewing the impairment tables. The committee also recommended the government consider making the program of support voluntary and reviewing the income test to better support disabled people entering the workforce.
- 1.28 Despite supporting the recommendations at the time, the Labor government has not officially responded to the report and has largely failed to act on its recommendations.
- 1.29 In 2022 the Labor government did, however, undertake a review of the impairment tables which led to the removal of the condition for applicants of the DSP to be 'fully' diagnosed, treated and stabilised and replaced it with the condition of 'diagnosed, reasonably treated and stabilised.' While these changes were welcomed and important, they failed to holistically address the full remit of issues associated with the DSP including adequacy, problematic interaction with workforce participation and the program of support.
- 1.30 People with disabilities currently experience high levels of disadvantage compared to those without disabilities. For example, it is estimated that working

age people with disability are more than twice as likely to be in financial stress compared to those without.<sup>13</sup>

- 1.31 More needs to be done by the Labor government to ensure people with disabilities are not living in poverty. As Chair, I urge the government to implement the recommendations of the Community Affairs Committee Inquiry into the purpose, intent and adequacy of the DSP.

### **Recommendation 16**

- 1.32 The Australian Government implement the recommendations of the Community Affairs Committee Inquiry into the purpose, intent and adequacy of the Disability Support Pension.**

- 1.33 Commonwealth Rent Assistance (CRA) is one mechanism the Federal Government uses to relieve income support recipients of rent stress. However, many inquiry participants highlighted the failure of this assistance payment to keep up with current housing costs.

- 1.34 For example, Homelessness Australia submitted:

Commonwealth Rent Assistance (CRA) is one way that the Federal Government relieves cost of living impacts on people with low incomes, but the value of the payment has fallen well behind the cost of rents. In 2021, 45.7 per cent of all people who received CRA were still in rent stress after receiving the payment, but 65 per cent of those receiving JobSeeker payments and 72 per cent of people receiving Youth Allowance were still rent stressed.<sup>14</sup>

- 1.35 While the Labor government increased the rate of CRA in the 2023-24 Federal Budget, this increase did not meet the recommendations of some inquiry participants.<sup>15</sup>

- 1.36 The committee also received evidence from some submitters who, while supporting an increase in the rate, argued that CRA is not the most effective mechanism for relieving rental stress for income support recipients.<sup>16</sup>

- 1.37 Adequate rates of income support can be an effective mechanism to help people secure and maintain housing. This is supported by the accounts of income

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<sup>13</sup> Australian Institute of Health and Welfare, 5 July 2022, *People with disability in Australia*, <https://www.aihw.gov.au/reports/disability/people-with-disability-in-australia/contents/income-and-finance/finances> (accessed 21 February 2023).

<sup>14</sup> Homelessness Australia, *Submission 8*, p. 3.

<sup>15</sup> See for example: Homelessness Australia, *Submission 8*, p. 4; Australian Council of Social Services, *Submission 23*, p. 4.

<sup>16</sup> See for example: Antipoverty Centre, *Submission 29*, p. 27; The Salvation Army, *Submission 20*, p. 50.

support recipients whose rental stress was reduced as a result of the coronavirus supplements to income support payments.<sup>17</sup>

- 1.38 While the Chair supports calls to boost the rate of CRA, it is clear that in the current rental crisis, this allowance is failing to support income support recipients to maintain and find suitable housing. The Labor government urgently needs to conduct a review into the most effective mechanism for relieving housing stress for people on the lowest incomes.

### **Recommendation 17**

- 1.39 The Australian Government undertake a review of the Commonwealth Rent Assistance program, including eligibility criteria to investigate the most effective payments and mechanisms to improve rental affordability.**

- 1.40 Many submitters and witnesses condemned mutual obligations and the current employment service system as being harmful, needlessly punitive and ineffective.

- 1.41 For example, the Antipoverty Centre submitted:

Unemployment cops are the antithesis of “employment services” and the “mutual” obligations regime on this continent are one of the most egregious examples of state violence against people who rely on welfare. The system has done nothing but transfer billions of dollars to poverty profiteers while trapping unemployed people in the system by making it harder to get a job.

In a survey we conducted of hundreds of people with “mutual” obligations, 34.8% of respondents reported a safety incident or injury while doing unpaid forced labour at their Work for the Dole site. In 59.4% of these cases the respondent had themselves been injured. The remaining respondents observed safety incidents affecting other participants or an employee.

“Mutual” obligations force people into deeper poverty because they cost money to attend, but also dealing with health issues that arise because of them.<sup>18</sup>

- 1.42 Mr Oxton-White from Anti-Poverty Network Queensland (APNQ) similarly said:

Mutual obligations are burdensome and exploitatively compensated. Job agencies are finally incentivised to cut people off their payments for the most arbitrary reasons. On top of this, people in regional and impoverished areas have had their agency completely overwritten through forced income practices such as the BasicsCard and the now gone cashless welfare card.<sup>19</sup>

<sup>17</sup> Dr Elise Klein, *Submission 25*, p. 56.

<sup>18</sup> The Antipoverty Centre, *Submission 29*, p. 6.

<sup>19</sup> Mr Jayden Oxton-White, National Liaison, Anti-Poverty Network Queensland, *Proof Committee Hansard*, 6 December 2022, p. 22.

1.43 Dr McLeod from BSL noted:

... our employment services system nationally doesn't work for disadvantaged jobseekers in the places and situations they find themselves in. There's a once-in-a-generation opportunity with unemployment nationally at 3½ per cent to reform that employment services system so that it works better in those communities and much more effectively with employers... we can't boost pathways for economic or social participation without fundamentally reforming our employment services system and how it supports those who have historically been marginalised in the labour market ...<sup>20</sup>

1.44 Mutual obligations and a privatised employment service system are antagonistic to the right to social security. It is clear that together they cause income support recipients immense distress and act as a barrier to finding meaningful employment. Coupled with the inadequate rate of income support, these punitive elements of the social security system are blocking people from the support they deserve and in many cases, acting as a structural driver of poverty.

1.45 While as Chair, I recognise the work and recommendations of the Select Committee on Workforce Australia, I am of the firm belief that reforming and reviewing mutual obligations and the privatised model of the employment service system does not go far enough. Evidence provided to this committee has made clear that transformative change is needed to ensure income support recipients aren't locked out of support and trapped in poverty.

1.46 The Chair supports the calls from many inquiry participants to abolish all mutual obligations. The Chair also believes that the employment service system should be returned to the Commonwealth to ensure people's best interests are served over profit.

### **Recommendation 18**

**1.47 The Australian Government immediately abolish mutual obligations.**

### **Recommendation 19**

**1.48 The Australian Government return the delivery of employment services to the Commonwealth and fund not-for-profit providers to provide specialist and intensive wrap-around services for people needing extra support.**

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<sup>20</sup> Dr Travers McLeod, Director, Brotherhood of St Laurence, *Proof Committee Hansard*, 15 August 2023, p. 8.

- 1.49 The committee also heard evidence about the inadequacy of the current social security system provision and how this acts as a further barrier to gaining support.
- 1.50 Submitters and witnesses discussed the complexities of the Social Security Act itself in addition to the lack of adequate support for people engaging in the system. For example, in their submission, Economic Justice Australia discussed how a lack of staffing at Centrelink, particularly social workers, meant that many people escaping domestic violence and in a crisis were having to wait days before they could access the support they needed.<sup>21</sup>
- 1.51 The experience of many people engaging with the social security system was summarised by Mr Oxtton-White, from APNQ:
- Getting onto payments is unnecessarily complicated and is an intentionally lengthy process where promised deadlines and time frames provided by Services Australia are routinely massively exceeded. The application requirements are an interrogation and restrictively complicated and difficult to understand. It often forces people into dishonesty through lack of nuance and its questions and accepted responses, and punishes people with debts in the thousands which they are not provided the support to understand or challenge even when the debt was incurred through Centrelink error ... Access to trained staff to help navigate this system has been chipped away over decades and often outsourced to underprepared agencies. The result is slight access to in person support, phone support wait times that often leave people on hold for four hours or more and escalated removal of agency for Services Australia workers to make decisions and provide support to the people who they are directly helping.<sup>22</sup>
- 1.52 Evidence was also received about the inappropriateness of the debt recovery mechanisms by Services Australia and the Department of Social Services. The committee heard how these mechanisms, including the Robodebt scheme and income apportionment, increased stigmatisation of income support recipients and had devastating impacts on people's financial, emotional and physical wellbeing.
- 1.53 It is completely unacceptable that when people engage with the social security system they are met with complex and confusing information and inadequate services. It is also incomprehensible that people on the lowest incomes in Australia are being punished for incorrect debt created by government agencies and departments meant to support them. Given this, the Chair calls on the government to conduct a review of Services Australia and the Department of Social Services.

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<sup>21</sup> Economic Justice Australia, *Submission 16*, p. 14.

<sup>22</sup> Mr Jayden Oxtton-White, National Liaison, Anti-Poverty Network Queensland, *Proof Committee Hansard*, 6 December 2022, p. 22.

**Recommendation 20**

**1.54 The Australian Government conduct a review into the adequacy, effectiveness and culture of Services Australia & Department of Social Services.**

**First Nations people and communities**

- 1.55 The committee heard and received evidence about the extremely high and growing rate of poverty amongst First Nations people in remote communities. While inquiry participants noted the many intersecting and historical factors contributing to First Nations experiences of poverty, two key issues raised with regard to remote poverty were the lack of employment opportunities and the high cost associated with living in these areas.
- 1.56 The Chair supports the recommendation from the committee calling on the Australian Government to commit to principles of First Nations-led co-design of all First Nations employment services and accelerate reforms to the Community Development Program. This is an important step towards reducing the disproportionate impact of poverty on First Nations people and communities.
- 1.57 Many inquiry participants discussed how income support payments, including the Remote Area Allowance (RAA), are failing to keep up with the rising costs of living in remote areas. To support income support recipients, particularly First Nations recipients, in remote communities out of poverty, Dr Francis Markham,<sup>23</sup> the Central Land Council (CLC)<sup>24</sup> and the Aboriginal Peak Organisations Northern Territory (APO NT)<sup>25</sup> recommended the government increase the rate of the RAA to reflect the higher cost of living in remote areas and index the payment with either wage growth or the price of basic goods. With First Nations poverty rapidly increasing, the Chair believes an immediate increase to the RAA must go hand in hand with a review of the payment.

**Recommendation 21**

**1.58 The Australian Government increase the rate of the Remote Area Allowance by an amount commensurate to the higher cost of living in remote communities, and the Remote Area Allowance be indexed to the prices of these basic goods.**

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<sup>23</sup> Dr Francis Markham, *Submission 251*, p. 10.

<sup>24</sup> Central Land Council, *Submission 119*, p. 3.

<sup>25</sup> Aboriginal Peak Organisations Northern Territory, *Submission 118*, p. 4.



1.59 In their submissions, the CLC,<sup>26</sup> Dr Francis Markham<sup>27</sup> and the AHRC<sup>28</sup> raised issues with the lack of face-to-face Services Australia centres in remote communities. The CLC pointed out there are only five service centres across the vast region they cover in the Northern Territory. Due to issues with technology and phone reception, language and literacy barriers, and the complexity of social security requirements, not having access to in-person services can act as a barrier to First Nations people in remote areas who are accessing income support, seeking support or challenging social security decisions. The Labor government must urgently remedy this situation and listen to the calls of First Nations-controlled organisations to increase access to Service Australia centres in remote Australia.

## Recommendation 22

**1.60 The Australian Government expand access to face-to-face Services Australia service provision, including increasing the number of staffed Service Centres, in remote Australia.**

1.61 Evidence presented at this inquiry reinforced a long history of evidence showing that compulsory income management (CIM) schemes are racist, ineffective and incompatible with human rights.<sup>29</sup>

1.62 For example, Mr Giffis Chief Executive Officer of the First People Disability Network stated:

Income management from a disability perspective is completely inappropriate. I can't possibly support it on any grounds. As I said before, our organisation does not support it whatsoever. It's not only discriminatory in a racial sense; we would also say it's ableist. As I said before, having a disability is inherently expensive. You might need access to other supports that most people don't necessarily need. They could range from incontinence pads to particular medications. How you access that when you've got no cash—yes, that's something we have to spend a significant

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<sup>26</sup> Central Land Council, *Submission 119*, p. 11.

<sup>27</sup> Dr Francis Markham, *Submission 251*, p. 10.

<sup>28</sup> Australian Human Rights Commission, *Submission 244*, p. 45.

<sup>29</sup> See, for example, Australian Human Rights Commission, *Social Justice Report 2007 - Chapter 3: The Northern Territory 'Emergency Response' intervention*, <https://humanrights.gov.au/our-work/social-justice-report-2007-chapter-3-northern-territory-emergency-response-intervention#conclusion>, p. 2017; J Rob Bray, Matthew Gray, Kelly Hand and Ilan Katz, *Evaluating New Income Management in the Northern Territory: Final Evaluation Report*, September 2014, p. Xxii.; Parliamentary Joint Committee on Human Rights, *2016 Review of Stronger Futures measures*, 16 March 2016, p. 61; Parliamentary Joint Committee on Human Rights, *Human rights scrutiny report: Report 14 of 2020*, 26 November 2020, p. 52; Parliamentary Joint Committee on Human Rights, *Human rights scrutiny report 11 of 2023*, 18 October 2023, p. 43.

amount of our time on as an organisation. We've got a fortunate relationship with a major company. We've got a storage cage, if you like, in Sydney, stacked full of incontinence pads, which get donated to us. We have to take them out into community because people can't afford to buy them.<sup>30</sup>

- 1.63 Similarly, Ms Krakouer Director, the National Suicide Prevention and Trauma Recovery Project Krakouer said:

In terms of income management, I've seen how it's been rolled out in Kalgoorlie in so many respects, it's had a very draconian, disastrous impact on a lot of the families that are forced to use it. The way forward is not about penalising the family. It's not about demonising the families. It's about providing that support, that love, that kindness, that respect and giving opportunities that every single Australian brother and sister is entitled to. Not by any means do I support income management, because I know that there are other ways—and it's called kindness.<sup>31</sup>

- 1.64 AHRC wrote in their submission:

The Commission has expressed that the Stronger Futures and Social Security laws, which provide the legal basis for the Basics Card and Cashless Debit Card respectively, place unjustified limitations on participants' rights to a private life and social security, and that these laws may also be in breach of the Racial Discrimination Act 1975 (Cth), given that First Nations people are generally overrepresented in the areas where the cashless cards have been in operation. Furthermore, studies evaluating the effectiveness of welfare cards have had methodological limitations and findings have been mixed. As such, to date, there exists no clear and compelling evidence that the cards have delivered on their objectives.<sup>32</sup>

- 1.65 There is no evidentiary basis for CIM and all schemes must be immediately abolished.

### **Recommendation 23**

- 1.66 The Australian Government immediately abolish all forms of compulsory income management and fund place-based, community-driven support services developed in collaboration with First Nations-controlled organisations and people.**

### **Child Poverty**

- 1.67 The Chair supports the recommendations by the committee calling on the government to review Australia's child support scheme and to continue

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<sup>30</sup> Mr Damianm Griffis, Chief Executive Officer, First Peoples Disability Network, *Proof Committee Hansard*, 31 October 2023, p. 11.

<sup>31</sup> Ms Megan Krakouer, Director, National Suicide Prevention and Trauma Recovery Project, *Proof Committee Hansard*, 31 October 2023, p. 12.

<sup>32</sup> Australian Human Rights Commission, *Submission 244*, p. 46.

investing in early intervention and place-based initiatives to address child poverty.

- 1.68 The committee heard significant evidence about the negative impact of the income support system on children. Personal and compelling testimonies were shared by parents about the devastating impact inadequate income support payments were having on their children and families. The need to raise income support was also echoed as a critical measure to reduce child poverty by many organisations. The Chair therefore reinforces the need for the Labor government to implement Recommendation 1 of the Chair's Recommendations to raise the rate of all income support payments to \$88 a day.
- 1.69 As Australian Lawyers for Human Rights (ALHR) pointed out in their submission, sole-parent families have the highest poverty rates among different family types in Australia and children in these families are more than three times as likely to live in poverty as children in couple families.<sup>33</sup>
- 1.70 A key mechanism to address the disproportionate impact of poverty on single-parent families is through the Parenting Payment. However, many submitters highlighted how the current rate of the Parenting Payment Single is completely inadequate to support single parents, particularly those escaping domestic violence. Further, multiple inquiry participants called for eligibility for the payment to be expanded until their youngest child turns sixteen.

## Recommendation 24

### 1.71 The Australian Government:

- **Undertake a review of Parenting Payment (single), with a view of increasing the allowance and improving eligibility to better support single-parent families and children, particularly those experiencing domestic and family violence; and**
- **Expand coverage of the Parenting Payment (Single), so that eligible single parents remain eligible for the payment until their youngest child's 16th birthday.**

1.72 Despite being established to support young Australians, many are locked out of Youth Allowance, Austudy and ABSTUDY due to the current age of independence.

1.73 As Lee Jia-Yi Carnie, Executive Director of Advocacy and Programs for the Foundation for Young Australians explained:

Right now, Centrelink provides essential income support for people over 22, but we know that there are hundreds of thousands of 18- to 21-year-olds who are locked out of financial support and struggling to get by. Most

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<sup>33</sup> Australian Lawyers for Human Rights, *Submission 107*, p. 20.

people in Australia are seen as adults when they turn 18—it's compulsory to vote, you can drive unsupervised, you can buy alcohol and cigarettes, and you're required to pay taxes. But when it comes to income support, the age of independence considers young people dependent until the age of 22, not 18, except in exceptional circumstances. Even students who have moved out of their family's home to attend university can be denied access to income support based on a parent or partner's income. Youth Allowance payments are lower than other Centrelink payments, like the age pension, DSP or JobSeeker, and far below the poverty line. Even including jobs assistance, students receive less than 60 per cent of the amount needed to survive at the poverty line.<sup>34</sup>

- 1.74 The impact of this policy and the inadequate rate of income support on young people was summarised by Ms Riley, President of the National Union of Students:

Our Centrelink in Australia report on student poverty showed that more than 450,000 students aged 18 to 21 are locked out of our social security system, and another 110,000 students are paid at a rate of less than \$28 per day. Every day, we hear from these students that they're experiencing the negative impact of living below the poverty line. We're constantly hearing from members and students that this is affecting their wellbeing a lot, whether it be their mental health, their experiences with the education system or a general inability to escape unsafe living situations. Students deserve better than this, I believe.

I think it's very clear that the low-income support payments and the age of independence, which locks out over 400,000 students, really impact on students' ability to study. It's just a very, very terrible system for students to live in where they have to choose between full-time study and completing their degrees in a timely manner and having to live in poverty and study part-time and get less income support. It's an all-round bad experience for them.<sup>35</sup>

- 1.75 Lowering the age of independence to 18 years of age is a simple and effective way to immediately help hundreds of thousands of young people access the support they need.

### **Recommendation 25**

- 1.76 The Australian Government lower the age of independence at which students can automatically access Youth Allowance, Austudy and ABSTUDY, from 22 to 18 years of age.**

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<sup>34</sup> Lee Jua-Yi Carnie, Executive Director, Advocacy and Programs, Foundation for Young Australians, *Proof Committee Hansard*, 31 January 2023, p. 33.

<sup>35</sup> Ms Bailey Riley, President, National Union of Students, *Proof Committee Hansard*, 31 January 2023, p. 33.

1.77 Poverty in childhood can have devastating and life-long consequences. Many inquiry participants argued that to eradicate poverty in Australia, the federal government must take a coordinated approach to addressing child poverty.

1.78 The AHRC submitted:

To end poverty, Australia needs to address both the root causes and the intergenerational effects of childhood poverty through comprehensive and coordinated national action.<sup>36</sup>

1.79 In a hearing, Mr Pietropiccolo AM, Director of Centrecare also explained:

... I think what is also important is that child poverty has generally been unseen and unheard. There are very few Australians who understand or know that there are over 700,000—and, some estimate, even more, depending on what measure you use—children in Australia who are actually living in poverty. When you say to someone, 'We've got three-quarters of a million kids living in poverty,' they're shocked, because they realise that Australia is not a poor country, and, when we have countries in the world that are much poorer than Australia doing much better in relation to child poverty, they wonder, 'What's going on?' I just think that if we had a regular annual report on where child poverty is in this country and what measures we're taking to improve the situation, we would be much better informed as a community and as decision-makers but also have a much better opportunity to do something about it.<sup>37</sup>

1.80 Professor Bessell, Director at the Children's Policy Centre, argued:

We need a political commitment from all sides of parliament to reduce child poverty in this very wealthy country. A child poverty reduction act, already introduced in some countries, including New Zealand, would signal this. Reflecting political commitment and turning commitment to action, we need a child budget statement and we need to move towards thinking about how child poverty impact statements can be developed and used.<sup>38</sup>

1.81 The Chair shares the view of these and multiple other inquiry participants and calls upon the government to make a national commitment to reduce child poverty.

## Recommendation 26

**1.82 The Australian Government make a national commitment to reduce child poverty.**

### Poverty is a political choice

Poverty in Australia is a political choice, not an inevitability. We advocate for a transformation of the social security system that centres the provision

<sup>36</sup> Australian Human Rights Commission, *Submission 244*, p. 31.

<sup>37</sup> Mr Tony Pietropiccolo AM, Director, Centrecare, *Proof Committee Hansard*, 15 August 2023, p. 16.

<sup>38</sup> Professor Sharon Bessell, Director, Children's Policy Centre, *Proof Committee Hansard*, 15 August 2023, p. 22.

of liveable social security as a basic right, delivered unconditionally and with a focus on the wellbeing and empowerment of recipients. A new system needs to be flexible and adaptive, guided by the needs and concerns of users, and based on empirical evidence.<sup>39</sup>

- 1.83 As laid out in these additional comments and the body of the main report, Australia's social security system has not contributed to alleviating poverty as it could be capable of doing. Any attempt to reduce poverty in Australia must include a transformation of this system as a priority.
- 1.84 The Chair also supports the view of many inquiry participants that this must go hand in hand with other mechanisms to reduce poverty, like increased investment in place-based initiatives and clear targets for poverty reduction.
- 1.85 The interim report provided extensive detail about the importance of national poverty measures. While there are a range of different measurements of poverty, there were clear recommendations from participants across a range of sectors that the Australian government should immediately establish a national definition of poverty.
- 1.86 The establishment of the permanent Economic Inclusion Advisory Committee (EIAC) was a welcomed step by the Labor government towards reducing disadvantage. However, as expressed by an overwhelming majority of participants in the Senate Community Affairs inquiry into the legislation for the EIAC, it was disappointing to see no mention of poverty reduction in legislation nor any requirement for the body to develop a national measure of poverty reduction.
- 1.87 The Chair believes that the EIAC has a critical role in developing a national poverty measure, recommending targets and mechanisms to measure progress against the objective of ending poverty, which can be adopted by the Australian Government. To ensure the work of the EIAC is properly considered by the government, the Chair also believes that the Australian Government must publicly respond to the committee's annual report and recommendations.

### **Recommendation 27**

- 1.88 The Australian Government enshrine in legislation ending poverty as an explicit focus of the Economic Inclusion Advisory Committee's work.**

### **Recommendation 28**

- 1.89 The Australian Government publicly respond every year to the Economic Inclusion Advisory Committee's annual report and recommendations.**

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<sup>39</sup> Accountable Income Management Network, *Submission 4*, p. 5.

**Recommendation 29**

**1.90 The Australian Government ask the Economic Inclusion Advisory Committee to develop a national poverty measure or measures, and national poverty targets, which includes specific measures relating to child poverty, with the view to establishing an overarching Poverty Reduction policy framework and legislation.**

**Senator Janet Rice  
Chair**





## Additional comments from Labor Senators

- 1.1 Labor Senators thank those who have given evidence and provided submissions to the committee, particularly those with, or advocating on behalf of, lived experience.
- 1.2 The evidence makes it clear that those on the lowest incomes are under pressure and too often struggling to make ends meet.
- 1.3 The evidence also makes it clear that poverty is a complex issue and its causes are multifaceted. To make a meaningful and sustainable difference, all must be addressed. Child poverty, in particular, requires early intervention and investment, including through early childhood learning, development, education and care.
- 1.4 Labor Senators recognise that disadvantage is a complex problem which no single policy, government department, organisation or entity can solve on its own. Any meaningful policy response to disadvantage must acknowledge this.
- 1.5 Labor Senators also reaffirm the importance of empowering communities and the people who live in them to tackle disadvantage.
- 1.6 Labor Senators believe policy responses to poverty in Australia must be broad and comprehensive, reflecting the complexity of circumstances people face. There must be sustainable pathways to lifting people out of financial crisis and into a life of opportunity and self-determination by tackling factors including but not limited to:
  - Access to affordable and crisis housing;
  - Providing access to quality education;
  - Securing employment;
  - Women's and family safety;
  - Access to health care, when and where people need it; and
  - Affordable medicines.
- 1.7 Labor Senators note that all of these issues are current priorities of the Albanese Labor Government. We acknowledge the significant work underway to explore every policy lever available to tackle the pressures that are affecting more Australians' ability to make ends meet.
- 1.8 Labor Senators believe in a strong social safety net that keeps people out of poverty, whether they are young, unemployed, working age, escaping family or domestic violence or in retirement.
- 1.9 As was made clear in its response to the Royal Commission into the Robodebt scheme, it is the Albanese Labor Government's position that the social security system is a vital component of Australia's safety net, providing both income support and access to services for Australians who need it. Many Australians

need this support at different times in their lives, for many different reasons. There is no shame in this.

1.10 Labor Senators acknowledge the significant changes to the income support system made in the 2023-24 Budget, which included:

- expanding qualification for Parenting Payment (Single) to single principal carers whose youngest child is aged under 14 years (PPS) (up from under 8 years);
- increasing the rates of working age and student payments by \$40 per fortnight, including Jobseeker Payment, Youth Allowance, Parenting Payment (Partnered), Austudy Payment and Disability Support Pension (youth);
- expanding eligibility for the higher rate of Jobseeker Payment to recipients aged 55 years and over who have been on payment for nine or more continuous months (reducing the qualifying age from 60 years); and
- increasing the maximum rates of Commonwealth Rent Assistance by 15 per cent.

1.11 Recent government policy changes such as these have made a meaningful difference for Australians on low incomes, and those who face increased risk of disadvantage.

1.12 We also note the government established the Economic Inclusion Advisory Committee, to provide advice to ahead of every federal budget, on ways to boost economic inclusion and tackle disadvantage.

1.13 In the 2023-24 budget, the Albanese Labor Government also announced an overhaul of the way Australia tackles entrenched disadvantage by investing almost \$200 million to deliver a comprehensive agenda to target investment in those communities doing it the toughest. The Targeting Entrenched Disadvantage Package will better enable government to partner with philanthropy, to listen to and empower local leaders, and work with communities to direct services in a way that meets their needs in a shared decision-making framework.

1.14 The Albanese Labor Government has also made considerable investments to help Australians manage cost of living pressures, including through:

- energy bill relief;
- cheaper child care;
- historic investments in Medicare bulk billing to make it cheaper for people to see a GP;
- fee-free TAFE training;
- building more affordable homes;
- expanded paid parental leave; and
- investing in cheaper medicines.

- 1.15 The Albanese Labor Government is taking action through the National Plan to End Violence Against Women and Children, to address the root causes that force so many children and women into a cycle that often ends in poverty.
- 1.16 Labor Senators also acknowledge the work being undertaken by the Albanese Labor Government through the development of the whole-of-Commonwealth Early Years Strategy.
- 1.17 Labor Senators believe that secure work is one of strongest forces for poverty reduction and social mobility. We acknowledge the release of the Employment White Paper, Working Future: The Australian Government's White Paper on Jobs and Opportunities that outlines the Albanese Labor Government's vision for a dynamic and inclusive labour market. One where everyone has the opportunity for secure, fairly paid work and people, businesses and communities can be beneficiaries of change, and thrive.
- 1.18 Labor Senators recognise the particular challenges in accessing such work in remote areas, especially for First Nations Australians. We note the Albanese Labor Government's recent announcement of the Remote Jobs and Economic Development Program that will help close the gap in employment outcomes by creating 3,000 jobs in remote Australia. This \$707 million investment is the first step in delivering on the Albanese Labor Government's commitment to replace the failed Community Development Program with real jobs, proper wages, and decent conditions.
- 1.19 Labor Senators reaffirm that disadvantage and poverty cannot be solved with quick fixes, a narrow focus or through a single portfolio, but can only be tackled through persistent, whole of government, long term approaches that empower communities and the people who live within them. We also reaffirm the importance of the work being done at the state and territory, and local, government level as well as the work done by those organisations dedicated to supporting Australians living with or at risk of disadvantage.
- 1.20 Labor Senators believe tackling disadvantage should be prioritised by any government and acknowledge the significant reforms the Albanese Labor Government has taken to date.
- 1.21 Labor Senators again thank all who participated in this process. We hope that this report contributes to the national debate on tackling poverty but more importantly to meaningful policy reform that makes a difference in the lives of Australians experiencing or at risk of disadvantage.



# Dissenting report from Coalition Senators

## **The extent and nature of poverty in Australia**

- 1.1 Poverty is a multi-faceted social and economic story, with evidence presented that over three million Australians are impacted by poverty today.
- 1.2 Coalition Senators agree that all aspects of Australian society must come together to address poverty. However, we disagree with the Committee's majority opinion that it's simply through government payments, not facilitating employment and incentivising aspiration, that we tackle this problem.
- 1.3 Whether on income support payments, the increasing working poor, where experience has been one of intergenerational poverty, or where the experience of poverty is new; when an Australian dollar buys significantly less all Australians are worse off – some more than others.
- 1.4 The committee report focuses mostly on raising the rate of social security payments and benefits to solve poverty. It concentrates on those receiving welfare payments – largely ignoring the new working poor.
- 1.5 There are different types of income support payments. Working age income support payments and JobSeeker are a safety net, not a wage replacement, and more can be done to position people to move off welfare into work where it is possible to do so.
- 1.6 While there is diversity in the stories of poverty from contributors to this inquiry, the Coalition recognises there is also no single action by government, by the service delivery sector, by communities or by individuals likely to reduce poverty.

## **Increases in payments**

- 1.7 The Coalition believes the best form of welfare is a job, and JobSeeker was designed to give people the short-term support they need while they find work.
- 1.8 Recommendations 1, 2, 3 and 7 refer to increasing the payment rate for those on JobSeeker and similar payments, pensions, and those who rely on Commonwealth Rent Assistance (CRA). The Coalition agreed to some, though not all, of these propositions in the Social Services and Other Legislation Amendment (Strengthening the Safety Net) Bill 2023 in August 2023. The Coalition does not support recommendations 1, 2, 3 and 7.
- 1.9 The vast majority of contributors to this inquiry were:
  - Not-for-profit social service advocacy groups.
  - Service delivery organisations.
  - People who have lived with poverty.

- 1.10 Their primary solution to reduce poverty was advocacy to raise the rate for all income support payments.
- 1.11 In recognising that the increasing working poor amounts more than those on income support payments, the submission by financial counselling peak bodies (Submission 31) recognises that:
- financial counselling services are being accessed by those who are considered “middle income Australia”. Due to ongoing structural issues, such as geography, stagnant or low wage growth, cost of living increases, insecure work and the erosion in the financial value of income support mechanisms, the face of poverty is changing. Unfortunately, as we know, inequality is increasing.<sup>1</sup>
- 1.12 The committee heard that social services payments are currently indexed to ensure payments maintain their purchasing power when the cost of living rises. Adult allowance rates, including JobSeeker and Rent Assistance, are indexed to the Australian Consumer Price Index (CPI) twice a year – in March and September. Youth Allowance is indexed annually.<sup>2</sup>
- 1.13 Additionally, the Coalition supported the Albanese Government’s 2023–2024 Budget measure – ‘Increased support for Commonwealth Rent Assistance Recipients’<sup>3</sup> – which increased the maximum rates for CRA allowances by 15 per cent to ‘help address rental affordability challenges for CRA recipients at the cost of \$2.7 billion over 5 years’.
- 1.14 The 2023–2024 Albanese Government Budget also included a measure to Increase Working Age Payments increasing the base rate of several income support payments by \$40 per fortnight. There was also a change to Parent Payment Single, where eligibility was expanded to increase the age of accessibility from 8 – 14 years.
- 1.15 As of March 2023 there are over 800 000 Job Seeker recipients. Instead of raising the rate for those receiving JobSeeker and working age payments, the Albanese Government could have incentivised recipients to participate in the workforce – thereby supplementing welfare payments with money earned through employment.
- 1.16 A submission by the Department of Social Services (DSS) (Submission 12) highlights the importance of participation in the labour market:

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<sup>1</sup> Financial Counselling Australia, *Submission 31*, p. 2.

<sup>2</sup> Parliament of Australia, *High inflation = higher social security rate increases*, 6 September 2022, [https://www.aph.gov.au/About\\_Parliament/Parliamentary\\_departments/Parliamentary\\_Library/FragPost/2022/September/High\\_inflation\\_and\\_pension\\_indexation](https://www.aph.gov.au/About_Parliament/Parliamentary_departments/Parliamentary_Library/FragPost/2022/September/High_inflation_and_pension_indexation).

<sup>3</sup> Don Arthur, Michael Klapdor and Matthew Thomas, Social Service and Other Legislation Amendment (Strengthening the Safety Net) Bill 2023, *Bills Digest No. 88*, 2022–23, Parliamentary Library, Canberra, p. 18.

economic participation is the best way to alleviate poverty and disadvantage. This is widely supported in the academic literature. Economic growth leads to the expansion of opportunity and reduces occurrences of poverty.<sup>4</sup>

- 1.17 The Coalition believes those who can work should do so. A vast majority – around 75 per cent of those on JobSeeker – show zero reported earnings with no part-time work.<sup>5</sup> This is unacceptable when unemployment is at record low levels, and employers are bringing in workers from overseas to fill vacancies.
- 1.18 It is a win-win-win for job seekers, employers and taxpayers if the income free area for those on JobSeeker and related working age payments is increased, allowing those receiving income support payments to gain valuable work experience and supplement their income without impacting their payments.
- 1.19 When in government the Coalition, through disciplined economic management, delivered the largest permanent increase to the JobSeeker income support payment. When in government, the Coalition presided over a period of what was then record low unemployment and a decline in numbers of those dependent on social security before a change of government in 2022. With the exception of an increase during the COVID-19 pandemic, the proportion of residential working age Australians receiving income support payments declined<sup>6</sup> from 24.4 per cent in 1996 to 14 per cent in 2022. However, there was a sustained increase in the number and proportion of long-term recipients of Job Seeker payment between 2006 and 2022.
- 1.20 Coalition policy is to raise the threshold by \$150 per fortnight before payments are reduced, allowing job seekers to take home \$300 a fortnight while still retaining the full rate of JobSeeker.<sup>7</sup>
- 1.21 In September 2022, around five million Australians were receiving income support payments of some type, with more than 50 per cent of those receiving the Aged Pension.<sup>8</sup> Similarly, veterans and pensioners should be able to work

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<sup>4</sup> Department of Social Services, *Submission 12*, p. 3.

<sup>5</sup> Peter Whiteford, 'Dutton's JobSeeker plans would at first leave 640,000 worse off and 168,000 better off', *The Conversation*, 1 August 2023, <https://theconversation.com/duttons-jobseeker-plans-would-at-first-leave-640-000-worse-off-and-168-000-better-off-210699>.

<sup>6</sup> Parliament of Australia, *Social security and family assistance*, [https://www.aph.gov.au/About\\_Parliament/Parliamentary\\_departments/Parliamentary\\_Library/pubs/BriefingBook47p/SocialSecurityFamilyAssistance](https://www.aph.gov.au/About_Parliament/Parliamentary_departments/Parliamentary_Library/pubs/BriefingBook47p/SocialSecurityFamilyAssistance).

<sup>7</sup> Liberal Party of Australia, *Budget in Reply*, <https://www.liberal.org.au/latest-news/2023/05/11/budget-reply>.

<sup>8</sup> Senate Community Affairs References Committee, *The extent and nature of poverty in Australia*, pp. 57–58.

and supplement their incomes, if they wish to. If this were allowed, there would be many economic and social benefits for older Australians and veterans.

- 1.22 Getting young people into work or actively pursuing work, rather than a focus on only receiving welfare payments and assisting older Australians to return to work if they wish to, should be a priority, along with evaluating and improving welfare programs and responding to the needs of those who find looking for work more challenging.
- 1.23 With Australia experiencing sustained long-term low unemployment, it is important that the government unlocks this aspect of the workforce to assist with shortages across the labour market and to help those on welfare transition back into full-time work.

### **Mutual Obligations**

- 1.24 The Coalition disagrees with ending mutual obligations for job seekers and those on related working age payments because this requirement keeps people engaged in job search to help them move off welfare.
- 1.25 Mutual obligations is an inherent part of the welfare social contract, where beneficiaries agree to seek work in exchange for payment actively and where penalties apply if the contract is broken. It includes but is not limited to completing job searches, attending compulsory appointments, participating in training, attending job interviews and accepting job offers. This creates a pathway towards employment and away from poverty.
- 1.26 One example was the ParentsNext Program, which the Coalition introduced to help young parents, particularly mothers, remain connected to the workforce.

### **Reviewing Employment Services**

- 1.27 The Albanese Government is simply capitulating to the Australian Greens' assessment on employment services. There are sound, practical reasons to reject recommendations 5 and 6.
- 1.28 Participation in education is key contributor to alleviating poverty. Education and training – with associated qualifications – can increase opportunity for employment and increase opportunity for promotion, further reducing the risk of poverty.
- 1.29 To encourage Australians into training and to encourage greater participation in the public training provider – Tafe, the Albanese Labor Government has been making changes to the delivery of training including fee-free TAFE and greater access to university places for under-represented, disadvantaged cohorts. The success of this in terms of enrolment levels versus completion rates and therefore transition to employment is yet to be seen.
- 1.30 Brotherhood of St Lawrence (BSL) referred to reforms that would better support people to transition to the labour market. BSL advocated for a collaborative,



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people-centred, place-based and industry focussed approach to employment and training services policy and program design. Jesuit Social Services raised wage subsidies for employers and training that were directly relevant to career aspirations and employment opportunities as another solution.<sup>9</sup>

- 1.31 This report raises the complexity of poverty in the context of social factors: where you live, your age – both the young and the old, people living with disability, those disadvantaged by education or by illness or who are known to experience increased levels of discrimination, those who experience relationship breakdown in later life and those experiencing domestic and/or family violence.
- 1.32 On 13 February, the Prime Minister delivered the Closing the Gap address announcing a new Remote Jobs and Economic Development Program (RJED) designed to create 3000 remote jobs over three years. The Coalition supports training and education programs that lead to employment outcomes, add value to employability and support the lives of Aboriginal and Torres Strait Islanders. Still the specifics of this new program for indigenous job seekers is yet to be seen – how will these jobs be created, in which sectors, with which employers and what infrastructure will be created to support this? There is little detail about this program at the conclusion of this review so it is unclear what modelling underpins Labor’s program.
- 1.33 It is well-known that the longer individuals remain on income support the harder it is to enter or to re-enter the workforce.<sup>10</sup> There are times when, and many reasons for, those who can work wish to supplement their income – and the system should facilitate that. Encouraging and supporting active participation makes sense – especially when mutual obligation requirements focus on building skills and capacity to transition to work. The Coalition supports the opportunity for participation.
- 1.34 Commonwealth, State, Territory and local governments, the financial industry, community organisations and the private sector must continue to collaborate with Aboriginal and Torres Strait Islander communities, organisations and peak bodies to develop First Nations-led solutions to poverty that are also place-based. It is also important for governments, policy makers and service providers alike, to understand which groups within the Aboriginal and Torres Strait Islander community are at increased risk of living below the poverty line to ensure the provision of appropriate tailored and targeted supports. Investment in frontline organisations – particularly Aboriginal and Torres Strait Islander organisations that support individuals and families experiencing poverty – is critical to addressing poverty now and in the immediate future. Continued investment in enabling agencies like Indigenous Business Australia (IBA) and

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<sup>9</sup> Jesuit Social Services, *Submission 120*, pp. 10–11.

<sup>10</sup> Reserve Bank of Australia, *Long-term unemployment in Australia*, December 2020, p. 48.

removing legislative constraints that hinder our ability to increase First Nations' access to capital are necessary to expand our reach and ability to better support the economic independence of Aboriginal and Torres Strait Islander people through equitable economic access.

### **Income Management**

- 1.35 When the Labor Party, enthusiastically supported by The Greens, abolished the CDC (Cashless Debit Card), it meant more income support payments could be spent on gambling, alcohol and previously restricted items and for those families, where addiction was already an issue, it made what was a bad situation – much worse. Despite many warnings from community groups the Government persisted with what was clearly a bad policy decision. There were early reports of increases in anti-social behaviour and social harm following this decision – and these reports continue today.<sup>11</sup>
- 1.36 The Albanese Government has yet to provide data that demonstrates the lives of people who live in the six trial sites (Ceduna, East Kimberley, The Goldfields, Bundaberg and Hervey Bay, Cape York and the Northern Territory) have improved since the CDC was removed in 2023. Preliminary findings from commissioned research is expected in early 2024.
- 1.37 The Coalition is committed to reinstatement of the Cashless Debit Card in communities that want and need it. This will mean welfare payments can be spent in a responsible and meaningful way on food for kids and essentials, not on alcohol, gambling and drugs.
- 1.38 In a submission by the Australian Institute of Family Studies (Submission 14) the Institute 'draws attention to locational disadvantage, associating communities with a greater concentration of individuals and families experiencing poverty with a range of other issues such as mental health challenges, substance misuse and gambling harms' when reflecting on the nature of poverty.<sup>12</sup> The CDC program worked to address these factors in communities where such challenges had reached dire proportions.

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<sup>11</sup> Gareth McKnight, Sam Tomlin, Ted O'Connor and Jarrod Lucas, 'Federal Liberals want cashless debit card reintroduced due to crime, social issues in remote WA', *Australian Broadcasting Corporation*, 2 February 2024, <https://www.abc.net.au/news/2024-02-02/liberals-back-cdc-reintroduction-remote-western-australia/103413970>; Amelia Costigan and Jodie Hamilton, 'Ceduna looks for solutions to antisocial behaviour in wake of Cashless Debit Card', *Australian Broadcasting Corporation*, 17 February 2024, <https://www.abc.net.au/news/2024-02-17/ceduna-crime-wave-after-cashless-debit-card-locals-want-jobs/103476386>.

<sup>12</sup> Australian Institute of Family Studies, *Submission 14*, p. 8.

## Children and Poverty

- 1.39 There are an estimated 770 000 to 1.2 million children in this country who live in poverty.<sup>13</sup> The inquiry heard that children who grow up in poverty will more than likely remain in poverty into adulthood. Children who grow up in poverty do less well at school and, therefore, less well in their work life.<sup>14</sup>
- 1.40 Parents and working age family members are role models and anything that can be done to incentivise them to work – where they can do so – rather than remain on benefits should be encouraged.
- 1.41 The Australian Institute of Family Studies (Submission 14) discussed:
- close links between parental joblessness and financial disadvantage ... jobless families and, to a lesser extent, families with short part-time hours were linked with factors such as lower educational attainment, poorer health and living in disadvantaged areas. Research further revealed that shifting from joblessness or short part-time to full-time/long part-time hours was important to alleviate financial disadvantage.<sup>15</sup>
- 1.42 Education is crucial for children entering adulthood to transition to employment. In the NT, in 2021–2022, the average school attendance in remote schools was less than 50 per cent. A greater focus on the role of education and school attendance in potentially alleviating poverty will be critical for improving prospects.
- 1.43 The Labor Party, the Australian Greens and some independents voted to remove the compulsory Cashless Debit Card which restricted spending on alcohol, drugs and gambling. In communities where the CDC has been replaced with an alternative program, the levels of social unrest, and associated issues, is reported as worsening. When parents on income support, who experience addiction, are restricted in how they spend their money, children and the most vulnerable benefit. And, when those receiving welfare payments and who are already vulnerable experience less harassment and menacing behaviour as a result of their inability to access cash, they are better protected. Anecdotal evidence from those with lived experience indicates changes to CDC's arrangements by the Labor Party and the Australian Greens has failed their communities.

## Better data and information

- 1.44 The committee heard wide-ranging reasons that had contributed to experiences of poverty. These included not having enough money, welfare recipients not receiving the payments they are eligible for, and those who gave up navigating and complying with the social services system, which unfairly puts pressure on

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<sup>13</sup> Australian Council of Social Services and the University of New South Wales, *Poverty in Australia 2022 – a snapshot*, p. 9.

<sup>14</sup> The Smith Family, *Submission 1*, p. 6.

<sup>15</sup> Australian Institute of Family Studies, *Submission 14*, p. 8.

others to support them. For others there are issues around financial management and not leaving enough for essentials. Financial Counselling Australia makes recommendation for an increase funding for financial counselling.<sup>16</sup>

- 1.45 The Coalition notes the evidence that the Albanese Government's Measuring What Matters wellbeing framework needs to provide a poverty indicator. It is a matter for the Government to consider embedding poverty measures and targets within its own Framework. A National Anti-Poverty Strategy or a National Poverty Commission is also a matter for Government. Another Commission and Commissioner risks adding yet another layer of oversight and associated bureaucracy without a guarantee of providing an ultimate solution to poverty.
- 1.46 The link between housing and poverty was raised throughout the inquiry. Australia's housing market is roughly divided into thirds: one-third of households rent; one-third own their home outright; and one-third are mortgage payers. Around 4 per cent of households live in social housing.<sup>17</sup> The report has focussed mostly on alleviating poverty though the lens of those working at the welfare end of the spectrum, while there any many who are working and finding it hard – even impossible – to make ends meet.
- 1.47 Particularly vulnerable cohorts were identified as people with disability, women escaping domestic and family violence, people within LGBTQIA+ communities and older Australians – particularly those who experience relationship breakdown later in life. These are important groups to understand in the context of better, more relevant data for decision-making around the impacts of poverty.
- 1.48 Answers from DSS in 2023 to questions in Senate Estimates, confirmed a deterioration in service delivery for Social Services and a significant issue with workforce retention in DSS since the Albanese Government came to office.<sup>18</sup> More efficient service delivery and service improvement is essential for individuals to navigate the system and to ensure they are on the right welfare payments. Improvement in this area is a matter for the Albanese Government.

### **The Economic Inclusion Advisory Committee**

- 1.49 The Coalition does not agree with recommendations (7, 15, 16 & 17) that refer to the Economic Advisory Committee. The Economic Inclusion Advisory Committee Act 2023 was passed in late 2023 was not supported by the Coalition.

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<sup>16</sup> Financial Counselling Australia, *Submission 31*, p. 3.

<sup>17</sup> Australian Urban Housing Institute, *What is the right level of social housing for Australia?* <https://www.ahuri.edu.au/analysis/brief/what-right-level-social-housing-australia>.

<sup>18</sup> *Official Committee Hansard*, 25 October 2023 pp. 3–48.

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- 1.50 The Coalition's position is that this permanent Advisory Committee is a waste of money and will just add to an already growing bureaucracy.
- 1.51 Its task is to advise on matters such as economic inclusion, adequacy of income support, reduction of obstacles to economic involvement in the context of fiscal outlook and strategy and it has the responsibility to identify work within its scope.

### **Conclusion**

- 1.52 Fuelled by unmanaged high inflation, Australia's working poor are growing.
- 1.53 Raising the rate of income support is not the panacea for alleviating poverty that this report suggests, and nor are those receiving welfare payments the only cohort experiencing poverty.
- 1.54 The charity sector is reporting more and more working poor across Australian jurisdictions, with people not previously seen by these organisations now seeking food parcels, emergency relief and entering homelessness. It is unmanaged fiscal policy impacting the cost of living that erodes their standard of living.
- 1.55 In 2023 the Coalition supported some, though not all, increases to welfare payments in the Strengthening the Safety Net Bill 2023. The challenge in making ends meet when inflation is high over longer periods means each dollar buys less.
- 1.56 Of significance in light of this report's recommendations, the Government can also do more to improve service delivery to DSS clients, as service which has deteriorated since the Albanese Government came into office.
- 1.57 Coalition Senators thank all contributors to this Community Affairs Reference Committee on The Extent and Nature of Poverty in Australia.

**Senator Kerrynne Liddle**

**Senator Wendy Askew**

**Senator Maria Kovacic**

**Senator Dave Sharma**



# Appendix 1

## Submissions and additional information

- 1 The Smith Family
- 2 Lifeline Australia
- 3 Professor Philip Mendes
- 4 Accountable Income Management Network
  - Attachment
- 5 OzHarvest
- 6 Foodbank Australia
- 7 Anglicare Australia
- 8 Western Australian Council of Social Service
- 9 Social Policy Research Centre, University of New South Wales
- 10 Centre for Community Child Health
- 11 Australian Education Union
- 12 Department of Social Services
- 13 Australian Bureau of Statistics
- 14 Australian Institute of Family Studies
- 15 Centrecare Inc.
- 16 Economic Justice Australia
- 17 Anti-Poverty Week
- 18 UnitingCare Australia
- 19 Carers Australia
- 20 The Salvation Army
- 21 Brotherhood of St Laurence
- 22 Australian Council of Social Service & University of New South Wales Poverty and Inequality Partnership
- 23 Australian Council of Social Service
- 24 Consortium of Neighbourhood Centres, Far North Coast
- 25 Dr Elise Klein OAM
  - Attachment
- 26 Australian Capital Territory Council of Social Service
- 27 St Vincent de Paul Society National Council of Australia
- 28 cohealth
- 29 Antipoverty Centre
  - 9 attachments
- 30 Anglicare Southern Queensland
- 31 Financial Counselling Australia
- 32 Life Course Centre
- 33 Queensland Aboriginal and Islander Health Council

- 34 Uniting Vic Tas
- 35 National Rural Health Alliance
- 36 Indigenous Business Australia
- 37 Social Security Rights Victoria
- 38 Children's Policy Centre
- 39 The Melbourne Institute: Applied Economic & Social Research
- 40 Consumer Policy Research Centre
  - 3 attachments
- 41 Consumer Action Law Centre
- 42 Better Renting
- 43 MS Australia
- 44 Children and Young People with Disability Australia
- 45 Financial Counselling Victoria
- 46 Victorian Public Tenants Association
- 47 Multicultural Australia
- 48 National Council of Single Mothers & their Children
  - 4 attachments
- 49 Suicide Prevention Australia
- 50 Seniors Dental Care Australia
- 51 Australian Catholic Bishops Conference
- 52 Health Justice Australia
- 53 South East Community Links
- 54 Australian Research Alliance for Children & Youth
- 55 FamilyCare
- 56 Spinal Cord Injuries Australia
- 57 Fair Go For Pensioners Coalition Victoria Inc.
- 58 Cancer Council Australia
- 59 Multicultural Disability Advocacy Association
- 60 University of Melbourne Graduate Student Association
- 61 Equality Australia
- 62 Australian Health Promotion Association (Western Australia Branch)
- 63 Equality Rights Alliance
- 64 Relationships Australia
- 65 Catholic Archdiocese of Sydney
- 66 United Nations Association Australia (Western Australia Division)
- 67 Dr Meredith Kiraly
- 68 The Stables Christian Centre Inc
- 69 Multicultural Youth Advocacy Network
- 70 National Association for Prevention of Child Abuse and Neglect
- 71 Disability Advocacy New South Wales
- 72 Aboriginal Health and Medical Research Council of New South Wales
- 73 Wide Bay Advocacy
- 74 Westjustice



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- 75 Northern Territory Shelter
- 76 People with Disability Australia
- 77 City of Playford
- 78 Orygen
- 79 The Asylum Seeker Resource Centre
- 80 Homelessness Australia
- 81 Victorian Aboriginal Child Care Agency
- 82 Pinchapoo and Economic Evaluation Australia
- Attachment
- 83 The Benevolent Society
- 84 Youth Affairs Council of South Australia
- 85 Combined Pensioners and Superannuants Association
- 86 Centre for Excellence in Child and Family Welfare
- 87 Barnardos Australia
- 88 Families Australia
- 89 Sisters Inside Inc
- 90 Physical Disability Council of New South Wales
- 91 Royal Australian and New Zealand College of Psychiatrists
- 92 Australian College of Nursing
- 93 Royal Australian College of General Practitioners
- 94 Way Forward
- 95 Tenants Victoria
- 96 Good Shepherd
- Attachment
- 97 JFA Purple Orange
- 98 Tenants' Union New South Wales
- 99 Carers New South Wales
- 100 Council of Single Mothers and their Children
- 101 National Tertiary Education Union
- 102 Australian Federation of Disability Organisations
- 103 Equity Project
- 104 National Council of Churches in Australia
- 105 Consumers Health Forum of Australia
- 106 Mid North Coast Legal Centre
- 107 Australian Lawyers for Human Rights
- 108 National Heart Foundation
- 109 South Australian Commissioner for Children & Young People
- 110 Micah Projects
- 4 attachments
- 111 JusticeNet South Australia
- 112 The Hive
- 113 Wallumatta Legal

- 114 South-East Monash Legal Service
- 115 Committee for Economic Development of Australia
- 116 Victorian Aboriginal Community Controlled Health Organisation
- 117 Sacred Heart Mission
- 118 Aboriginal Peak Organisations Northern Territory
- 119 Central Land Council
- 120 Jesuit Social Services
- 121 Community Legal Centres Tasmania & JusTas
- 122 ANTAR
- 123 National Shelter
- 124 Commissioner for Children and Young People Western Australia
  - 3 attachments
- 125 Paul Ramsay Foundation
- 126 Legal Aid New South Wales
- 127 City of Onkarparinga
- 128 Housing for the Aged Action Group Inc.
- 129 Western Australia Association of Mental Health
- 130 National Aboriginal Community Controlled Health Organisation
- 131 Per Capita
- 132 Dr Shelley Bielefeld
  - 4 attachments
- 133 Save the Children & 54 Reasons
- 134 Australian Capital Territory Government
- 135 Redfern Legal Centre
- 136 Community Information and Support Victoria
- 137 ME/CFS Australia
- 138 Advocacy for Inclusion
- 139 Northern Territory Council of Social Service
  - 5 attachments
- 140 SydWest Multicultural Services
- 141 First Nations Employment Alliance
- 142 Tasmanian Government
- 143 New South Wales Service for the Treatment and Rehabilitation of Torture and Trauma Survivors (STARTTS)
  - 2 attachments
- 144 Public Health Association of Australia
- 145 Justice Reform Initiative
  - Attachment
- 146 Community Legal Centres Australia
- 147 Onkaparinga Food Security Collaborative
- 148 Tomorrow Movement

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- 149 Mr Fulin Yan  
150 Catherine Styles  
151 Tabitha Lloyd  
152 Mr Benjamin Cronshaw  
153 Dr Kevin Cox  
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163 The Low Income Action Group, Adelaide South  
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166 Ms Aeryn Brown  
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244 Australian Human Rights Commission  
245 Ben  
246 Confidential  
247 Confidential  
248 Confidential  
249 Confidential  
250 Confidential  
251 Dr Francis Markham  
252 Larissa Kaput  
253 *Name Withheld*

### **Tabled Documents**

- 1 Uniting Care Vic/Tas, research paper tabled at public hearing on 20 October 2022
- 2 The Council of Single Mothers and their Children, graph tabled at public hearing on 20 October 2022
- 3 Good Shepherd Australia and NZ, opening statement tabled at public hearing on 6 December 2022
- 4 Uniting Care Queensland, opening statement tabled at public hearing on 6 December
- 5 Good Shepherd Australia and NZ, brochure tabled at public hearing on 6 December 2022
- 6 Lighthouse Care, opening statement tabled at public hearing on 6 December 2022
- 7 Twin Rivers Care Centre, opening statement tabled at public hearing on 6 December 2022
- 8 South Australian Council of Social Service, annual report tabled at public hearing on 13 December 2022
- 9 Rural City of Murray Bridge Council, opening statement tabled at public hearing on 13 December 2022
- 10 Rural City of Murray Bridge Council, research paper tabled at public hearing on 13 December 2022

- 11 JFA Purple Orange, opening statement tabled at public hearing on 13 December 2022
- 12 JFA Purple Orange, 'Guide to Co-Design' papers tabled at public hearing on 13 December 2022
- 13 Murray Bridge High School, opening statement tabled at public hearing on 13 December 2022
- 14 Murray Bridge High School, brochure tabled at public hearing on 13 December 2022

### **Additional Information**

- 1 Australian Council of Social Service, correspondence in relation to relevant reports from ACOSS and the ACOSS/UNSW Poverty and Inequality Partnership on poverty in Australia; received 27 October 2022
- 2 Twin Rivers Care Centre, additional information in relation to the emergency relief HandsUp Program; received 6 December 2022
- 3 Social Futures, additional information in relation to public hearing appearance on 21 February 2023; received 21 February 2023
- 4 Mr Roy Starkey, additional information in relation to public hearing appearance on 21 February 2023; received 21 February 2023
- 5 Anti-Poverty Week, additional information on child poverty in New Zealand in relation to public hearing appearance on 27 February 2023; received 3 March 2023
- 6 Antipoverty Centre, opening statement and additional information in relation to public hearing appearance on 27 February 2023; received 27 February 2023
- 7 Settlement Services International, additional information in relation to public hearing appearance on 31 January 2023 – All in for Armidale: A whole-of-community approach to Ezidi settlement; received 24 February 2023
- 8 Settlement Services International, additional information in relation to public hearing appearance on 31 January 2023 – The Right Fit: Attracting and retaining newcomers in regional towns; received 24 February 2023
- 9 Emeritus Professor Jon Altman, additional information in relation to public hearing appearance on 27 February 2023 – Policy Issues for the Community Development Employment Projects Scheme in Rural and Remote Australia; received 8 March 2023
- 10 Emeritus Professor Jon Altman, additional information in relation to public hearing appearance on 27 February 2023 – Job Creation and Income Support in Remote Indigenous Australia: Moving Forward with a Better System; received 8 March 2023
- 11 The Salvation Army, additional information in relation to public hearing appearance on 15 August 2023 - submission to Treasury's consultation on the wellbeing budget; received 15 August 2023

- 12 Children's Policy Centre, additional information in relation to public hearing appearance on 15 August 2023 - research paper on 'a fairer tax and welfare system for Australia'; received 15 August 2023
- 13 Children's Policy Centre, additional information in relation to public hearing appearance on 15 August 2023 - Crawford School of Public Policy podcast links; received 15 August 2023
- 14 Brotherhood of St Laurence, additional information in relation to public hearing appearance on 15 August 2023 - submission to Workforce Australia Employment Services inquiry; received 18 August 2023
- 15 Brotherhood of St Laurence, additional information in relation to public hearing appearance on 15 August 2023 - joint submission to Workforce Australia Employment Services inquiry; received 18 August 2023
- 16 Brotherhood of St Laurence, additional information in relation to public hearing appearance on 15 August 2023 - submission to Productivity Commission inquiry into Early Childhood Education and Care; received 18 August 2023
- 17 Consumer Action Law Centre, additional information in relation to public hearing appearance on 15 August 2023 - Financial Counselling Australia media release regarding industry funding for financial counselling; received 31 August 2023
- 18 Consumer Action Law Centre, additional information in relation to public hearing appearance on 15 August 2023 - submission to DSS consultation on the financial counselling industry funding model; received 31 August 2023
- 19 Melbourne Institute, additional information in relation to public hearing appearance on 31 October 2023; received 8 November 2023
- 20 Indigenous Business Australia, additional information in relation to public hearing on 31 October 2023; received 10 November 2023

#### **Answer to Question on Notice**

- 1 Answers to questions taken on notice by Financial Counselling Victoria at a public hearing on 20 October 2022; received 9 November 2022
- 2 Answers to questions taken on notice by Uniting Vic.Tas at a public hearing on 20 October 2022; received 16 November 2022
- 3 Answers to questions taken on notice by the Salvation Army at a public hearing on 13 December 2022; received 16 January 2023
- 4 Answers to questions taken on notice by UnitingCare Queensland at a public hearing on 6 December 2022; received 20 January 2023
- 5 Answers to questions taken on notice by Good Shepherd at a public hearing on 6 December 2022; received 6 February 2023
- 6 Answers to questions taken on notice by the Foundation for Young Australians at a public hearing on 31 January 2023; received 28 February 2023

- 7 Answer to question taken on notice by Economic Justice Australia at a public hearing on 27 February 2023; received 8 March 2023
- 8 Answer to a question taken on notice by Social Futures at a public hearing on 21 February 2023; received 10 March 2023
- 9 Answers to questions taken on notice by the St Vincent de Paul Society National Council of Australia at a public hearing on 27 February 2023; received 17 March 2023
- 10 Answers to questions taken on notice by the Department of Health and Aged Care at a public hearing on 15 August 2023; received 29 August 2023
- 11 Answers to questions taken on notice by the Salvation Army at a public hearing on 15 August 2023; received 31 August 2023
- 12 Answers to questions taken on notice by the Department of Health and Aged Care at a public hearing on 15 August 2023; received 1 September 2023
- 13 Answers to questions taken on notice by the Department of Social Services at a public hearing on 15 August 2023; received 6 September 2023
- 14 Answers to questions taken on notice by the Department of Employment and Workplace Relations at a public hearing on 15 August 2023; received 13 September 2023
- 15 Answers to questions taken on notice by the Department of Employment and Workplace Relations at a public hearing on 15 August 2023; received 14 September 2023
- 16 Answers to questions taken on notice by the Department of Education at a public hearing on 15 August 2023; received 14 September 2023
- 17 Answer to questions taken on notice by the Department of Employment and Workplace Relations at a public hearing on 15 August 2023; received 19 September 2023
- 18 Answer to question taken on notice by the Department of Employment and Workplace Relations at a public hearing on 15 August 2023; received 11 October 2023
- 19 Answer to question taken on notice by the Melbourne Institute at a public hearing on 31 October 2023; received 8 November 2023
- 20 Answers to questions taken on notice by The Salvation Army at a public hearing on 15 August 2023; received 10 November 2023

### **Media Releases**

- 1 Inquiry into the extent and nature of poverty in Australia - Call for submissions
- 2 Public hearing in Melbourne on 20 October 2022 – opportunity for individuals to provide short statements
- 3 Public hearing in Brisbane and Murray Bridge – opportunity for individuals to provide short statements



- 4 Public hearing in Sydney on 31 January 2023 – opportunity for individuals to provide short statements
- 5 Public hearing in Lismore on 21 February 2023 – opportunity for individuals to provide short statements
- 6 Public hearing in Perth on 4 April 2023 - opportunity for individuals to provide short statements
- 7 Public hearing in Canberra on 15 August 2023 – opportunity for individuals to provide short statements



# Appendix 2

## Public hearings

### *Thursday, 20 October 2022*

Quest Abbotsford

611 Victoria St, Abbotsford, Melbourne, VIC

#### *Victorian Council of Social Service*

- Ms Emma King, Chief Executive Officer
- Ms Deborah Fewster, Director, Policy and Advocacy

#### *Victorian Aboriginal Community Controlled Health Organisation*

- Mr Troy Walsh, Health and Information Unit Executive Director
- Mr Abe Ropitini, Executive Director Population Health

#### *Cohealth*

- Dr Nicole Allard, GP and Clinical and Public Health Lead COVID response
- Mr Danny Jeffcote, Acting Network Director, Community Response and Impact

#### *Belgium Avenue Neighbourhood House*

- Ms Karen Hovenga, President

#### *Finbar Neighbourhood House*

- Mrs Judith Sullivan, Member of Board of Management
- Ms Debbie Beams, Secretary

#### *Financial Counselling Victoria*

- Ms Jacinta Morris, Financial Counsellor
- Ms Elizabeth Stary, Senior Financial Counsellor

#### *Financial Counselling Australia*

- Dr Sandy Ross, Executive Officer

#### *Council of Single Mothers and their Children*

- Ms Jenny Davidson, Chief Executive Officer
- Ms Suzanne Baker, Delegate

#### *Save the Children and 54 Reasons*

- Mr Howard Choo, Australian Policy and Advocacy Lead

#### *Carringbush Adult Education*

- Ms Laura Chapman, Community Support and Case Work Coordinator

*Australian Vietnamese Women's Association*

- Mr Huy Luu, Operations Manager

*Young Assets Foundation*

- Mr Mubarek Imam, Executive Director

*UnitingCare Vic/Tas*

- The Hon Bronwyn Pike AM, Chief Executive Officer
- Mr Thomas Johnson, Manager, Advocacy and Public Policy

*Housing for the Aged Action Group*

- Ms Fiona York, Executive Officer

*Short statements from individuals with lived experience of poverty*

- Genevieve
- Glenys
- Jo
- Peter
- Abigail
- Witness A
- Brian

***Tuesday, 6 December 2022***

Hotel Grand Chancellor

23 Leichhardt Street, Spring Hill, Brisbane, Qld

*Queensland Council of Social Service*

- Dr Gayatri Ramnath, Manager, Policy and Research

*Basic Rights Queensland*

- Ms Fiona Hunt, Director
- Mr Sam Tracy, Practice Director

*Zig Zag Young Women's Resource Centre*

- Ms Laura Christie, Team Leader, Housing Program
- Ms Tina Louise, Housing and Homelessness Support Worker

*Friends with Dignity*

- Ms Manuela Whitford, Chief Executive Officer
- Ms Tracy Wickham

*Centre Against Domestic Abuse*

- Ms Holly Brennan, Chief Executive Officer

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YFS

- Ms Catherine Bartolo, Chief Executive Officer
- Mrs Anita Weir, Domestic Violence Worker

*Multicultural Australia*

- Mrs Rose Dash, Chief Client Officer
- Ms Kalpalata Iyer, Research & Advocacy Officer
- Dr Emma Phillips, Research & Advocacy Manager

*Anti-Poverty Network Queensland*

- Mr Jayden Oxton-White, National Liaison
- Mr Nick Wittman, Advocacy Point of Call

*Short statements from individuals with lived experience of poverty*

- David
- Isabelle
- Mel
- Rebecca

*Uniting Care Queensland*

- Mr Daniel Wong, Senior Manager, Advocacy and Government Relations
- Mr Luke Lindsay, General Manager, Lifeline (QLD) & Statewide Wellbeing Service

*Good Shepherd*

- Dr Jozica Kutin, Senior Research and Policy Analyst

*Twin Rivers Care Centre*

- Pastor Reuben Roos, Chief Executive Officer
- Mrs Anna Hellberg, Care Manager
- Mrs Gayle Roberts, Food Outlet Manager

*Lighthouse Care*

- Mrs Debbie Hill, Founder
- Mr Matthew Hill, Chief Executive Officer

*Picabeen Community Organisation*

- Ms Jillian Warren, Centre Manager

*Meals on Wheels North West*

- Mr Alexi Paasonen, Chief Executive Officer

*People Power Services Ltd*

- Mr Pacifique Gakindi, Managing Director
- Mr Amiel Nubaha

*Access Community Housing*

- Ms Elizabeth Brown, Chief Executive Officer

*Q Shelter*

- Ms Fiona Caniglia, Executive Director

*Micah Projects*

- Ms Karyn Walsh, Chief Executive Officer

***Tuesday, 13 December 2022***

Murray Bridge Town Hall

17 Bridge St, Murray Bridge, SA

*South Australia Council of Social Service*

- Mr Ross Womersley, Chief Executive Officer

*Anti-Poverty Network South Australia*

- Mrs Sara Walker, Coordinator, Northern Suburbs Branch
- Ms Jennifer Harris, Representative

*Rural City of Murray Bridge Council*

- Mrs Kristen Manson, General Manager of Community Development

*AC. Care Murray Bridge*

- Ms Thanuja Hiripitiyage, Regional Manager, Murraylands Homelessness Services
- Mr Shane Maddock, Chief Executive Officer
- Ms Meredith Nelson, Manager, Financial Inclusion and Emergency Relief

*Uniting Communities Murray Bridge*

- Ms Emma Scarce, Senior Coordinator
- Mr Joshua Davies, Social & Emotional Wellbeing Worker

*Short statements from individuals with lived experience of poverty*

- Jennifer
- Nijole
- Rita
- Sarah

*Murray Mallee General Practice Network*

- Ms Lisa Courtney, Clinical Services Manager - Mental Health, AOD and Chronic Pain Services

*National Council of Single Mothers and their Children*

- Ms Terese Edwards, Chief Executive Officer
- Ms Aradia Sayner, Board Member

*Foodbank SA*

- Ms Sarah Davies, General Manager, Strategy, Foodbank SA & Central Australia

*JFA Purple Orange*

- Ms Cathy Cochrane, Policy and Research Leader
- Ms Elizabeth Farrant, Project Leader

*Aboriginal Sobriety Group*

- Mr Major Sumner AM, Board Director

*Salvation Army Australia - Murray Bridge Corps*

- Ms Janet Emmins, MoneyCare Financial Counselor

*Murray Bridge High School*

- Mr Duncan Emmins, Wellbeing and Engagement Mentor

***Tuesday, 31 January 2023***

Rydges Bankstown

Corner of Hume Highway and Strickland Street, Bass Hill, Sydney, NSW

*Western Sydney Migrant Resource Centre*

- Mr Kamalle Dabboussy, Chief Executive Officer

*Settlement Services International*

- Dr Astrid Perry-Indermaur, Head of Women, Equity and Domestic and Family Violence

*Asylum Seekers Centre*

- Ms Frances Rush OAM, Chief Executive Officer

*STARRTS*

- Mr Jorge Aroche, Chief Executive Officer
- Mr Lachlan Murdoch, Deputy Chief Executive Officer
- Ms Jasmina Bajraktarevic-Hayward, Community Services Coordinator

*Australian South East Asian Network*

- Mr Sawathey Ek OAM, Founder
- Paul Huy Nguyen, Member and President of Vietnamese Community Australia

*Anglicare*

- Mr Brad Braithwaite, Interim Chief Executive Officer (via teleconference)
- Ms Kasy Chambers, Executive Director (via teleconference)

*Democratic Kurdish Community Centre of New South Wales*

- Mr Ismet Tastan, Co-President

*Bangladesh Community Council*

- Mr Mohammad Haque, President

*National Tertiary Education Union*

- Dr Alison Barnes, National President
- Dr Terri MacDonald, Director, Public Policy and Strategic Research

*National Union of Students*

- Ms Bailey Riley, President

*Foundation for Young Australians*

- Lee Jia-Yi Carnie, Executive Director, Advocacy and Programs

*Short statements from individuals with lived experience of poverty*

- Nadia
- Witness A
- Jessica
- Kristin O'Connell
- Greg

***Tuesday, 21 February 2023***

Southern Cross University

Military Road, East Lismore, NSW

*Resilient Lismore*

- Ms Elly Bird, Executive Director

*Healthy North Coast*

- Ms Monika Wheeler, Chief Executive

*Social Futures*

- Mr Tony Davies, Chief Executive Officer

*North Coast Community Housing*

- Mr Craig Brennan, Chief Executive Officer
- Mr Ray Mackeen, Executive Manager, Housing Services

*Consortium of Neighbourhood Centres, Far North Coast*

- Ms Natalie Meyer, Representative

*Ocean Shores Community Association Inc.*

- Mrs Jan Mangleson, President



*Rotary Club of Ballina-on-Richmond*

- Mr Terry O'Grady, President

*Mr Roy Starkey, private capacity*

*Short statements from individuals with lived experience of poverty*

- Chibo

## ***Monday, 27 February 2023***

Parliament House

Canberra, ACT

*Anti-Poverty Week*

- Ms Toni Wren, Executive Director

*Carers Australia*

- Ms Alison Brook, Chief Executive Officer
- Ms Sue Elderton, Senior Policy Officer

*Antipoverty Centre*

- Ms Kristin O'Connell, Research and Policy
- Mr Jay Coonan, Co-coordinator

*Economic Justice Australia*

- Ms Sarah Sacher, Law Reform Officer – via videoconference
- Ms Kavitha Sivasamy, Parachute Program Solicitor, Canberra Community Law
- Ms Abby Cone, Board member – via videoconference

*Australian Council of Social Service*

- Dr Cassandra Goldie, Chief Executive Officer – via videoconference
- Ms Charmaine Crowe, Program Director, Social Security – via videoconference
- Dr Peter Davidson, Principal Advisor – via videoconference

*UnitingCare Australia*

- Ms Claerwen Little, National Director
- Mr Mark Newton, Chief Executive Officer, Parramatta Mission

*Centre for Future Work, The Australia Institute*

- Mr Greg Jericho, Policy Director (Labour Market and Fiscal)

*Professor Roger Wilkins, private capacity*

*Professor Jon Altman, private capacity*

*Dr Elise Klein OAM, private capacity*

*Emeritus Professor John Quiggin, private capacity*

*St Vincent de Paul Society National Council of Australia*

- Mr Mark Gaetani, National President Elect – via videoconference

*Australian Unemployed Workers' Union*

- Ms Lee-Anne Coutts, Member
- Mr Andrew Lawrence, Member
- Mr Raymond Sutherland, Member
- Ms Catherine Caine, Spokesperson for income support – via videoconference

*ACT Council of Social Service (ACTCOSS)*

- Dr Gemma Killen, Acting Chief Executive Officer
- Ms Avan Daruwalla, Policy Officer

*Roundabout Canberra*

- Mrs Hannah Andrevski, Chief Executive Officer

*YWCA Canberra*

- Ms Frances Crimmins, Chief Executive Officer
- Ms Leah Dwyer, Director, Policy and Advocacy

*HelpingACT*

- Mr Mohammed Ali, President

*Winnunga Nimmitjiah Aboriginal Health and Community Services*

- Ms Julie Tongs OAM, Chief Executive Officer – via videoconference

*CommunityServices #1*

- Mrs Amanda Tobler, Chief Executive Officer

***Tuesday, 4 April 2023***

Doubletree by Hilton Northbridge

100 James Street, Perth, WA

*The Equity Project*

- Adjunct Professor Tony Pietropiccolo AM, Director of Centacare Inc. and Founder of the Valuing Children Initiative
- Dr Shae Garwood, General Manager, Advocacy & Strategy for Anglicare WA

*Office of the Western Australian Commissioner for Children and Young People*

- Mrs Lorilee Gale, Senior Policy Officer

*Developmental Disability WA*

- Mrs Mary Butterworth, Chief Executive Officer

- 
- Ms Anne Livingston, Manager Support Coordination
  - Ms Bron Pike, Side By Side Director

*South West Autism Network*

- Ms Nick Avery, Chief Executive Officer

*Western Australia Association of Mental Health*

- Ms Taryn Harvey, Chief Executive Officer
- Mrs Cassie MacDonald, Sector Development Manager
- Mr Colin Penter, Projects & Policy

*Kin Disability Advocacy*

- Ms Christine Grace, Manager - Advocacy Services

*People with Disabilities WA*

- Mr Brendan Cullinan, Chief Executive Officer
- Mr Simon Chong, Member

*Youth Disability Advocacy Network*

- Mx Isabella Choate, Project Coordinator

*Short statements from individuals with lived experience of poverty*

- Alison
- Len

**15 August 2023 – Canberra, Australian Capital Territory**

Parliament House

Canberra, ACT

*Brotherhood of St Laurence*

- Dr Travers McLeod, Executive Director
- Dr Emily Porter, Senior Research Fellow – via videoconference
- Ms Kelly Bowey, Policy Advisor – via videoconference

*The Salvation Army*

- Mr Stuart Foster, National General Manager, Community Services – via videoconference
- Ms Jennifer Kirkaldy, General Manager, Policy and Advocacy – via videoconference

*Lifeline Australia*

- Dr Anna Brooks, Chief Research Officer
- Mr Chris Siorokos, Executive Director, Government and Stakeholder Relations

*Westjustice*

- Ms Melissa Hardham, Chief Executive Officer – via videoconference
- Mr Joseph Nunweek, Legal Director - via videoconference
- Ms Jennifer Jones, Legal Director - videoconference

*Consumer Action Law Centre*

- Ms Stephanie Tonkin, Chief Executive Officer – via videoconference
- Ms Kirsty Robson, Financial Counsellor – via videoconference

*Centrecare*

- Adjunct Professor Tony Pietropiccolo AM, Director – via videoconference

*Children's Policy Centre*

- Professor Sharon Bessell, Director – via videoconference

*Centre for Excellence in Child and Family Welfare*

- Ms Deb Tsorbaris, Chief Executive Officer – via videoconference
- Ms Caitlyn Robertson, Senior Policy and Research Officer – via videoconference

*Department of Health and Aged Care*

- Ms Bronwyn Field, First Assistant Secretary, Mental Health and Suicide Prevention
- Mr Simon Cotterell, First Assistant Secretary, Primary Care Division

*Department of Education*

- Ms Anne Twyman, First Assistant Secretary, Programs, Payments and Early Learning Division
- Ms Rachel O'Connor, Assistant Secretary, Student Engagement and Wellbeing
- Ms Rhyann Bloor, Assistant Secretary, Data and Delivery Support Branch

*Department of Employment and Workplace Relations*

- Ms Erin Rule, Assistant Secretary, Targeted Employment Policy Branch
- Mr Adam Weiderman, Assistant Secretary, Multilateral Branch
- Dr Andrew Wright, Director, Targeted Employment Policy Branch

*Office of the Commonwealth Ombudsman*

- Mr Iain Anderson, Commonwealth Ombudsman

*Department of Social Services*

- Mr Matt Flavel, Deputy Secretary, Social Security
- Ms Jo Evans, Group Manager, Participation and Family Payments
- Mr Patrick Burford, Group Manager, Communities – via videoconference

- Mr Ben Peoples, Branch Manager, Participation and Supplementary Payments

*National Indigenous Australians Agency*

- Ms Julie-Ann Guivarra, Deputy Chief Executive Officer, Policy and Programs
- Ms Andy Johnston, Acting Group Manager, Social Policy Group
- Mr Carl Binning, Group Manager, Economic Empowerment Group

*Treasury*

- Ms Khanh Hoang, Assistant Secretary
- Ms Marg Thomas, Assistant Secretary

**31 October 2023 – Canberra, Australian Capital Territory**

Parliament House  
Canberra, ACT

*WA Council of Social Service*

- Mr Chris Twomey, Leader Policy and Research – via videoconference

*NT Council of Social Service*

- Dr Stephanie Kelly, Chief Executive Officer – via videoconference

*First Peoples Disability Network*

- Mr Damian Griffis, Chief Executive Officer – via videoconference
- Dr Talia Avrahamzon, National Strategic Partnerships, Policy, and Impact Manager – via videoconference

*National Suicide Prevention and Trauma Recovery Project*

- Ms Megan Krakouer, Director

*Indigenous Business Australia*

- Ms Kia Dowell, Executive Director, Strategy and Impact – via videoconference

*Accountable Income Management Network*

- Dr Elise Klein OAM, Member of Accountable Income Management Network and Associate Professor of Public Policy at ANU Crawford School of Public Policy – via videoconference
- Ms Jessica Stevens, Member of Accountable Income Management Network and Advocacy Project Officer at Uniting Communities – via videoconference

*Wungening Aboriginal Corporation*

- Daniel Morrison-Bird, Chief Executive Officer

*Change the Record*

- Ms Damiya Hayden, Policy Lead – via videoconference

*ANU Centre for Aboriginal Economic Policy Research*

- Dr Francis Markham, Research Fellow – via videoconference

*Melbourne Institute*

- Professor A. Abigail Payne, Director and Ronald Henderson Professor – via videoconference

*UNSW Social Policy Research Centre*

- Professor Kylie Valentine, Director – via videoconference

*Economic Inclusion Advisory Committee*

- Professor Peter Whiteford, Committee Member - via videoconference

*Ms Leah House, private capacity**Mr Gerry Georgatos, private capacity****3 November 2023 – site visit***

Burnie and Wynyard

Tasmania

*Burnie Community House*

*Burnie Works*

*Loaves and Fishes Tasmania*

*Burnie Big hART*

*Wynyard High School*