

The Senate

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Community Affairs References  
Committee

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The extent and nature of poverty in  
Australia

Interim report

May 2023

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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

ABS	Australian Bureau of Statistics
ACOSS	Australian Council of Social Service
ACOSS & UNSW Partnership	Poverty and Inequality Partnership between the Australian Council of Social Service and the University of New South Wales
ANU	Australian National University
CALD	culturally and linguistically diverse
CPI	Consumer Price Index
committee	Senate Community Affairs References Committee
CYDA	Children and Young People with Disability Australia
DSP	Disability Support Pension
DSS	Department of Social Services
HILDA survey	Household, Income and Labour Dynamics in Australia survey
Interim Advisory Committee	Interim Economic Inclusion Advisory Committee
LGBTQIA+	Lesbian, Gay, Bisexual, Transgender, Queer, Intersex, Asexual and other sexually or gender diverse identities
MTAWE	Male Total Average Weekly Earnings
NACCHO	National Aboriginal Community Controlled Health Organisation
OECD	Organisation for Economic Cooperation and Development
UNSW	University of New South Wales
VET	vocational education and training
WAAMH	Western Australian Association of Mental Health



# List of recommendations

## Recommendation 1

5.114 The committee recommends that the Australian Government take urgent action so that Australians are not living in poverty, and prioritise policy measures in the upcoming May Budget that specifically target rising inequality and entrenched disadvantage, including through the income support system.



# Executive summary

*If I wasn't poor, maybe somebody would have asked for my side of the story...I would not be invisible. I would not be in pain. If I wasn't poor, I'd have justice in my life. I would be safe and have time to heal. Other people would be held accountable for their actions. I would not have slipped through the cracks my whole life. I could afford dreams. If I wasn't poor securing proper healthcare services would not depend on my likability. I would be harder to victimise. I would have teeth. I would not have cursed my children to the same generational trauma I have been through.<sup>1</sup>*

## Poverty in Australia today

- 1.1 Poverty in Australia is a real and immediate problem. While there is no nationally agreed measure of poverty, according to analysis from the Australian Council of Social Services and the University of New South Wales, in 2019–20 more than one in eight people (13.4 per cent) and one in six children (16.6 per cent) lived below the poverty line after taking account of their housing costs. In total, that equated to over three million people living in poverty, including 761 000 children.<sup>2</sup>
- 1.2 Over the course of its inquiry into the extent and nature of poverty in Australia, the Senate Community Affairs References Committee (the committee) has heard a wide variety of evidence from the community.
- 1.3 It has heard of the hardships and deprivations that individuals and families living in poverty face. It has heard how poverty negatively impacts all facets of their lives, including housing security, health outcomes, education and employment opportunities and social participation.
- 1.4 These experiences of poverty are complex and all-consuming, and a purely financial lens is not sufficient to capture the full extent of the drivers and impacts of poverty. However, in its simplest terms, poverty is a function of an individual not having enough money to cover the expenses required to meet an adequate standard of living.<sup>3</sup>
- 1.5 Evidence to the committee identified the structural drivers behind why an individual can find themselves without enough sufficient income and living in poverty. These include economic factors, labour market factors (including employment and education opportunities), housing factors and social factors.

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<sup>1</sup> Witness A, *Proof Committee Hansard*, 22 October 2022, p. 60.

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

<sup>3</sup> The Melbourne Institute: Applied Economic and Social Research, *Submission 39*, p. 2.

- 1.6 In this regard, the committee was informed that due to these structural and systemic underpinnings, poverty is not simply a matter of individual inadequacy, personal deficits, or the straightforward result of private choices.

### **Focus of this interim report**

- 1.7 The committee's inquiry is still ongoing and a final report will be presented by 31 October 2023. However, given the volume of evidence received so far and the pressing nature of many of the issues raised, the committee has chosen to publish an interim report.
- 1.8 This interim report looks at the extent of poverty in Australia and sets out the calls from some inquiry participants for a national, contemporary definition of poverty. Those submitters advised the committee that without an agreed, contemporary definition there is no definitive way to determine the scale of poverty, to decide where resources should be applied, or to track whether any substantial progress is made towards addressing it.
- 1.9 The report centres the lived experiences of Australians living in poverty to understand how the daily and long-term realities of poverty impact every single element of a person's life. It sheds light on the compounding challenges that people from particular cohorts face when experiencing poverty, due to overlapping and intersecting forms of disadvantage and inequity, many of which are structural and systemic in nature. Moving forward, the committee intends to consider these outcomes, as well as potential solutions, in more depth.
- 1.10 The report explores the relationship between income support payments and poverty. The committee was told that many people living in poverty in Australia rely on social security for their income. The committee heard from inquiry participants – including advocacy groups, community services and emergency relief providers, and individuals with lived experience – that Australia's working-age income support payments were insufficient to meet the cost of essential, day-to-day goods and services, including food, rent, energy and healthcare.
- 1.11 The committee also notes and acknowledges the longstanding calls from across the Australian community, including from payment recipients, advocacy groups, community services and emergency relief providers, academic experts, and the Interim Economic Inclusion Advisory Committee, to increase the base rates of income support payments.
- 1.12 The committee ends the report by recommending that the Australian Government take urgent action so that Australians are not living in poverty, and that the Government prioritise policy measures in the upcoming May Budget that specifically target rising inequality and entrenched disadvantage, including through the income support system.

1.13 Moving forward, the committee remains cognisant that there are a range of policy domains which can address poverty and disadvantage and work to improve life outcomes for the community. It will look to explore these further as the inquiry progresses.



# Chapter 1

## Introduction

### Referral and conduct of the inquiry

1.1 On 7 September 2022, the following matter was referred to the committee for inquiry and report by 31 October 2023:

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.<sup>1</sup>

1.2 Details of the inquiry were published on the committee's website and the committee invited a number of organisations and individuals to lodge submissions.

1.3 At the time of writing, the committee has published 146 submissions and a variety of additional documents and is still in the process of considering further material received. All of the evidence published so far is listed at Appendix 1 of this report, and the committee's final report will contain the full list of evidence received.

1.4 The committee also held a number of public hearings 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; and
- 4 April 2023 – Perth, Western Australia.

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<sup>1</sup> *Journals of the Senate*, No. 10, 7 September 2022, p. 248.

- 1.5 A list of witnesses who gave evidence at the hearings is available at Appendix 2 of this report. The committee intends to hold further hearings in other locations before the final report is presented by 31 October 2023.

### **Structure of the interim report**

- 1.6 Chapter 2 provides information on the current rates of poverty in Australia and identifies the cohorts in the community most likely to be experiencing poverty. It then discusses the evidence from submitters about the need for the Commonwealth Government to adopt an agreed national definition of poverty.
- 1.7 Chapter 3 sets out the evidence as it relates to the impacts of poverty on individuals, families, and communities. It highlights the hardships and deprivations (both financial and otherwise) faced by those living in poverty, and foregrounds lived experiences.
- 1.8 Chapter 4 outlines the structural drivers of poverty in Australia.
- 1.9 Chapter 5 turns to the relationship between income support payments and poverty. It sets out evidence from submitters advising that the current levels of income support payments are inadequate and lead to deprivation and entrenched disadvantage. It canvasses the evidence received from submitters asserting that lifting the rate of income support payments is an effective policy lever to reduce poverty in Australia. It also briefly summarises the recent findings on income support payments released by the Interim Economic Inclusion Advisory Committee, before concluding with the committee's views.

### **Acknowledgments**

- 1.10 The committee thanks all those who contributed to the inquiry by making submissions, providing additional information and appearing at public hearings.
- 1.11 In particular, the committee would like to acknowledge the individuals who shared their lived experience of poverty, both in written submissions and at public hearings. The committee is keenly aware that publicly sharing a personal story of poverty, so often of harrowing circumstances, can take an emotional and physical toll.
- 1.12 The committee sincerely thanks those individuals for their courage and generosity in sharing their experiences. Lived experience stories have been instrumental to deepening the committee's understanding of the day-to-day realities of poverty and the very real human impact of policy settings.

# Chapter 2

## The extent of poverty in Australia

### Measuring and defining poverty

- 2.1 Australia does not have a single definition of poverty and as such, it has no official, nationally agreed definition or way of monitoring poverty.<sup>1</sup>
- 2.2 In the absence of an official definition, common measures or poverty lines used by stakeholders and researchers in Australia include:
- the Henderson Poverty Line;
  - the 50 per cent of median income poverty rate;
  - the 60 per cent of median income poverty rate; and
  - the before- and after- housing poverty rate.<sup>2</sup>
- 2.3 The submission from the Commonwealth Government, led by the Department of Social Services (DSS), stated that as poverty was a 'multifaceted issue', there was no single measure that could summarise every dimension of poverty and disadvantage.<sup>3</sup>
- 2.4 DSS confirmed that because of the challenges of measuring poverty, the Commonwealth Government did not subscribe to a single definition and instead relied upon a range of metrics and indicators.<sup>4</sup>
- 2.5 It explained the reasons behind this approach as follows:
- 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>5</sup>
- 2.6 The Australian Bureau of Statistics (ABS) confirmed that it did not have a definition or standard of poverty. However, it noted that some of its data

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<sup>1</sup> Australian Council of Social Service & University of New South Wales Poverty and Inequality Partnership, *Submission 22*, p. 2; Department of Social Services, *Submission 12*, p. 43; Australian Bureau of Statistics, *Submission 13*, p. 1.

<sup>2</sup> Further discussion of these measures can be found later in this chapter.

<sup>3</sup> Department of Social Services, *Submission 12*, p. 43.

<sup>4</sup> Department of Social Services, *Submission 12*, p. 43.

<sup>5</sup> Department of Social Services, *Submission 12*, p. 43.

collection activities could be useful in gaining an understanding of the extent and nature of poverty in Australia, including:

- the Survey of Income and Housing;
- the Household Expenditure Survey;
- the Census of Population and Housing;
- the Multi-Agency Data Integration Project (which combines information on health, education, government payments, income and taxation, employment and population demographics over time);
- the Consumer Price Index;
- the Living Cost Indexes; and
- the Labour Force Survey.<sup>6</sup>

2.7 Other submitters acknowledged that there were various ways of measuring poverty, including different ways of calculating a poverty line and the need to factor in housing costs.<sup>7</sup> Some, such as the Salvation Army, noted that if used in isolation, an income-based poverty line would have limitations given it would not capture the complex experience of someone in poverty or take into account income versus wealth.<sup>8</sup> However, ultimately the majority concluded that these complexities were why an agreed definition (even if not perfect) was necessary, as it would at a minimum provide a nationally consistent measure (which could then be used in conjunction with other multi-dimensional indicators).<sup>9</sup>

### **Estimates of the extent of poverty in Australia**

2.8 In the absence of an official definition, to quantify levels of poverty in Australia many stakeholders across the community refer to measures created by 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).

2.9 The ACOSS & UNSW Partnership provided the committee with its most recent rates of poverty in Australia, ascertained from the latest data available from the ABS Survey of Income and Housing (2019–20).

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<sup>6</sup> Australian Bureau of Statistics, *Submission 13*, p. 1.

<sup>7</sup> Antipoverty Centre, *Submission 29*, p. 9; The Melbourne Institute: Applied Economic and Social Research, *Submission 39*, p. 3.

<sup>8</sup> Salvation Army, *Submission 20*, p. 11; Brotherhood of St Laurence, *Submission 21*, p 5.

<sup>9</sup> Australian Council of Social Service & the University of New South Wales Poverty and Inequality Partnership, *Submission 22*, p.3; Good Shepherd, answers to questions, 6 December 2022 (received 6 February 2023). Further discussion on this matter can be found later in this chapter.

2.10 This analysis found that in 2019–20:

- More than one in eight people (13.4 per cent) and one in six children (16.6 per cent) lived below the poverty line after taking account of their housing costs.
- In total, there were over three million people living in poverty, including 761 000 children.
- The poverty line based on 50 per cent of median household income ranged from \$489 per week for a single person to \$1027 per week for a couple with two children.
- People in households below the poverty line had incomes that averaged \$304 per week below the poverty line (the ‘poverty gap’), after deducting housing costs. The average poverty gap is 42 per cent of the poverty line.<sup>10</sup>

### **Cohorts more likely to experience poverty**

2.11 The committee was advised that particular cohorts across the community, through no fault of their own, were more likely to be living in poverty.

2.12 The Life Course Centre emphasised that a focus on poverty rates across the entire population failed to highlight that poverty is not random and does not occur equally across all cohorts of the community. It observed that some groups consistently fared much worse than others, a result which underlined the systemic nature of poverty.<sup>11</sup>

2.13 At a broad level (and noting that these cohorts are not mutually exclusive and often intersect), the committee heard that these cohorts included:

- women (particularly single mothers, older women and those experiencing family and domestic violence);<sup>12</sup>
- children and young people;<sup>13</sup>

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<sup>10</sup> Australian Council of Social Service & University of New South Wales Poverty and Inequality Partnership, *Submission 22*, p. 5.

<sup>11</sup> Life Course Centre, *Submission 32*, p. 4.

<sup>12</sup> See for example: National Council of Single Mothers & their Children, *Submission 48*, pp. 1–2; Council of Single Mothers and their Children, *Submission 100*, pp. 3–5; Good Shepherd, *Submission 96*, pp. 1–4; Housing for the Aged Action Group, *Submission 128*, pp. 5–6; Anglicare Southern Queensland, *Submission 30*, pp. 10–11; Sisters Inside Inc, *Submission 89*, pp. 2–5; Equality Rights Alliance, *Submission 63*, pp. 5–7; Professor Jon Altman, private capacity, *Proof Committee Hansard*, 27 February 2023, pp. 34–35.

<sup>13</sup> See for example: Salvation Army, *Submission 20*, p. 51; Save the Children & 54 Reasons, *Submission 133*, p. 6; Commissioner for Children and Young People Western Australia, *Submission 124*, pp. 1–3; Children’s Policy Centre, *Submission 38*, pp. 5–9; Australian Research Alliance for Children and Youth, *Submission 54*, pp. 2–4; Smith Family, *Submission 1*, pp. 2–4; Barnardos Australia, *Submission 87*, p. 2; CentreCare Inc, *Submission 15*, [p. 12].

- people living with disability;<sup>14</sup>
- people with caring responsibilities<sup>15</sup>;
- people from culturally and linguistically diverse backgrounds (particularly refugees and asylum seekers);<sup>16</sup>
- people living in rural and remote communities;<sup>17</sup>
- people on income support payments;<sup>18</sup> and
- First Nations people.

2.14 Numerous submitters highlighted to the committee that due to the enduring legacy of colonisation, Aboriginal and Torres Strait Islander people are amongst the most profoundly disadvantaged and at risk of poverty in Australia.<sup>19</sup>

2.15 For example, the National Aboriginal Community Controlled Health Organisation (NACCHO) emphasised that poverty among Aboriginal and Torres Strait Islander peoples was a ‘direct and deliberate consequence’ of colonisation.<sup>20</sup> It observed that a long history of dispossession, marginalisation and racism (including as a result of government policies) had resulted in ‘profound inequity’ for First Nations communities, commenting:

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<sup>14</sup> See for example: Salvation Army, *Submission 20*, pp. 56–58; People with Disability Australia, *Submission 76*, pp. 5–6; Australian Federation of Disability Organisations, *Submission 102*, p. 12; Children and Young People with Disability Australia, *Submission 44*, pp. 6–7; Antipoverty Centre, *Submission 29*, pp. 13–14; Physical Disability Council of New South Wales, *Submission 90*, pp. 5–6; JFA Purple Orange, *Submission 97*, pp. 5–7; Public Health Association of Australia, *Submission 144*, p. 10; ME/CFS Australia, *Submission 137*, p. 1.

<sup>15</sup> See for example: Carers Australia, *Submission 19*, pp. 1–2; Carers NSW, *Submission 99*; pp. 2–4.

<sup>16</sup> See for example: Salvation Army, *Submission 20*, pp. 48–49; 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>17</sup> See for example: Centrecare Inc, *Submission 15*, [p. 15–16]; National Rural Health Alliance, *Submission 35*, pp. 6–9.

<sup>18</sup> Detailed discussion on this cohort can be found in Chapter 5 of this report.

<sup>19</sup> See for example: Salvation Army, *Submission 20*, pp. 46–48; National Aboriginal Community Controlled Health Organisation, *Submission 130*, pp. 4–8; Aboriginal Peak Organisations Northern Territory (APO NT), *Submission 118*, pp. 5–7; Victorian Aboriginal Community Controlled Health Organisation, *Submission 116*, pp. 1–2; Victorian Aboriginal Child Care Agency, *Submission 81*, pp. 10–12; Aboriginal Health and Medical Research Council of New South Wales, *Submission 72*, pp. 3–4; Queensland Aboriginal and Islander Health Council, *Submission 33*, pp. 4–8; ANTA, *Submission 122*, p. 3; Central Land Council, *Submission 119*; p. 7; Sisters Inside Inc, *Submission 89*, pp. 6–7; 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 Inc, *Submission 15*, [p. 20].

<sup>20</sup> National Aboriginal Community Controlled Health Organisation, *Submission 130*, p. 5.

Disproportionally high rates of poverty among Aboriginal and Torres Strait Islander people take place against a background of structural impediments to full participation in the Australian economy and are evidenced across multiple drivers and measures of inequality. Poverty is reinforced and entrenched by ongoing experiences of structural and interpersonal racism, discrimination, dispossession of culture, land and language, and intergenerational trauma.<sup>21</sup>

- 2.16 The ACOSS & UNSW Partnership informed the committee that it measured not only the rate of poverty for various demographic groups (that is, the risk of poverty among people drawn from each group), but also the profile of poverty for particular demographic groups (that is, the share of each group within the population of people in poverty).
- 2.17 Based on these measurements, it concluded that there are groups of people who are more at risk of experiencing poverty, as well as groups of people who are over-represented within the profile of poverty.<sup>22</sup>
- 2.18 Analysis released by the Partnership in March 2023 (based on 2019–20 ABS data) identified that the following groups faced the highest risk of poverty (20 per cent or more):
- people in households whose reference person (usually the main income-earner) was of working age and unemployed (62 per cent) or not in the labour force (47 per cent);
  - people in households receiving income support including Newstart Allowance/JobSeeker Payment (60 per cent), Parenting Payment (72 per cent), Youth Allowance (34 per cent), Disability Support Pension (43 per cent) or Carer Payment (39 per cent);
  - tenants in public housing (52 per cent) and private rental (20 per cent and 50 per cent for those aged 65 years and over);
  - people in sole parent households (34 per cent, and 39 per cent among children in those households);
  - single people without children (25 per cent, and 26 per cent among those under 65 years); and
  - people with disability and a ‘core activity restriction’ (20 per cent).<sup>23</sup>
- 2.19 Based on the same 2019–20 data, the Partnership also found that groups with a ‘high share of all people in poverty’, due either to their large share of the overall population (for example, wage earning households and couples with children),

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<sup>21</sup> National Aboriginal Community Controlled Health Organisation, *Submission 130*, p. 4.

<sup>22</sup> Australian Council of Social Service & University of New South Wales Poverty and Inequality Partnership, *Submission 22*, p. 7.

<sup>23</sup> Australian Council of Social Service & University of New South Wales Poverty and Inequality Partnership, [Poverty in Australia 2023: Who is affected](#), March 2023, pp. 10–11.

and/or their elevated rates of poverty (for example, people relying mainly on social security and people with disability) included:

- women and girls;
- people in households whose main income is social security;
- people of working age – that is 25-64 years;
- people in households whose reference person is of working age and in paid employment;
- people with disability;
- people in households whose reference person is under 65 years old and not in the labour force – that is, not undertaking paid work or actively seeking paid work for reasons such as study, retirement, disability etc;
- couple households with children; and
- people in households whose reference person receives the Age Pension, Newstart Allowance/JobSeeker Payment, or Parenting Payment.<sup>24</sup>

### **Evidence supporting a national definition or measure of poverty**

2.20 A significant number of submitters to the inquiry recommended the Commonwealth Government adopt an agreed definition of poverty in order to better measure poverty levels and track progress in reducing poverty over time.<sup>25</sup>

2.21 There were a number of different suggestions as to what this definition should be, and in putting forward their arguments many submitters reflected on the various approaches currently used to measure poverty and the advantages and disadvantages of each.

2.22 For example, ACOSS advocated for a national definition of poverty, stating that it was imperative that the Commonwealth Government commit to undertake the work to develop the correct measure.<sup>26</sup>

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<sup>24</sup> Australian Council of Social Service & University of New South Wales Poverty and Inequality Partnership, *Submission 22*, pp. 7–8.

<sup>25</sup> See for example: Australian Council of Social Service & University of New South Wales Poverty and Inequality Partnership, *Submission 22*, p. 3; Anti-Poverty Week, *Submission 17*, p. 2; Per Capita, *Submission 131*, p. 7; South East Community Links, *Submission 53*, p. 1; Combined Pensioners and Superannuants Association, *Submission 85*, p. 2; The Melbourne Institute: Applied Economic and Social Research, *Submission 39*, p. 1; Save the Children & 54 Reasons, *Submission 133*, p. 7; Ms Claerwen Little, National Director, UnitingCare Australia, *Proof Committee Hansard*, 27 February 2023, pp. 20–21; cohealth, *Submission 28*, p. 3; Sacred Heart Mission, *Submission 117*, pp. 12–13; Mr Greg Jericho, Policy Director, Centre for Future Work, The Australia Institute, *Proof Committee Hansard*, 27 February 2023, p. 27; Australian Research Alliance for Children & Youth, *Submission 54*, p. 4.

<sup>26</sup> Dr Cassandra Goldie, Chief Executive Officer, Australian Council of Social Service, *Proof Committee Hansard*, 27 February 2023, p. 20.

- 2.23 The thinktank Per Capita submitted there was a need for an ‘agreed, authoritative and contemporary’ definition of poverty, particularly as policy choices and funding allocations to tackle disadvantage were often informed by reports and comparative analysis of which groups were most in need and where resources and efforts should be best applied.<sup>27</sup>
- 2.24 Anglicare Southern Queensland observed that as Australia has no official method for measuring poverty, there was no definitive way to determine the scale of the problem or track whether any substantial progress was made in addressing it. It also identified that the different methods of calculating the poverty line generated various results in terms of the exact number of Australians living in poverty. However, in reflecting on the various measures used in Australia, it made the point that regardless of the method of measurement used, ‘there is no doubt that millions of Australians are living in poverty.’<sup>28</sup>
- 2.25 The Antipoverty Centre argued that all existing poverty measures were flawed, particularly as the relative poverty measures used internationally did not account for the significantly higher housing costs in Australia.<sup>29</sup> It noted that while it advocated for a new ‘modern measure’ of poverty, it considered the Henderson Poverty Line the ‘least bad’ measure of poverty currently available.<sup>30</sup>
- 2.26 It recommended that the Government develop a ‘new, robust poverty line’ that was ‘transparent, based on real living costs for people at the low end of the income scale and ensures a fair standard of living’.<sup>31</sup>

### **Various approaches available**

- 2.27 The Melbourne Institute observed that defining income poverty was challenging. It noted that while there was no universally accepted definition of poverty in Australia, it was ‘generally conceived of as a situation of having insufficient income to cover the expenses associated with meeting an adequate standard of living’.<sup>32</sup>
- 2.28 It further explained that in high income countries, it was common to define poverty with reference to the country’s median household income (adjusted for the ‘needs’ of the household), usually setting the poverty line at 50 per cent or

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<sup>27</sup> Per Capita, *Submission 131*, pp. 7, 9.

<sup>28</sup> Anglicare Southern Queensland, *Submission 30*, pp. 3–4.

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

<sup>30</sup> Antipoverty Centre, *Submission 29*, pp. 5, 9.

<sup>31</sup> Antipoverty Centre, *Submission 29*, pp. 24–25.

<sup>32</sup> The Melbourne Institute: Applied Economic and Social Research, *Submission 39*, p. 2.

60 per cent of the median income. It noted that in Australia, the longest-running poverty measure was the Henderson Poverty Line.<sup>33</sup>

- 2.29 Additionally, the Melbourne Institute highlighted the importance of the 'equivalence scale' when attempting to define poverty, in order to adjust the poverty line for differences across households in need. It explained:

Differences in needs can arise from several sources, but most important is household size – that is, the greater the number of household members, the greater the income needs. Other factors that can affect need include the age, health, disability status and labour force status of household members, and the region of residence of the household.<sup>34</sup>

- 2.30 The Melbourne Institute recommended the adoption of an easily measured definition of poverty for Australia, adding that poverty rates should be calculated at a 'sub-national level' (e.g. using measures reflecting household information within communities) to allow benchmarking of areas of concern and better tracking of poverty elimination progress within and across communities.<sup>35</sup>

- 2.31 As noted above, ACOSS argued for the development of an agreed national definition. Dr Peter Davidson, Principal Adviser for ACOSS, elaborated on ACOSS' position, advising that there were various methods available to define and measure poverty:

Broadly speaking, we'd define 'poverty' as insufficient income to meet minimum basic living costs; that is, socially perceived necessities. That's not an absolute measure; it will vary from country to country and within Australia from time to time, as living standards change. But if you can't afford what most people perceive to be essentials, like a decent and secure home, because your income is too low, you are in poverty. How exactly that is measured, by what benchmark, is a matter for discussion and debate.<sup>36</sup>

- 2.32 As a result, ACOSS recommended a public review to develop an appropriate measure:

We think there should be a process of public review, perhaps as part of the development of the wellbeing framework, to develop that. There are a number of benchmarks for poverty, including 50 per cent or 60 per cent of median household income, with or without housing costs, and the Henderson poverty line. There are other, more direct measures, of deprivation and hardship, which aren't set as income benchmarks. Finally, there are budget standards measures which attempt to work out a minimum acceptable budget, looking at each item that a low-income household needs,

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<sup>33</sup> The Melbourne Institute: Applied Economic and Social Research, *Submission 39*, p. 2.

<sup>34</sup> The Melbourne Institute: Applied Economic and Social Research, *Submission 39*, p. 3.

<sup>35</sup> The Melbourne Institute: Applied Economic and Social Research, *Submission 39*, p. 1.

<sup>36</sup> Dr Peter Davidson, Principal Adviser, Australian Council of Social Service, *Proof Committee Hansard*, 27 February 2023, p. 20.

from housing to groceries and transport. There's research around that as well.<sup>37</sup>

- 2.33 ACOSS further noted that the development of an agreed national definition should be done in dialogue with academic experts, individuals with lived experience of poverty, antipoverty advocates and other relevant stakeholders.<sup>38</sup>
- 2.34 The ACOSS & UNSW Partnership advised that it had developed a significant body of research measuring the level and depth of poverty and inequality in Australia, using a relative poverty line, after-housing costs, and income and wealth inequality indicators.<sup>39</sup>
- 2.35 Specifically, the Partnership noted that it used a combination of methods, based on household income, to measure the rate of poverty. It provided the committee with a brief explanation of these methods, as set out below.

*50 per cent of median income poverty rate*

- This definition is similar to that adopted by the Organisation for Economic Cooperation and Development (OECD), in which 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 Partnership uses a variant of this OECD definition, including a different measure of household size, to define a 'poverty line'.<sup>40</sup>

*60 per cent of median income poverty rate*

- The poverty line for a single adult living alone is set at 60 per cent of the after-tax income of the median household in the overall income distribution, including any social security payments received.
- This measure is used by the European Union.<sup>41</sup>

*Before- and after- housing poverty rate*

- The Partnership has refined the above measures of poverty by considering the different types of housing that households have access to. This is

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<sup>37</sup> Dr Peter Davidson, Principal Adviser, Australian Council of Social Service, *Proof Committee Hansard*, 27 February 2023, p. 20.

<sup>38</sup> Australian Council of Social Service, *Submission 23*, p. 2.

<sup>39</sup> Australian Council of Social Service, *Submission 23*, p. 2.

<sup>40</sup> Australian Council of Social Service & the University of New South Wales Poverty and Inequality Partnership, *Submission 22*, p. 4.

<sup>41</sup> Australian Council of Social Service & the University of New South Wales Poverty and Inequality Partnership, *Submission 22*, p. 4.

because those who own their home outright require less income to achieve a decent standard of living than those who are renting or paying off a mortgage.

- In order to factor this in, the Partnership reduces the above poverty lines by the median cost of housing across the community and then reduces each household's income by their actual housing costs. This creates that 'after-housing poverty rate'.
- It is the Partnership's view that this rate allows for a more effective comparison of the living standards of groups with low housing costs (for example, retired homeowners) versus those with high housing costs (for example, unemployed renters).<sup>42</sup>

#### *Poverty gap and deprivation measure*

- The poverty gap measurement refers to the difference between the incomes of people in various household types in poverty.
- The deprivation measure is a means of measuring poverty by looking at the essential items people miss out on.<sup>43</sup>

#### **The 'imperfect' nature of income-based definitions**

2.36 Submitters acknowledged that income-based approaches to defining or measuring poverty, such as the Henderson Poverty Line, had limitations.

2.37 Analysis released in March 2022 from the Bankwest Curtin Economics Centre acknowledged there were 'ongoing debates' on the precise threshold that best differentiated people in poverty from those that remained out of poverty. It noted that one of the problems with the use of a single poverty line as a binary indicator of poverty was that it categorised families or individuals who were substantially similar in terms of their disposable incomes into separate groups.<sup>44</sup>

2.38 Professor Roger Wilkins, an academic economist with extensive research experience in the incidence and determinants of poverty and social exclusion, in particular with the annual Household, Income and Labour Dynamics in Australia (HILDA) survey, appeared before the committee in his private capacity. He acknowledged that income-based approaches to defining poverty could be problematic, given that they did not consider wealth as a factor and economic resources were not just a function of income.<sup>45</sup>

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<sup>42</sup> Australian Council of Social Service & the University of New South Wales Poverty and Inequality Partnership, *Submission 22*, p. 4.

<sup>43</sup> Australian Council of Social Service & the University of New South Wales Poverty and Inequality Partnership, *Submission 22*, p. 4.

<sup>44</sup> Bankwest Curtin Economics Centre, [Behind the Line: Poverty and disadvantage in Australia 2022](#), March 2022, p. 24.

<sup>45</sup> Professor Roger Wilkins, private capacity, *Proof Committee Hansard*, 27 February 2023, p. 30.

- 2.39 He provided some insights to the committee as to the development and relative advantages and disadvantages of the Henderson Poverty Line and the line based on the 50 per cent of median income. He acknowledged the somewhat arbitrary nature of such lines and further noted that ultimately there was no definitive line at which one could say someone went from being ‘unacceptably poor’ to having an acceptable living standard.’<sup>46</sup>
- 2.40 However, despite this he noted that given it was possible to endlessly seek to finesse a measure, in practical terms the search for a ‘perfect’ measure may prove unhelpful if the overarching goal was to adopt an official poverty line.<sup>47</sup>
- 2.41 The Brotherhood of St Laurence noted that while income-based poverty measures were essential, they could only provide a partial picture of the extent and nature of poverty and disadvantage. It recommended that the Government adopt a multidimensional approach, given that different measures of poverty highlight different aspects of disadvantage.<sup>48</sup>
- 2.42 The Salvation Army observed that in its experience, a strict definition of poverty was not necessary or helpful in assisting people who experience it. It noted:
- Certainly for our services, poverty is not a binary concept where a person earning below a certain income is ‘poor’ and a person earning more is not. As a working definition, we consider that a person is experiencing poverty if they do not have basic needs met because of financial constraints. How this state is experienced, and what constitutes a basic need, varies between individuals and communities, and over the life of an individual.<sup>49</sup>
- 2.43 It defined ‘basic needs’ as those required to live life with dignity and highlighted three factors — shelter, health and social and economic participation — as being essential to achieve this.<sup>50</sup>
- 2.44 The Salvation Army cautioned against adopting a definition of poverty that focussed solely on income levels as a determinant, noting that the variation of experiences in the three aforementioned factors could not be adequately accounted for in setting a single, or even adjusted, level of income.<sup>51</sup>
- 2.45 It observed that individual differences (such as the medical costs for an individual with a chronic health condition compared to someone in good health)

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<sup>46</sup> Professor Roger Wilkins, private capacity, *Proof Committee Hansard*, 27 February 2023, pp. 30–31.

<sup>47</sup> Professor Roger Wilkins, private capacity, *Proof Committee Hansard*, 27 February 2023, p. 30.

<sup>48</sup> Brotherhood of St Laurence, *Submission 21*, pp. 5–6.

<sup>49</sup> Salvation Army, *Submission 20*, p. 11.

<sup>50</sup> Salvation Army, *Submission 20*, p. 11.

<sup>51</sup> Salvation Army, *Submission 20*, p. 11.

and community differences (such as the comparative costs of housing between different locations) made setting a single income level as a definition fraught.<sup>52</sup>

- 2.46 Additionally, the Salvation Army asserted that exclusively focussing on an individual's income, rather than considering the impact of societal systems and structures, would miss a 'critical part' of the experience of poverty. For example, while an individual needs sufficient income in order to secure housing, there must also be an appropriate supply of housing available for them to access.<sup>53</sup>

### **The importance of a national definition of poverty**

- 2.47 In regard to discussions around the limitations of income-based definitions, Professor Wilkins posited that it was useful to be mindful of parameters when seeking to define poverty in order to keep focus on the crux of the problem — that is, a lack of money. He explained:

In terms of what poverty is, in the Australian context we think about it as not being able to live what most Australians would call a normal life — participating in the normal activities of an Australian life—and that the reason for the inability to do that is a lack of money. It is not about all forms of disadvantage and injustice in a society that we would like to address; it is very much focused on not having the economic resources needed to participate in Australian life.<sup>54</sup>

- 2.48 He continued on to highlight the dangers of 'overcomplicating' the matter:

There is a tendency to overcomplicate this and talk about poverty being complex and multifaceted, but it is actually not that complicated. Sure, the underlying causes of poverty can be multifaceted and complex, but the basic problem is simple: it is just not having enough money.<sup>55</sup>

- 2.49 Professor Wilkins advocated for an official poverty measure, noting that an agreed measure, even if imperfect, would function as a metric to which government could be held to account.

- 2.50 He expanded upon this point:

There is lots of handwringing about how you should measure poverty. We end up in a situation where the perfect ends up being the enemy of the good. Governments target a lot of things that are imperfectly measured; poverty should be no different. I would gravitate towards a measure that is being used widely internationally even though it is highly imperfect, and that is a 50 per cent of median income poverty line. It is a fairly austere line, but at

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<sup>52</sup> Salvation Army, *Submission 20*, p. 11.

<sup>53</sup> Salvation Army, *Submission 20*, p. 11.

<sup>54</sup> Professor Roger Wilkins, private capacity, *Proof Committee Hansard*, 27 February 2023, pp. 27–28.

<sup>55</sup> Professor Roger Wilkins, private capacity, *Proof Committee Hansard*, 27 February 2023, pp. 27–28.

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least if it is adopted by governments it is something to which they can be held to account on.<sup>56</sup>

- 2.51 In making this argument, Professor Wilkins acknowledged that the imperfect nature of such a measure would need to be counterbalanced by a recognition of the importance of other policy settings when measuring disadvantage:

Such an austere standard is more defensible if we acknowledge that is not the end of the story when it comes to addressing disadvantage. We need to get housing policy right, we need to get health policy right, we need to get education policy right, we need to get the justice system right, and so on. There is a whole set of other things that we need policymakers to get right to ensure that we have a just and equitable society for all. That is why I would probably advocate for that rather austere standard.<sup>57</sup>

### **Incorporating a definition into a national well-being framework**

- 2.52 In the 2022–23 Budget handed down in October 2022, the Commonwealth Government sought to initiate the beginning of a ‘conversation about how to measure what matters to Australians’. It flagged the development of an overarching reporting framework, suited to the Australian context, to better measure progress and well-being in society.<sup>58</sup>

- 2.53 As Statement 4 in Budget Paper No. 1 set out:

Measuring what matters can provide an important foundation for Australia’s efforts to lift living standards, boost intergenerational mobility and create more opportunities for more people.

Traditional macroeconomic indicators provide important insights, but not a complete or holistic view of the community’s well-being. A broader range of social and environmental factors need to be considered to broaden the conversation about quality of life.

A number of countries have developed national or subnational frameworks to measure progress and well-being. While the specific indicators vary across frameworks, all of those reviewed here cover similar policy areas, like income and employment, personal and community safety, health, education, and the environment.

While Australia does not currently have an integrated approach to measuring what matters, it does publish a wide range of indicators through specialised reporting (such as Closing the Gap and the State of the Environment reports). An overarching framework could complement these

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<sup>56</sup> Professor Roger Wilkins, private capacity, *Proof Committee Hansard*, 27 February 2023, p. 28.

<sup>57</sup> Professor Roger Wilkins, private capacity, *Proof Committee Hansard*, 27 February 2023, p. 28.

<sup>58</sup> Commonwealth of Australia, *Budget Strategy and Outlook: Budget Paper No. 1 2022–23*, p. 119. See also: Department of Social Services, *Submission 12*, p. 39.

processes by providing a fuller perspective and improving visibility of the progress made on agreed priorities.<sup>59</sup>

- 2.54 Budget Paper No. 1 indicated that Treasury would work and consult with a range of stakeholders to inform the development of a stand-alone 'Measuring What Matters' statement in 2023.<sup>60</sup>
- 2.55 A number of submitters welcomed the Government's steps towards grounding future budgets in a 'well-being framework' and urged the Government to incorporate a national definition of poverty into this work.<sup>61</sup>
- 2.56 For example, ACOSS was of the view that a well-being framework should be considered an integral tool for reducing poverty across communities and improving equity in budget policy making.<sup>62</sup> As a result, it recommended that the framework include a headline poverty measure and poverty reduction goal, detailing:

A first priority for ACOSS is that the framework includes a poverty reduction goal, targets and relevant indicator(s). Unfortunately, Australia has no national definition of poverty, nor a plan to reduce it. As freedom from poverty is a key determinant of wellbeing, this should be a headline indicator for Australia's framework – commencing with developing an agreed national definition (in dialogue with academic experts, people directly affected by poverty, advocates, and other relevant parties). Any definition and plan must reflect the Sustainable Development Goal (SDG) 1 commitment to halve the number of people living in poverty by 2030, according to national definitions.<sup>63</sup>

### **Committee view**

- 2.57 The committee notes that discussion around the need for an agreed national definition of poverty is not new, and that the matter has been extensively canvassed in a variety of forums, including in reports by previous iterations of the committee.
- 2.58 The committee acknowledges the calls from submitters for a national, contemporary and robust definition of poverty. It recognises that a significant number of submitters argued that without an agreed, contemporary definition

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<sup>59</sup> Commonwealth of Australia, *Budget Strategy and Outlook: Budget Paper No. 1 2022–23*, p. 119. See also: The Treasury, *Measuring what matters*, <https://treasury.gov.au/consultation/measuring-what-matters-2022> (accessed 9 April 2023).

<sup>60</sup> Commonwealth of Australia, *Budget Strategy and Outlook: Budget Paper No. 1 2022–23*, p. 119.

<sup>61</sup> Save the Children & 54 Reasons, *Submission 133*, p. 21; Australian Council of Social Service, *Submission 23*, p. 2; Anti-Poverty Week, *Submission 17*, p. 2; Public Health Association of Australia, *Submission 144*, p. 8; Australian Council of Social Service & University of New South Wales Poverty and Inequality Partnership, *Submission 22*, p. 3.

<sup>62</sup> Australian Council of Social Service, *Submission 23*, p. 2.

<sup>63</sup> Australian Council of Social Service, *Submission 23*, p. 2.

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(such as an income-based poverty line) there is no definitive way to determine the scale of poverty, to decide where resources should be applied, or to track whether any substantial progress is made towards addressing it.

- 2.59 Additionally, the committee is mindful that no measure or definition of poverty is perfect, a point emphasised by submitters to the inquiry. It is also aware that the experience of someone in poverty is far more nuanced than a simple dollar figure can convey, and that a definition of poverty that focuses solely on an 'arbitrary' income level will not encapsulate the full picture of poverty.
- 2.60 The committee is encouraged by the Commonwealth Government's proposal for a well-being framework that considers broader social and environmental factors alongside traditional macroeconomic indicators. The committee recognises that such a framework has the potential to drive better public policy decisions, as well as measure progress towards policy goals.
- 2.61 The committee notes the view put forward by ACOSS that the well-being framework should be used as a tool for reducing poverty across communities and improving equity in budget policy making; and that it should include a poverty reduction goal and that 'freedom from poverty' is a key determinant of wellbeing that should be included as a 'headline indicator' in the framework.
- 2.62 The committee also notes the Interim Economic Inclusion Advisory Committee's recommendation 36 that:

The Government establish a multidimensional poverty index to supplement legislated measures, to provide a more comprehensive picture of the nature and extent of poverty, and to enable monitoring of trends and targeting of effort by population and dimensions such as health, education and living standards.<sup>64</sup>

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<sup>64</sup> Interim Economic Inclusion Advisory Committee, [2023–24 Report to the Australian Government](#), 18 April 2023, p. 13. Further information the Interim Economic Inclusion Advisory Committee can be found in Chapter 5 of this report.



# Chapter 3

## The human impact of poverty

*I want to dispel the myth that poverty is just about being hungry. Poverty is living on \$48 a day ... Poverty is being a woman and having to wear bits of rag when you have your period because you can't afford pads or tampons. Poverty is watching your son be homeless and you not being able to help him. Poverty is eating out of dumpsters. Poverty is being isolated and housebound because you can't even afford a bus fare. Poverty is having to go and look for work feeling sick and nauseous because you haven't eaten for four days. Poverty is losing your teeth because you can't afford dental care ... Poverty is rationing life-saving medication until you have a stroke. Poverty is only eating once a day. Poverty is when you've got a sick child but you can't afford medication, not even Panadol.<sup>1</sup>*

- 3.1 This chapter outlines the devastating and wide-ranging impacts that poverty has on Australian individuals, families and communities. It highlights the hardships and deprivations that those living in poverty face across all facets of life including shelter, health, education and economic and social participation.
- 3.2 As highlighted in the quote above from Rita, a witness who appeared at a public hearing in Murray Bridge, this chapter also outlines how the impacts of poverty are inextricably linked and interrelated.
- 3.3 The committee also looks at the evidence on the combined and complex challenges faced by various marginalised population groups in Australia, due to overlapping and intersecting forms of disadvantage and inequality.
- 3.4 The committee hopes that illustrating the human impacts of poverty will create a better understanding of what poverty really is and how Australians are experiencing it. The committee believes that centring those with lived experience is central to identifying solutions.

### **The overarching and intersecting impacts of poverty**

- 3.5 Inquiry participants highlighted that poverty is not just about a lack of resources, but a lack of opportunity and choices – with many people forced to go without vital things in favour of other vital things.<sup>2</sup>
- 3.6 Jessica, a single mother of a young child in Sydney, reflected on how difficult it is to make these choices:

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<sup>1</sup> Rita, private capacity, *Proof Committee Hansard*, 13 December 2022, p. 21.

<sup>2</sup> See for example: Westjustice, *Submission 74*, [p. 2]; Public Health Association of Australia, *Submission 144*, p. 4; Per Capita, *Submission 131*, p. 11; South East Community Links, *Submission 53*, pp. 2, 17, 23; Anglicare Southern Queensland, *Submission 30*, pp. 6–8, 12; Uniting Vic Tas, *Submission 34*, p. 16; Sarah, private capacity, *Proof Committee Hansard*, 13 December 2022, pp. 21, 22; Glenys, private capacity, *Proof Committee Hansard*, 20 October 2022, p. 56.

I don't mind challenges in life. I don't mind the hard graft. But I really don't feel that it needs to be quite this hard. I don't think it's unreasonable for me to want to be in a position where I can pay my rent, pay my bills and feed myself and my child. I think that should be the bare minimum, to be honest. I think that we live in a resource-rich country but that there is not an equitable distribution of that wealth between everyone.

... It could be so much better. It could be so much less of a struggle, and I could feel less like I'm fighting for my life every single bloody day.<sup>3</sup>

3.7 Chief Executive Officer of the Australian Council of Social Service (ACOSS), Dr Cassandra Goldie, explained:

You will have heard how poverty removes people's agency and limits opportunity. It takes away our independence. It leads to a corrosive decline in health, both physical and mental, and is a cause of deep social isolation and stress in terms of our human relationships. It places people in situations where they must make impossible choices between eating or getting essential medical care.<sup>4</sup>

3.8 Many explained that whilst poverty affects people in all corners of the country, particular population groups including women, children, young people, older people, people with disability, carers, single parents, people in the LGBTQIA+ community, people in rural and remote communities, Aboriginal and Torres Strait Islander people, and culturally and linguistically diverse (CALD) communities including refugees and migrants, are more vulnerable to the impacts of poverty and face layered forms of disadvantage and structural barriers.<sup>5</sup>

3.9 Inquiry participants emphasised that these cohorts are not mutually exclusive, and that they often intersect to further compound disadvantage, discrimination and marginalisation. Similarly, it was made clear that the impacts of poverty on all aspects of a person's life such as shelter, health, education, employment and social participation, intersect and overlap to compound hardship, and create a cycle that traps people in poverty and entrenches it across generations.<sup>6</sup>

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<sup>3</sup> Jessica, private capacity, *Proof Committee Hansard*, 31 January 2023, pp. 47–48.

<sup>4</sup> Dr Cassandra Goldie, Chief Executive Officer, Australian Council of Social Service, *Proof Committee Hansard*, 27 February 2023, p. 47.

<sup>5</sup> See for example: Public Health Association of Australia, *Submission 144*, pp. 9–11; cohealth, *Submission 28*, pp. 11–12; The Salvation Army, *Submission 20*, pp. 6, 41–53; Life Course Centre, *Submission 32*, pp. 11–14; National Aboriginal Controlled Community Health Organisation, *Submission 130*, pp. 4–6, 10–14; National Rural Health Alliance, *Submission 35*, p. 6, 9–11; Multicultural Australia, *Submission 47*, pp. 16, 17; JFA Purple Orange, *Submission 97*, pp. 5–7; Carers Australia, *Submission 19*, pp. 1, 2, 5–7.

<sup>6</sup> See for example: Salvation Army, *Submission 20*, pp. 5, 6; Public Health Association of Australia, *Submission 144*, p. 4; Westjustice, *Submission 74*, [p. 2]; Centre for Community Child Health, *Submission 10*, p. 3; Australian Institute of Family Studies, *Submission 14*, pp. 3, 5–6; Antipoverty Centre, *Submission 29*, pp. 6, 7; Ms Terese Edwards, Chief Executive Officer, National Council of

## Shelter

3.10 The committee received a range of evidence about people's experiences of homelessness and housing insecurity. Many told the committee about their fear of imminent homelessness, and difficulties in achieving basic living standards due to unsafe housing, rising rents and increasing energy costs. Others outlined the intergenerational impacts of insecure housing, as well as particular vulnerabilities faced by people with disability and women escaping domestic violence.

3.11 The Western Australia Council of Social Service provided the following reflection from one individual:

When you are on the streets you are invisible. People pass by and look right through you, as if you are not even there. No matter how moral a person is, you find yourself being reduced to doing things you have to, just to survive.<sup>7</sup>

3.12 At a public hearing in Perth, Len described his experience of becoming homeless after injuring himself at age 58 and becoming unable to work:

At 58, I just couldn't see a future. It was in the back of my mind, but I thought: 'Well, there's no other option. I've got to go out on the streets. I can't pay the rent. I can't pay the back rent.' I couldn't see any other option.

...I headed for town, and I remember I felt immediate relief, like a great pressure had been taken off my shoulders. I felt freedom—I still remember it—as I was walking around. But it didn't last long. Everyone was rushing everywhere. It was Friday afternoon at four or five o'clock. And then reality bit—'Where am I going to sleep tonight? I've got a backpack.' I didn't have a blanket. I wasn't prepared at all. I didn't have a sleeping bag. Then I remember I thought: 'Oh, no! I've lost my keys! Hang on; I don't have any keys.' For the first time in my life, I had no keys.

... I just got behind a little wall there—no-one was there, because it was an office—and I just laid on the cold concrete. That's how I spent the first night—a Friday night—just laying on concrete. I didn't sleep. I was just drifting in and out of consciousness...<sup>8</sup>

3.13 Genevieve, a single parent of a young child in Melbourne, spoke of her fear and stress of imminent homelessness:

I have registered for public and social housing. The local housing organisation tells me that the waitlist is 15 years. There's no transitional priority housing available. They also told me on several occasions that my son and I will be homeless, as is the case—apparently there are mums and babies, mums and young children, living in cars in Australia, in this affluent country. I don't have any family or friends to stay with, so our situation is

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Single Mothers and their Children, *Proof Committee Hansard*, 13 December 2022, p. 31; Centrecare Inc, *Submission 15*, [p. 15].

<sup>7</sup> Western Australia Council of Social Services, *Submission 8*, p. 12.

<sup>8</sup> Len, private capacity, *Proof Committee Hansard*, 4 April 2023, p. 32.

dire. I'm under enormous stress. I'm both physically and mentally exhausted.<sup>9</sup>

3.14 Submitters outlined that people living in poverty face significant housing quality and safety issues, such as mould,<sup>10</sup> overcrowding,<sup>11</sup> and energy unaffordability which can lead to growing debt, defaulting on other financial obligations, the forgoing of other essential goods and services (including food and medication), and being forced to limit energy consumption, resulting in harmful indoor temperature environments.<sup>12</sup>

3.15 Jennifer highlighted how some people can become trapped in homelessness:

... I spent nearly eight years sleeping in my car because I couldn't find anywhere suitable to live. The longer I went without anywhere to live, without an address, the harder it became for me to find anywhere suitable to live. What land agent is, realistically, going to rent a home to somebody who doesn't have a rental history for eight years? How do you explain that you've been homeless for eight years to somebody?<sup>13</sup>

3.16 Jennifer also explained how homelessness can have intergenerational impacts, as it did for her son:

I became a victim of homelessness because of legal rental laws. My landlord decided that she was not going to renew my lease. She only gave me two weeks notice. There was nothing I could do about it. It was end of lease, and it was completely lawful. I had nowhere to go and still had no family support. I had an eight-year-old son, then.

... He didn't know we were homeless. I had to bring him back to Adelaide because he had to go to school, and we still had nowhere to live. I was lucky that I got a place in the Middle Beach caravan park. He then had to move schools. My son, who is now 24, is still experiencing homelessness. This is normal to him. This is his life now. It's the only thing he knows.<sup>14</sup>

3.17 Various submitters identified that certain population groups including people with disability, women escaping domestic violence and people in the

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<sup>9</sup> Genevieve, private capacity, *Proof Committee Hansard*, 20 October 2022, p. 55.

<sup>10</sup> See for example: Better Renting, *Submission 42*, pp. 11–13; Royal Australian College of General Practitioners, *Submission 93*, [p. 2].

<sup>11</sup> See for example: Anglicare Southern Queensland, *Submission 30*, pp. 7–8; Queensland Aboriginal and Islander Health Council, *Submission 33*, p. 13; Multicultural Youth Advocacy Network Australia, *Submission 69*, p. 15; Northern Territory Shelter, *Submission 75*, p. 5.

<sup>12</sup> See for example: Australian Capital Territory Council of Social Service, *Submission 26*, p. 14; Royal Australian College of General Practitioners, *Submission 93*, [p. 2]; The Melbourne Institute, *Submission 39*, p. 25; Western Australia Association for Mental Health, *Submission 129*, p. 25; Better Renting, *Submission 42*, pp. 6, 17, 21; Northern Territory Council of Social Service, *Submission 139*, p. 4.

<sup>13</sup> Jennifer, private capacity, *Proof Committee Hansard*, 13 December 2022, p. 20.

<sup>14</sup> Jennifer, private capacity, *Proof Committee Hansard*, 13 December 2022, p. 20.

LGBTQIA+ community face additional vulnerabilities and challenges in accessing safe, secure and appropriate housing.<sup>15</sup>

3.18 The Public Health Association of Australia explained that people with disability have poorer housing outcomes compared with the Australian population as a whole.<sup>16</sup> People with Disability Australia added that people with disability face an increased susceptibility to homelessness and a lack of appropriate housing options – often being forced to accept unsuitable options such as nursing homes, hospitals, group homes and boarding houses.<sup>17</sup>

3.19 Disability Advocacy New South Wales similarly noted that people with disability on low incomes face a lack of affordable and accessible homes:

Social and public housing is not a viable immediate option for people urgently needing housing. The wait time for social and public housing on average is 10 years for general housing and 15 years for an accessible home. There is no priority housing for [people with disability], making them vulnerable to housing issues.<sup>18</sup>

3.20 Some submitters, including Save the Children & 54 Reasons described how many women experiencing domestic violence face the ‘impossible choice’<sup>19</sup> between remaining in a violent relationship or leaving to a life of poverty and potential homelessness:<sup>20</sup>

A mother who leaves her home with her child due to violence typically immediately faces significant financial hardship and the need to find accommodation. In many cases no accommodation can be found.

If she does find accommodation, she is often moved from place to place due to the lack of available or longer-term accommodation – for example, from Brisbane to the Gold Coast and back again. This is extremely disruptive to say the least. For children, whose wellbeing and healthy development so strongly depend on stability and routine, it is extraordinarily stressful.

... Given these challenges, it is extremely difficult to find and retain a job, increasing the financial pressure. The mother may have no choice other than

<sup>15</sup> See for example: People with Disability Australia, *Submission 76*, pp. 6, 7; Disability Advocacy New South Wales, *Submission 71*, pp. 6– 7; Salvation Army, *Submission 20*, p. 29; Save the Children & 54 Reasons, *Submission 133*, pp. 25–28. South-East Monash Legal Service, *Submission 114*, [pp. 4– 5]; Equality Australia, *Submission 61*, p. 6.

<sup>16</sup> Public Health Association of Australia, *Submission 144*, p. 10.

<sup>17</sup> People with Disability Australia, *Submission 76*, pp. 6, 7.

<sup>18</sup> Disability Advocacy New South Wales, *Submission 71*, pp. 6, 7.

<sup>19</sup> Save the Children & 54 Reasons, *Submission 133*, p. 25.

<sup>20</sup> See for example: Save the Children & 54 Reasons, *Submission 133*, p. 27; Westjustice, *Submission 74*, [p. 5]; Salvation Army, *Submission 20*, pp. 27, 28; Anglicare Southern Queensland, *Submission 30*, p. 10.

to place her children in unsafe environments – at home and outside – to find and retain employment, in order to provide for the child and herself.

All this is happening in a state of significant financial and psychological stress, with domestic and family violence and coercive control potentially ongoing.<sup>21</sup>

- 3.21 Further, a case study from Equality Australia outlined how people part of the LGBTQIA+ community at risk of homelessness can face layered forms of discrimination and hardship:

Harley\* sought accommodation at a refuge provided by a faith-based organisation after fleeing intimate partner and family violence in 2015. They were counselled against disclosing their sexuality or wearing rainbow items of clothing and told they were ‘going to hell’ by a staff member who said they would ‘pray for God to show them the way’. Harley left the refuge and spent three nights sleeping on the streets. In 2021, Harley and their wife (a trans woman) sought emergency accommodation from a different faith-based organisation. Harley’s wife was told she would need to go to a men’s shelter rather than access the same facility as Harley.<sup>22</sup>

## Health

- 3.22 Inquiry participants described the detrimental impacts that poverty has on both physical and mental health. Physical health consequences include physical inactivity, dietary and food insecurity issues, chronic health conditions, and the foregoing of medical appointments and essential medications. The mental health implications of poverty include chronic stress, depression, anxiety, and suicidality.<sup>23</sup>

### Physical health

- 3.23 The Equity Project summarised the broad ranging impacts that poverty and food insecurity have on the health of Australian individuals and families:

...families affected by poverty often resort to diverse survival strategies, which include, but are not limited to skipping meals or reducing food portions; substituting fresh and/or nutritionally dense food for cheap, highly processed and inferior quality food; mixing baby formula to less than required strength in order to make it go further; and limiting the consumption of protein rich, but relatively costly, products such as meat and cheese. There is also evidence of some people substituting culturally

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<sup>21</sup> Save the Children & 54 Reasons, *Submission 133*, p. 27.

<sup>22</sup> Equality Australia, *Submission 61*, p. 6.

<sup>23</sup> See for example: Public Health Association of Australia, *Submission 144*, pp. 8, 9; Equity Project, *Submission 103*, [p. 4]; Brotherhood of St Laurence, *Submission 21*, p. 11; National Heart Foundation, *Submission 108*, pp. 4–7; Royal Australian and New Zealand College of Psychiatrists, *Submission 91*, pp. 5–6; Economic Justice Australia, *Submission 16*, pp. 5–7.

appropriate (e.g. Halal) food with cheaper, less culturally appropriate options.<sup>24</sup>

- 3.24 Other lived experience accounts highlighted that people in financial hardship face significant challenges in managing their diet and physical health, such as the following reflection from Kerry, a 60 year old recipient of the Disability Support Pension:

I'm living on a shoestring, and my health is suffering as well. The doctor says to me, 'Your diabetes is high, you've got to eat better.' And I said, 'Well, I can't eat better because there's no money.' If I had the money, of course you can buy better food ... and I would go to the gym as well, but I can't do that because there's no money. He wanted to send me to a dietitian and I said, 'Well, you're wasting your time. I know what to eat, the problem is I can't.' ...<sup>25</sup>

- 3.25 Evidence to the committee indicated that despite parents' best efforts, poverty can also affect children's physical health and development – for example, they miss out on opportunities to be active and participate in sport, and poor nutrition and hunger can negatively affect school performance.<sup>26</sup> These challenges were described by one parent:

I don't get to go out and do activities that I'd always like to do with him. I'd like him to do something like Little Kickers, I think would be good for him but it costs a couple of hundred dollars a term and I can't afford that. It's hard [because] he's always fed but it's not always like the nutritious meal that I'd like it to be. Sometimes it might just be like a tin of spaghetti or something.<sup>27</sup>

- 3.26 Several submitters also made clear that poverty and food insecurity can have serious longer-term and chronic health implications, including increased risk of:
- weight loss or, paradoxically, overweight and obesity (due to the consumption of unhealthy foods instead of higher cost, nutrient rich foods, as well as cycles of fasting and bingeing);
  - malnutrition;
  - dental problems;
  - cardiovascular disease;
  - type 2 diabetes;
  - mental illness; and

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<sup>24</sup> Equity Project, *Submission 103*, [p. 4].

<sup>25</sup> Brotherhood of St Laurence, *Submission 21*, p. 11.

<sup>26</sup> See for example: Commissioner for Children and Young People Western Australia, *Submission 124*, p. 7; Brotherhood of St Laurence, *Submission 21*, p. 12; Foodbank Australia, *Submission 6*, pp. 13–14; Public Health Association Australia, *Submission 144*, pp. 8–9; Queensland Aboriginal and Islander Health Council, *Submission 33*, p. 13.

<sup>27</sup> Brotherhood of St Laurence, *Submission 21*, p. 12.

- all-cause mortality.<sup>28</sup>
- 3.27 Many highlighted that not only does poverty and financial hardship contribute to the chronic health conditions outlined above, but that it also leads people to forego medical appointments and medications – that would help manage their chronic health conditions – to pay for other necessities like food, rent or utilities.<sup>29</sup>
- 3.28 South East Community Links, a Melbourne-based emergency relief and community service provider, explained that forgoing medical appointments and medication can worsen people’s overall health over the long-term, and potentially lead to more extensive, expensive and invasive medical treatment or support. It was also noted that untreated or undiagnosed conditions have a devastating impact on a person's overall health and wellbeing.<sup>30</sup>
- 3.29 At a public hearing held in Western Sydney, one witness explained how poverty has affected their access to healthcare and medication:

There have been a lot of health effects. The first few years I lost a lot of weight both from the stress and from not eating much. Then I had a lot of gut problems and developed an auto-immune disorder which I didn't recognise for a long time—I thought, 'Isn't that great? I'm putting weight back on,' but it wasn't a healthy thing at all. Last year I had emergency gallbladder surgery. I knew I had some gallbladder issues, and I had a few bouts of excruciating pain, but I couldn't afford to see a specialist, so by the time I ended up in emergency my gallbladder was rupturing. I also have chronic migraines, but I can't afford to see a specialist or get good medication for that.<sup>31</sup>

- 3.30 Alison also described her difficulties in affording medical appointments in a submission from the National Council of Single Mothers and their Children:

Myself and my two children all need to see a GP. No bulkbilling clinics near us. Can't afford the out-of-pocket cost of \$300. I should have been seeking treatment and advice to a reaction to medication – just can't afford it. Not sure if I should stop the medication or manage the ongoing diarrhea. It's too much to pack up the kids and travel to the emergency department – about a 48-hour roundtrip.<sup>32</sup>

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<sup>28</sup> See for example: Foodbank Australia, *Submission 6*, pp. 13–14; Public Health Association Australia, *Submission 144*, pp. 8–9; National Heart Foundation, *Submission 108*, pp. 4–7; Equity Project, *Submission 103*, [p. 4]; Centrecare Inc, *Submission 15*, [p. 9]; Brotherhood of St Laurence, *Submission 21*, p. 12.

<sup>29</sup> See for example: South East Community Links, *Submission 53*, p. 17; Brotherhood of St Laurence, *Submission 21*, p. 11; Cancer Council Australia, *Submission 58*, pp. 4, 5; Multicultural Disability Advocacy Association, *Submission 59*, pp. 6, 7.

<sup>30</sup> South East Community Links, *Submission 53*, p. 17.

<sup>31</sup> Witness A, private capacity, *Proof Committee Hansard*, 31 January 2023, p. 45.

<sup>32</sup> National Council of Single Mothers and their Children, *Submission 48*, p. 8.

- 3.31 Among other submitters, the National Aboriginal Community Controlled Health Association (NACCHO) explained that access to culturally safe health services is a critical issue for Aboriginal and Torres Strait Islander people. NACCHO flagged that Aboriginal and Torres Strait Islanders face a lack of local providers which may require a person to move away from family and country to access care, a lack of culturally appropriate care, experiences of systemic and interpersonal racism, and a distrust in institutional care as a result of both personal and historical experiences.<sup>33</sup>
- 3.32 NACCHO outlined that a lack of culturally appropriate care can lead to ‘unequal, sub-optimal or inappropriate’ health service provision, and that this can lead to dismissal of symptoms, misdiagnoses, which can mean that Aboriginal and Torres Strait Islander people are less likely to seek care.<sup>34</sup>
- 3.33 Further, the National Rural Health Alliance reported that households living in income poverty in rural and regional areas face additional problems which exacerbate poverty. It highlighted that on average, people living in rural Australia have higher exposure to health risk factors, higher levels of disease and injury, reduced access to health services, and ultimately experience poorer health outcomes as a result.<sup>35</sup>

### **Mental health**

- 3.34 The committee received a range of testimony about people’s experience of mental illness and psychological distress due to poverty.<sup>36</sup> The Royal Australian and New Zealand College of Psychiatrists explained how poverty can contribute to poor mental health:

Poverty is a stressful experience that creates or amplifies many day-to-day challenges, such as struggling to cover regular costs (e.g., transportation and other necessities) or to managed unexpected costs. These stressors can have a significant negative impact on a person’s overall quality of life including their mental health.

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<sup>33</sup> National Aboriginal Community Controlled Health Association, *Submission 130*, p. 12.

<sup>34</sup> National Aboriginal Community Controlled Health Association, *Submission 130*, p. 12.

<sup>35</sup> National Rural Health Alliance, *Submission 35*, pp. 6, 9, 12.

<sup>36</sup> See for example: Australian Health Promotion Association (Western Australia Branch), *Submission 62*, [p. 2]; Economic Justice Australia, *Submission 16*, pp. 5–7; Anglicare Southern Queensland, *Submission 30*, p. 9; Lifeline Australia, *Submission 2*, pp. 5–6; Salvation Army, *Submission 20*, p. 33; Public Health Association of Australia, *Submission 144*, p. 8–9; Queensland Aboriginal and Islander Health Council, *Submission 33*, p. 14; Australian Institute of Family Studies, *Submission 14*, pp. 5, 8; Centrecare Inc, *Submission 15*, pp. 9, 15, 16; Anti-poverty Week, *Submission 17*, pp. 4, 6.

Experiencing poverty can also cause a person to experience a perceived loss of status which can lead to feelings of poor self-worth and a loss of optimism for the future, again contributing to mental ill-health.<sup>37</sup>

- 3.35 Submitters reported that living in a constant state of financial stress and limited opportunities increases the risk of mental health issues such as depression and anxiety, and also leaves some people without hope for the future, locked in ‘survival mode’ where they can only focus on surviving the day.<sup>38</sup> Kerry, a 60 year old recipient of the Disability Support Pension stated:

There is no future, the only future is death. And I don’t mean to sound morbid or anything, but I’m so limited in everything I can do that sometimes I think well, Lord give me cancer so I can die because I can’t take it anymore.<sup>39</sup>

- 3.36 A frontline staff member at Anglicare Southern Queensland also reflected on the toll that poverty has on the mental health of their clients:

Poverty also places extreme stress on the mental health and emotional wellbeing of clients, which impacts family functioning relationship. As a result we are seeing more clients with anxiety, depression and decline in other mental health conditions, which increases their support needs.<sup>40</sup>

- 3.37 Some submitters such as the Western Australian Association of Mental Health (WAAMH) pointed out the ‘bidirectional causal link’ between poverty and mental ill health – where poverty is both a cause and consequence of mental ill-health.<sup>41</sup> This was reflected in testimony from one individual who described their lived experience of mental illness leading to poverty, and vice versa:

I will never know what came first for me, mental illness or poverty. All I do know for sure is that trauma is usually underneath any disadvantage and that is a cycle that is extremely difficult to stop, especially when the mental health sector is disconnected from the contributing factors that cause distress.<sup>42</sup>

- 3.38 WAAMH also flagged that the political and public discourse around people experiencing poverty, and those receiving income support often denigrates people as:

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<sup>37</sup> Royal Australian and New Zealand College of Psychiatrists, *Submission 91*, pp. 5, 6

<sup>38</sup> See for example: South East Community Links, *Submission 53*, p. 18; Brotherhood of St Laurence, *Submission 21*, p. 12; Sarah, private capacity, *Proof Committee Hansard*, 13 December 2022, p. 21; Salvation Army, *Submission 20*, p. 33.

<sup>39</sup> Brotherhood of St Laurence, *Submission 21*, pp. 12–13.

<sup>40</sup> Anglicare Southern Queensland, *Submission 30*, p. 9.

<sup>41</sup> Royal Australian and New Zealand College of Psychiatrists, *Submission 91*, pp. 5–6; Financial Counselling Victoria, *Submission 45*, p. 10; Western Australian Association of Mental Health, *Submission 129*, p. 4; Orygen, *Submission 78*, p. 3; Salvation Army, *Submission 20*, p. 33.

<sup>42</sup> Western Australian Association of Mental Health, *Submission 129*, p. 8.

... lazy, irresponsible, the 'deserving' and 'undeserving poor', 'welfare dependent', 'economic burdens and bludgers' and 'leaners' on the public purse.<sup>43</sup>

- 3.39 WAAMH emphasised that this discourse has serious consequences for people's wellbeing and mental health, and that these attitudes can be internalised by many and evoke feelings of shame, worthlessness and being burdensome.<sup>44</sup>
- 3.40 In terms of suicidality, Lifeline Australia reported that socioeconomic status has reliably been identified as a factor which impacts suicide risk. It noted that over the past decade, age-standardised suicide rates in Australia were highest for those living in the lowest socioeconomic areas.<sup>45</sup> Lifeline Australia explained that this data is consistent with findings from other studies which found that financial hardship was shown to be associated with an increased risk of suicidal behaviour and ideation.<sup>46</sup>
- 3.41 Some submitters outlined that the association between poverty and mental ill-health may disproportionately impact young people.<sup>47</sup> Orygen explained that young people aged 16 to 25 years old have the highest prevalence of mental ill-health and that young people with direct experiences of poverty have noted that the mental health system feels inaccessible and unaffordable.<sup>48</sup>
- 3.42 However, in terms of access to services, the General Manager of Policy and Advocacy at the Salvation Army pointed out that 'the best clinical care in the world won't make a difference if you're sending them out to sleep in their car afterwards'.<sup>49</sup>
- 3.43 Inquiry participants also flagged that CALD communities including newly arrived migrants and refugees, as well as Aboriginal and Torres Strait Islander people, are particularly vulnerable to poverty-related mental ill-health.<sup>50</sup> The Royal Australian and New Zealand College of Psychiatrists noted that on top of the heightened risk of poverty and disadvantage for these groups, people in

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<sup>43</sup> Western Australian Association of Mental Health, *Submission 129*, p. 25.

<sup>44</sup> Western Australian Association of Mental Health, *Submission 129*, p. 25.

<sup>45</sup> Lifeline Australia, *Submission 2*, p. 6. In 2020, the overall suicide rate for people living in the lowest socioeconomic (most disadvantaged) areas (18.1 deaths per 100 000) was twice that of those living in the highest socioeconomic (least disadvantaged) areas (8.6 deaths per 100 000).

<sup>46</sup> Lifeline Australia, *Submission 2*, p. 6.

<sup>47</sup> See for example: Orygen, *Submission 78*, p. 3; Youth Affairs Council of South Australia, *Submission 84*, [pp. 6, 8].

<sup>48</sup> Orygen, *Submission 78*, p. 3.

<sup>49</sup> Salvation Army, *Submission 20*, p. 33.

<sup>50</sup> See for example: Queensland Aboriginal and Islander Health Council, *Submission 33*, p. 14; Royal Australian and New Zealand College of Psychiatrists, *Submission 91*, p. 6; Multicultural Youth Advocacy Network, *Submission 69*, p. 17.

these communities are subject to stigma, discrimination and racism, which further compound the risk of mental illness.<sup>51</sup>

### **Economic participation**

3.44 Throughout the inquiry, submitters and witnesses brought to light the significant consequences that poverty has on their economic participation – both in education and in the workforce.<sup>52</sup>

3.45 Children and Young People with Disability Australia (CYDA) provided an overview of how education and employment are interrelated, and how they impact on poverty and economic outcomes:

Having a quality education helps set us up for life. On an individual level, quality education and educational attainment are linked with increased employment outcomes, higher wage earnings, and reduced reliance on base level income support as a main source of income later in life. The skills, attributes and knowledge we gain through getting a good education also support us to be active citizens, contributing to the economic security at both an individual and community level.<sup>53</sup>

### **Education**

3.46 Several inquiry participants described how poverty impacts Australians across all levels of education – from early childhood, to primary and secondary school, to tertiary education.<sup>54</sup>

3.47 The Smith Family highlighted that across all key educational outcome measures including NAPLAN, school completion rates, post-school employment, and education and training measures – young people from disadvantaged backgrounds and poverty achieve significantly below their more advantaged peers.<sup>55</sup>

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<sup>51</sup> Royal Australian and New Zealand College of Psychiatrists, *Submission 91*, p. 6.

<sup>52</sup> See for example: The Smith Family, *Submission 1*, p. 4; Australian Education Union, *Submission 11*, pp. 2, 6; Salvation Army, *Submission 20*, p. 51; Life Course Centre, *Submission 32*, pp. 7–8; Brotherhood of St Laurence, *Submission 21*, p. 11; Nijole, private capacity, *Proof Committee Hansard*, 13 December 2022, p. 22; Peter, private capacity, *Proof Committee Hansard*, 20 October 2022, pp. 57–58.

<sup>53</sup> Children and Young People with Disability Australia, *Submission 44*, p. 7.

<sup>54</sup> See for example: The Smith Family, *Submission 1*, p. 4; Australian Education Union, *Submission 11*, pp. 2, 6; Salvation Army, *Submission 20*, p. 51; Australian Institute of Family Studies, *Submission 14*, pp. 5–6; Pinchapoo and Economic Evaluation Australia, *Submission 82*, p. 1; Save the Children & 54 Reasons, *Submission 133*, pp. 6, 10–12; Micah Projects, *Submission 110*, p. 4; Nijole, private capacity, *Proof Committee Hansard*, 13 December 2022, p. 22; Mr Duncan Emmins, Wellbeing and Engagement Mentor, Murray Bridge High School, *Proof Committee Hansard*, 13 December 2022, pp. 39–40.

<sup>55</sup> The Smith Family, *Submission 1*, p. 4.

- 3.48 The Australian Institute of Family Studies submitted that children in poverty experience poorer developmental and cognitive outcomes and lower school readiness, leading to many falling behind their peers in cognitive and academic performance, which can result in an entrenched and ongoing cycle of poverty.<sup>56</sup>
- 3.49 One mother described how her financial situation has affected her children’s education and participation in extracurriculars:
- My kids' education has been affected as well, despite my best efforts to shield them. I can't afford the extracurricular activities and expenses. They wear donated uniforms. The teachers get them in trouble for not having the right shoes. It's really unfair. As my kids have got older, I've seen them trying to pretend to me that they didn't really want to do the things that they couldn't do. That makes me really sad.<sup>57</sup>
- 3.50 Save the Children and 54 Reasons highlighted the perspective of children in terms of their experiences of poverty and life at school:
- 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>58</sup>
- 3.51 Inquiry participants also highlighted that the ‘digital divide’ (including the lack of access to technology and affordable, reliable internet) disadvantages children experiencing poverty by limiting their ability to fully participate in education, among a variety of other impacts.<sup>59</sup>
- 3.52 In regard to tertiary education, the National Tertiary Education Union explained that financial stress and disadvantage is associated with increased withdrawal rates, reduced academic performance and poorer overall wellbeing among students.<sup>60</sup>
- 3.53 The Multicultural Youth Advocacy Network Australia raised concern that many people living in Australia on long term temporary visas face additional barriers to tertiary education, such as the requirement to pay full international student tuition fees, and exclusion from government support payments such as Austudy and HELP loans.<sup>61</sup>

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<sup>56</sup> Australian Institute of Family Studies, *Submission 14*, pp. 5, 6.

<sup>57</sup> Witness A, private capacity, *Proof Committee Hansard*, 31 January 2023, pp. 45–46.

<sup>58</sup> Save the Children & 54 Reasons, *Submission 133*, p. 12.

<sup>59</sup> See for example: National Rural Health Alliance, *Submission 35*, p. 16; Micah Projects, *Submission 110*, pp. 4–5; Jesuit Social Services, *Submission 120*, p. 29; Relationships Australia, *Submission 64*, p. 15.

<sup>60</sup> National Tertiary Education Union, *Submission 101*, pp. 8–9.

<sup>61</sup> Multicultural Youth Advocacy Network Australia, *Submission 69*, pp. 13–14; NSW Service for the Treatment and Rehabilitation of Torture and Trauma Survivors (STARTTS), *Submission 143*, p. 4.

- 3.54 Nadia, a single mother of three children, told the committee how these barriers are impacting her children’s education prospects:

I've been four years waiting for a visa. As a single mom, I'm not eligible for any government income. It's hard for me to raise my children. For my children's studies, both [university] and high school fees cost international prices, which I can't afford.

My daughter graduated from high school last year. She got a [university] offer, but not the scholarship. We are not eligible for study loans, as well. How do we pay for studies as well? I'm really scared and worried about my children's future. I'm scared that I failed to provide them with a good education and life due to my situation.<sup>62</sup>

- 3.55 Among other submitters, CYDA flagged that young people with disability are not accessing education, including university and vocational education and training (VET), on an equal basis to their peers without disability.<sup>63</sup> CYDA also described other issues that people with disability experience with regard to tertiary education, including reduced study and course options, lack of meaningful supports, poor attitudes from university staff, and overall inaccessibility and inflexibility.<sup>64</sup>

## Employment

- 3.56 Throughout the inquiry, submitters and witnesses explained how poverty is a barrier to employment, and highlighted the broad and compounding impacts that unemployment, underemployment, precarious employment and low wages have on the daily lives of Australians.<sup>65</sup>
- 3.57 The Brotherhood of St Laurence reported that inadequate income support ‘traps people in poverty’ and undermines efforts to retrain or seek work.<sup>66</sup> Similarly, the Life Course Centre explained that poverty is a ‘disabling’ factor in relation to job search and employment outcomes, adding that paternalistic ‘welfare-as-work’ practices including mutual obligation and conditionality requirements

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<sup>62</sup> Nadia, private capacity, *Proof Committee Hansard*, 31 January 2023, p. 44.

<sup>63</sup> Children and Young People with Disability Australia, *Submission 44*, p. 8; JFA Purple Orange, *Submission 97*, p. 35.

<sup>64</sup> Children and Young People with Disability Australia, *Submission 44*, p. 8.

<sup>65</sup> See for example: Australian Health Promotion Association (Western Australia Branch), *Submission 62*, [p. 2]; Anglicare Southern Queensland, *Submission 30*, p. 6; Salvation Army, *Submission 20*, pp. 36–37; Brotherhood of St Laurence, *Submission 21*, p. 9; Jessica, private capacity, *Proof Committee Hansard*, 31 January 2023, p. 47; Rebecca, private capacity, *Proof Committee Hansard*, 6 December 2022, p. 33; David, private capacity, *Proof Committee Hansard*, 6 December 2022, pp. 35–36.

<sup>66</sup> Life Course Centre, *Submission 32*, pp. 7–8; Brotherhood of St Laurence, *Submission 21*, p. 11.

make it difficult for people to move beyond survival to focus on achieving broader education and employment goals.<sup>67</sup>

- 3.58 Mr Andrew Lawrence, a member of the Australian Unemployed Workers' Union explained how poverty has impacted his ability to find employment:

Poverty is a barrier to employment as well. If I get a job interview, I can't just pull the money I need to get a haircut and a nice shirt for the interview and get my suit dry-cleaned. That comes to about \$150 to get all that, and I just can't pull that out of the air, and the job networks won't help you with that.<sup>68</sup>

- 3.59 Some inquiry participants advised that high transport costs keep many out of the labour force.<sup>69</sup> For example, in a case study provided by Economic Justice Australia, Mick explained the difficulties he has experienced being on income support and affording the costs associated with job hunting:

As a single parent with a 14 year old son, he said he found it extremely difficult to cover all of his basic household expenses. This often meant Mick ran out of money in the second week of his fortnightly payment period, leaving him with no money for public transport, and unable to attend job interviews that weren't within walking distance of his home. He also often couldn't afford to top up the credit on his phone, which made it hard for him to engage with employers and employment service providers - sometimes leading to his payments being suspended, increasing his hardship, and making it more difficult for him to pay for the costs associated with job hunting.<sup>70</sup>

- 3.60 Mr Duncan Emmins, Wellbeing and Engagement Mentor at Murray Bridge High School, similarly explained the challenges his students face with transport costs being a barrier to employment, and how this is a particular challenge for those living in the regions:

Poverty also affects our students' life goals. Issues continue as the students seek apprenticeships/employment in the area after school. Most students have to travel to obtain work. They struggle to obtain employment as they can't afford a license (\$1000s of dollars), never mind getting a car (that 'just roadworthy' car that used to cost \$500 now costs \$2,500).<sup>71</sup>

... So there are so many barriers to students moving from school, which you want them to do, to gain [full] employment, if you like to put it that way ...

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<sup>67</sup> Life Course Centre, *Submission 32*, pp. 7, 8.

<sup>68</sup> Mr Andrew Lawrence, Member, Australian Unemployed Workers' Union, *Proof Committee Hansard*, 27 February 2023, p. 45.

<sup>69</sup> See for example: Life Course Centre, *Submission 32*, pp. 4, 6–8; Brotherhood of St Laurence, *Submission 21*, p. 11; Economic Justice Australia, *Submission 16*, pp. 4–5; National Council of Single Mothers and their Children, *Submission 100*, p. 13.

<sup>70</sup> Economic Justice Australia, *Submission 16*, pp. 4–5.

<sup>71</sup> Murray Bridge High School, opening statement, December 2022, [p. 1] (tabled 13 December 2022).

Obviously, it's a huge issue for regional Australia and it's a huge issue for Murray Bridge.<sup>72</sup>

- 3.61 The Australian Unemployed Workers' Union highlighted how the \$550 COVID supplement provided during the COVID-19 pandemic helped improve employment outcomes for recipients:

... people could afford to get a job. They were well nourished. They were less stressed. They were well rested. They had new shoes and a car that worked. They managed to get their responsible service of alcohol ticket or whatever they needed. People want to work if they can.<sup>73</sup>

- 3.62 The committee received evidence about women and carers facing additional vulnerabilities and challenges in finding employment and in relation to economic participation.<sup>74</sup> Carers New South Wales told the committee that while many carers are unable to, or choose not to, engage in paid employment, many others balance their caring responsibilities with paid work. It acknowledged that this is sometimes a choice, but more often due to financial necessity, adding that:

Carers who choose to balance care and work can face significant barriers to economic participation, including reductions in work hours or leaving the workforce entirely, resulting in gaps in employment and subsequent lapsing of skills and qualifications. These impacts on economic participation have significant effects on carers' long-term financial security and their health and wellbeing. Furthermore, participation in work can also impact on a carer's time and capacity to provide care.<sup>75</sup>

- 3.63 This reflection submitted by the Council of Single Mothers and their Children also highlighted the particular employment and economic security challenges faced by single mothers:

Single mothers are working mothers where possible. Our households have half the income and double the responsibilities. If we cannot work due to disability - including mental health - we are on the breadline... We also have more interrupted employment - hence markedly less superannuation. And we are more likely to resort to withdrawing lump sums on financial hardship grounds. I am so lucky I own my home but food and bills are

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<sup>72</sup> Mr Duncan Emmins, Wellbeing and Engagement Mentor, Murray Bridge High School, *Proof Committee Hansard*, 13 December 2022, p. 40.

<sup>73</sup> Ms Catherine Caine, Spokesperson for Income Support, Australian Unemployed Workers' Union, *Proof Committee Hansard*, 27 February 2023, p. 50.

<sup>74</sup> See for example: Australian Institute of Family Studies, *Submission 14*, pp. 3, 8; Salvation Army, *Submission 20*, pp. 41–45; Uniting Vic Tas, *Submission 34*, pp. 13–14, 18; Anglicare Southern Queensland, *Submission 30*, pp. 10–11; Royal Australian and New Zealand College of Psychiatrists, *Submission 91*, p. 8.

<sup>75</sup> Carers New South Wales *Submission 99*, p. 2.

always a struggle. I am constantly only 1 week away from defaulting on my bills.<sup>76</sup>

- 3.64 Uniting Victoria Tasmania highlighted the issues with an approach to income support that prioritised an individual's workforce participation over parenting, and shared an account from a female living in Tasmania:

We want to go get a job, but then we have to pay for daycare, that's something like \$100 a day. You can't. You've also got to worry about getting a job between 9 and 2 because then you've got to pick the kids up from school... When you've got kids it's not exactly easy to go and get a job. So therefore, we can't afford to go to the doctors, and we can't afford to do things like pay all our bills or afford this horrible housing situation.<sup>77</sup>

### Social participation

- 3.65 Many inquiry participants informed the committee of the wide-ranging impacts that poverty and financial hardship has on their social lives.<sup>78</sup> Anglicare Southern Queensland broadly outlined that poverty can generate feelings of shame or inferiority that might induce people to withdraw socially, and limited resources can curtail opportunities to initiate or maintain personal relationships.<sup>79</sup>

- 3.66 One witness described how poverty has impacted their ability to initiate and maintain social connections:

In terms of my social life, it's really hard, because I can't just go and meet up with a friend for coffee—I can't afford to do that. I have a couple of friends that know my situation and they occasionally invite me out on the understanding that they'll pay for coffee or lunch, but it feels really awkward and it means that I never feel like I can be the one to initiate a social interaction because that would feel like asking them for money. I never invite my friends over for meals, either, because I'm kind of embarrassed about our food. I can't afford to buy anything extra or anything better than what we normally eat. It's very isolating, socially.<sup>80</sup>

- 3.67 Peter, a 58 year old man from Melbourne, explained the shame he felt when he was unable to contribute to the commemoration of his mother's death:

To be on income support and have no money is very dispiriting. It is crushing. It is soul destroying. You become socially isolated...

<sup>76</sup> Council of Single Mothers and their Children, *Submission 100*, p. 10.

<sup>77</sup> Uniting Vic Tas, *Submission 34*, p. 13.

<sup>78</sup> See for example: Lifeline Australia, *Submission 2*, [p. 12]; Centrecare Inc, *Submission 15*, pp. 10–11; Salvation Army, *Submission 20*, pp. 38–39; Anglicare Southern Queensland, *Submission 30*, p. 9; Witness A, private capacity, *Proof Committee Hansard*, 31 January 2023, p. 46; Isabelle, private capacity, *Proof Committee Hansard*, 6 December 2022, p. 37.

<sup>79</sup> Anglicare Southern Queensland, *Submission 30*, p. 9.

<sup>80</sup> Witness A, private capacity, *Proof Committee Hansard*, 31 January 2023, p. 45.

The anniversary of my mother's death occurs on Saturday. That is a very painful memory for me. The reason is this: when she died, the family, as families do, came together. Families, as you know, buy food. You might buy pizzas. You might buy chicken. Somebody will buy salads. Somebody will buy bread. I had \$5 in my pocket. I couldn't afford to pay my share. I felt shame. I was ashamed. It was a silly emotion—I accept that—but I felt it. It was horrible.<sup>81</sup>

- 3.68 Ms Catherine Caine from the Australian Unemployed Workers' Union also outlined how poverty has affected social and community participation, as well as interpersonal relationships:

When you're in poverty, you simply do not possess the bandwidth to read a complicated novel, learn a foreign language, volunteer at your kids' school or join the SES; or to learn to sketch or plant a garden; or to be a good sibling, a good friend, a good neighbour or a good citizen. It limits what so many people are capable of and what they can contribute, and it leaves marks that their grandchildren will puzzle over—if they are one of those fortunate enough to get that far.<sup>82</sup>

- 3.69 The committee heard that poverty also impacts on children and young people's social connections and development.<sup>83</sup> For example, a submission from the South Australian Commissioner for Children and Young People highlighted that poverty impacts on children and young people's relationships and sense of belonging, as well as their opportunities to have fun, be independent and participate in their community:

Children and young people describe how the pressures of having 'no food', 'no water' or 'no electricity and gas' can lead to 'less connection with their family', whether due to parents being stressed or needing to work constantly. It also affects friendships, with children being too embarrassed to have friends over due to the state of their home.

... Beyond impacts on learning, poverty also has impacts on how young people see themselves in the present as well as their aspirations for the future. Not having clothes, toys, digital devices or access to the internet or period products, sets them apart from their peers and are significant barriers to their participation at school, in social outings and extracurricular activities.<sup>84</sup>

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<sup>81</sup> Peter, private capacity, *Proof Committee Hansard*, 20 October 2022, p. 57.

<sup>82</sup> Ms Catherine Caine, Spokesperson for Income Support, Australian Unemployed Workers' Union, *Proof Committee Hansard*, 27 February 2023, p. 44.

<sup>83</sup> See for example: South East Community Links, *Submission 53*, p. 19; South Australian Commissioner for Children and Young People, *Submission 109*, p. 4; Witness A, private capacity, *Proof Committee Hansard*, 31 January 2023, pp. 45–46; Jessica, private capacity, *Proof Committee Hansard*, 31 January 2023, pp. 47–48; Relationships Australia, *Submission 64*, p. 15; cohealth, *Submission 28*, pp. 17, 19–20.

<sup>84</sup> South Australian Commissioner for Children and Young People, *Submission 109*, p. 4.

- 3.70 Some submitters flagged that poverty can have particular social and cultural impacts on both multicultural and First Nations communities.<sup>85</sup>
- 3.71 Multicultural Australia noted that CALD communities, including migrants and refugees who are experiencing poverty, may be particularly vulnerable to social isolation and loneliness due to:
- isolation from family and support networks;
  - racism, often coupled with stigma associated with poverty, disability and/or mental illness, leading to less favourable treatment of migrants and refugees in access to services, including rental accommodation, and leaving people vulnerable to not seeking help; and
  - lack of social capital and networks to support good employment outcomes, with many new arrivals lacking established relationships and family supports that are available to provide informal support and short-term accommodation options.<sup>86</sup>
- 3.72 Finally, Aboriginal Peak Organisations Northern Territory emphasised that it is vital to consider the impact of poverty on the ability of Aboriginal people to practice and share culture, and the Victorian Aboriginal Child Care Agency noted that that enduring discrimination, social exclusion and systemic inequality and inequity continue to drive the rates and experiences of poverty in Aboriginal families and communities to this day.<sup>87</sup>

### **Committee view**

- 3.73 After listening to the lived experiences of people in poverty, as well as testimony from frontline service providers and other expert witnesses, it is clear that people living in poverty experience limitations in choice and opportunity.
- 3.74 The persistent and pervasive impacts of poverty prevent people from achieving their potential across all aspects of life, and can result in poorer housing, health, education, employment, social and cultural outcomes.
- 3.75 The committee understands that all of these outcomes interact with one another and compound to create multiple layers of disadvantage. For example, lived experience testimonies highlighted that poverty can lead to poor housing, poor housing can lead to negative health outcomes, poor health can lead to poor educational outcomes, which can lead to reduced employment options or

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<sup>85</sup> See for example: cohealth, *Submission 28*, pp. 19, 20; Aboriginal Peak Organisations Northern Territory, *Submission 118*, p. 6; Victorian Aboriginal Child Care Agency, *Submission 81*, p. 12; Multicultural Australia, *Submission 47*, pp. 3–4, 16.

<sup>86</sup> Multicultural Australia, *Submission 47*, pp. 3–4, 16.

<sup>87</sup> Aboriginal Peak Organisations Northern Territory, *Submission 118*, p. 6; Victorian Aboriginal Child Care Agency, *Submission 81*, p. 12.

unemployment, and unemployment can lead to financial hardship, which can lead back to poor housing.

- 3.76 These intersecting factors and their cumulative nature also explain how poverty can become perpetuated and entrenched across generations.
- 3.77 Further, the committee remains acutely concerned that many cohorts who are already experiencing various forms of marginalisation in Australia, face additional structural barriers and overlapping forms of disadvantage in relation to poverty and financial hardship.
- 3.78 Going forward, the committee intends to consider these outcomes, as well as potential solutions, in more depth as the inquiry progresses. The committee is also committed to keeping the lived experience of those living in poverty at the forefront of the inquiry as it believes that understanding the human impact of poverty on Australian individuals, families and communities is key to identifying solutions.

# Chapter 4

## The structural drivers of poverty

4.1 As canvassed earlier in this report, experiences of poverty can be complex, multifaceted and all-consuming, and a purely financial lens is not sufficient to capture the full extent of the causes and impacts of poverty.

### Structural drivers behind insufficient income

4.2 The committee received evidence outlining the multiple structural drivers behind poverty.

4.3 Broadly speaking, the structural drivers can be grouped into the following overarching categories:

- 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).

4.4 Given these structural drivers, a significant number of submitters made clear that despite the dominant political and media narrative in recent years, poverty was not simply a matter of individual inadequacy, personal deficits, or the straightforward result of private choices.<sup>1</sup>

4.5 As Ms Claerwen Little, National Director of UnitingCare Australia, summarised:

Poverty is the outcome of intentional policy decisions on issues such as taxation, social security, income support, housing, employment, education and community service provision.<sup>2</sup>

4.6 Similarly, Anglicare Australia drew attention to the role of policy settings and noted that poverty was not 'inevitable':

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<sup>1</sup> See for example: Mr Greg Jericho, private capacity, *Proof Committee Hansard*, 27 February 2023, p. 33; Professor Roger Wilkins, private capacity, *Proof Committee Hansard*, 27 February 2023, p. 31; cohealth, *Submission 28*, pp. 5–6; Antipoverty Centre, *Submission 29*, p. 6; Financial Counselling Victoria, *Submission 45*, p. 2; Families Australia, *Submission 88*, p. 2; Uniting Vic Tas, *Submission 34*, p. 2; Paul Ramsay Foundation, *Submission 125*, p. 1; Western Australian Association for Mental Health, *Submission 129*, p. 12; Centrecare Inc, *Submission 15*, pp. 3–4, 7.

<sup>2</sup> Ms Claerwen Little, National Director, UnitingCare Australia, *Proof Committee Hansard*, 27 February 2023, p. 18.

It is a result of choices made by governments. Our current policy choices and spending priorities are not only failing to reduce poverty and inequality, they are in many areas actively causing it.<sup>3</sup>

- 4.7 Save the Children and 54 Reasons also emphasised the systemic and structural forces behind poverty and observed that solutions lay in policy changes. It explained:

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 families who are struggling due to structural disadvantage that has been inherited over generations.<sup>4</sup>

- 4.8 In a similar vein, the thinktank Per Capita put forward the view that poverty was best understood as ‘neither a personal failing nor as an historical accident’, but rather as a consequence of structural power relations, such as those between employees and employers, or between citizens and state.<sup>5</sup>

- 4.9 The Life Course Centre also contended that the narrative around poverty needed to change in order to better reflect the fact that poverty has a structural and systemic base rooted in economic and cultural systems, rather than personal and private choices.<sup>6</sup>

- 4.10 Centrecare made a similar observation and cautioned against an ‘individualised view’ of poverty which minimised the structural aspects of poverty:

Poverty flourishes when societal structures work to enhance the material success of some while diminishing that of others. An individualised view of poverty takes the burden for its resolution away from governments and diminishes collective responsibility. It also minimises the structural aspects of poverty such as the significance of tax systems, inequitable access to quality education and healthcare, the level of government supports and the intergenerational nature of poverty.

- 4.11 It continued:

Blaming individuals for their poverty also fails to consider that many people live in poverty for reasons that are outside of their control — health, disability, homelessness following domestic violence, high housing costs, minimum wage, limited rental availability, and rising living costs are just some examples.<sup>7</sup>

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<sup>3</sup> Anglicare Australia, *Submission 7*, p. 15.

<sup>4</sup> Save the Children & 54 Reasons, *Submission 133*, p. 14.

<sup>5</sup> Per Capita, *Submission 131*, p. 5.

<sup>6</sup> Life Course Centre, *Submission 32*, p. 3.

<sup>7</sup> Centrecare Inc, *Submission 15*, [pp. 3–4].

## Economic factors

4.12 Submitters to the inquiry identified that economic factors, such as fiscal policy, rising inflation and cost of living pressures, could be drivers of poverty.<sup>8</sup>

4.13 Many submitters made the point that at its core, poverty is the result of prolonged financial hardship due to an individual having insufficient money to meet an adequate standard of living.

4.14 As Dr Cassandra Goldie, Chief Executive Officer of the Australian Council of Social Service (ACOSS) observed:

Poverty is lack of income in the face of the cost[s] that you must meet to be able to live with a level of dignity.<sup>9</sup>

4.15 The Life Course Centre emphasised that the economy was a ‘key institutional structure’ and as such must be an ‘enduring priority’ for addressing poverty and entrenched disadvantage in Australia.<sup>10</sup>

4.16 The Department of Social Services (DSS), highlighted the link between poverty and broader economic conditions. In doing so it stated:

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>11</sup>

4.17 A number of submitters flagged increased cost of living pressures and the impacts of rising inflation as contributors to people falling into poverty. For example, the South-East Monash Legal Service identified that increased costs of living (including utility costs) were making it harder for individuals and families to afford basic necessities, resulting in people ‘skirting with, or dipping below, the poverty line’.<sup>12</sup>

4.18 The Salvation Army echoed this point. It observed that while inflation and the rising costs of living were having impacts on many Australians, the negative effects were particularly felt by those already experiencing financial hardship. It explained:

Since November 2022 ‘increased expenses’ as a result of the rising cost of living has been the most prevalent issue identified by community members

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<sup>8</sup> See for example: cohealth, *Submission 28*, p. 5; The Melbourne Institute: Applied Economic & Social Research, *Submission 39*, p. 22; Western Australian Association for Mental Health, *Submission 129*, pp. 14–15; Foodbank, *Submission 6*, pp. 9–11; Centrecare Inc, *Submission 15*, [p. 22]; Financial Counselling Australia, *Submission 31*, p. 1; Community Legal Centres Australia, *Submission 146*, p. 9.

<sup>9</sup> Dr Cassandra Goldie, Chief Executive Officer, Australian Council of Social Service, *Proof Committee Hansard*, 27 February 2023, p. 19.

<sup>10</sup> Life Course Centre, *Submission 32*, p. 6.

<sup>11</sup> Department of Social Services, *Submission 12*, p. 3.

<sup>12</sup> South-East Monash Legal Service, *Submission 114*, [p. 5].

seeking emergency relief in every state and territory. One in three people seeking assistance are now identifying cost of living as the reason they are seeking help.<sup>13</sup>

- 4.19 Sacred Heart Mission also noted that the current cost of living pressures disproportionately impacted people on the lowest incomes, particularly those receiving income support or in minimum wage jobs, who as a result found themselves in, or close to, poverty.<sup>14</sup>
- 4.20 The Brotherhood of St Laurence specifically flagged rising living costs as a driver of poverty in Australia. It explained:

Recent cost of living increases have disproportionately impacted low-income households, who spend a higher proportion of their income on essentials. Importantly the cost of essentials has risen even faster than the 7.4% increase in CPI, rising by 8.4% in the 12 months to December 2022, driven by strong increases in the price of housing and utilities (10.7%), food (9.2%) and transport (8%). These increases come at a time when many low income households were already struggling with the cost of essentials, with 41% of households in the lowest income quintile were in energy stress in 2020, while 42% of low income households were in rental stress.<sup>15</sup>

#### **Labour market factors (employment and education opportunities)**

- 4.21 Submitters observed that factors related to labour market participation, including employment and education opportunities, as well as access to affordable childcare, were structural drivers of poverty.<sup>16</sup>
- 4.22 DSS provided the committee with an overview of the state of the Australian labour market and stated that joblessness was a 'key driver' of poverty, particularly for single people and people living in large families.<sup>17</sup>
- 4.23 It cited findings from a 2018 Productivity Commission report which identified that people living in single-parent families, unemployed people, people with disabilities and First Nations Australians were particularly likely to experience income poverty.<sup>18</sup> It explained:

For people in these circumstances, there is an elevated risk of economic disadvantage becoming entrenched, limiting their potential to seize economic opportunities or develop the skills to overcome these conditions.

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<sup>13</sup> Salvation Army, *Submission 20*, p. 15.

<sup>14</sup> Sacred Heart Mission, *Submission 117*, pp. 25–26.

<sup>15</sup> Brotherhood of St Laurence, *Submission 21*, p. 7.

<sup>16</sup> See for example: St Vincent de Paul National Council, *Submission 27*, p. 2; Sacred Heart Mission, *Submission 117*, pp. 28–29.

<sup>17</sup> Department of Social Services, *Submission 12*, p. 3.

<sup>18</sup> Department of Social Services, *Submission 12*, p. 3.

These risks were particularly elevated for children living in jobless households.<sup>19</sup>

4.24 The Melbourne Institute stated that a ‘key trigger event’ for individuals falling into poverty or rising out of it was often associated with engagement with the labour market. It advised that those who were more likely to experience persistent poverty tended to be constrained in their ability to participate in the labour market — for example because of long-term health conditions or because of high caring responsibilities for young children or individuals with significant disabilities.<sup>20</sup>

4.25 The Poverty and Inequality Partnership between ACOSS and the University of New South Wales (UNSW) (the ACOSS & UNSW Partnership) made clear that labour force status (including unemployment) could be considered a structural driver of poverty in Australia. It detailed:

Wage and salaries provide 78% of all income in Australia, while social security payments such as JobSeeker provide only 8% of income. This means that the labour force status of the main income-earner in a household makes a major difference to poverty rates among people of working age. Among people in households where the reference person (or main income-earner) is unemployed, 66% are in poverty (using the 50% of median income poverty line), and if they are not in the labour force (for example have a disability or full-time caring responsibilities), 45% are in poverty.

In contrast, where the main income-earner is employed full-time, the poverty rate is 6%. Households relying on a single part-time wage are more than twice as likely as those relying on a full-time wage to be in poverty (15%). This reflects lower hours worked but also the fact that low-paid employment is more likely to be offered on a part-time rather than a full-time basis.<sup>21</sup>

4.26 Per Capita asserted that there was a ‘gradual degradation’ of the traditional routes out of poverty into economic security, such as employment.<sup>22</sup> It noted that employment was becoming ‘less and less’ a means to earn adequate income, and that data demonstrated that having a job was in itself not necessarily enough to prevent, or indeed lift individuals and families out of poverty.<sup>23</sup>

4.27 It highlighted that factors such as low wages, the prevalence of non-standard or insecure employment — such as long-term casual work, labour hire

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<sup>19</sup> Department of Social Services, *Submission 12*, p. 13.

<sup>20</sup> The Melbourne Institute: Applied Economic & Social Research, *Submission 39*, pp. 22–23.

<sup>21</sup> Australian Council of Social Service & University of New South Wales Poverty and Inequality Partnership, *Submission 22*, p. 11. [citations omitted].

<sup>22</sup> Per Capita, *Submission 131*, p. 13.

<sup>23</sup> Per Capita, *Submission 131*, p. 13.

arrangements and the rise of the gig economy — meant that paid work was not a guaranteed way of making ends meet and achieving adequate income to live.<sup>24</sup>

- 4.28 The Brotherhood of St Laurence noted that poverty was not limited to those who were unemployed or whose sole source of income was social security payments. It identified that low wages, insecure work and underemployment were structural drivers of poverty, noting:

Stagnant wage growth, endemic underemployment and insecure work – coupled with increasing inflation, declining housing affordability and rising power prices – are putting immediate pressure on low-income households, while also threatening to deepen long-term disadvantage.<sup>25</sup>

- 4.29 The Paul Ramsay Foundation made reference to the ‘working poor’ — that is individuals with low-paying, insecure jobs which undermine the power of employment as a disruptor of disadvantage and can drive or keep people trapped in poverty.<sup>26</sup>

- 4.30 In regard to education, Per Capita argued that education and training pathways out of school and into employment were increasingly obscure, noting:

Profoundly unequal distribution of education opportunities, from pre-school through to post-secondary education, make a mockery of the idea that getting a good education will automatically lead to a decent job.<sup>27</sup>

- 4.31 It contended that the privatisation and outsourcing of both employment services and vocational education and training had led to poorer outcomes for young people seeking educational and employment opportunities. Further, it observed that this ‘entanglement of commercial drivers’ had led to disadvantaged and vulnerable young people in the labour market being at greater risk of ‘churn’ in both study and work, which often led them into, not out of, poverty.<sup>28</sup>

- 4.32 Jesuit Social Services also noted the connection between poor educational attainment and poverty, given that it limited a person’s productive potential and therefore employment opportunities in the labour market.<sup>29</sup>

### *Early education*

- 4.33 Submitters pointed out that a lack of early childhood or school-based education opportunities could have a lifelong impact on an individuals and act as a structural driver of poverty. They noted that limited education opportunities

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<sup>24</sup> Per Capita, *Submission 131*, p. 14.

<sup>25</sup> Brotherhood of St Laurence, *Submission 21*, p. 9.

<sup>26</sup> Paul Ramsay Foundation, *Submission 125*, p. 2.

<sup>27</sup> Per Capita, *Submission 131*, p. 15.

<sup>28</sup> Per Capita, *Submission 131*, p. 16.

<sup>29</sup> Jesuit Social Services, *Submission 120*, p. 12.

and engagement early on led to diminished educational outcomes for a child, which in turn had flow-on impacts for their labour market participation later in life.<sup>30</sup>

- 4.34 For example, ACOSS noted that children who attended early childhood education for at least a year before starting school were half as likely to have developmental vulnerabilities when they started school as children who had not received early learning services.<sup>31</sup>
- 4.35 The Smith Family further advised that young people from disadvantaged backgrounds were less likely to complete Year 12 or equivalent, less likely to complete a post-school qualification and were less likely to be in work, study or training post school.<sup>32</sup>
- 4.36 Save the Children noted that education was a source of opportunity and could be a ‘pathway out of poverty’ for those who were able to remain engaged. However, it also pointed out that poverty acted as an ‘enormous barrier’ to engaging in education, which therefore rendered it crucial that children experiencing poverty were supported to engage or re-engage with education.<sup>33</sup>
- 4.37 ACOSS stated that there was a role for access to high-quality early education and care in tackling issues like intergenerational poverty and disadvantage, noting:

For all families, we think having high-quality access to early childhood education and care gives children the capacity to participate outside of the home and for the families to be connected around early childhood education and care. We have had a longstanding concern about the increasing tiers of access to quality. If we get this wrong, it drives inequalities and a sense of people and families not having the same kinds of supports. You have to buy your way in to something as essential as high-quality early education and care.<sup>34</sup>

- 4.38 The Australian Education Union made a similar point, stating that early childhood education contributed to improved employment outcomes for individuals in the long term as they progressed through life:

The benefits of early childhood education for children include increased cognitive capabilities, which can be measured in terms of improved literacy and numeracy. These can be linked to improved achievement at school,

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<sup>30</sup> See for example: Save the Children & 54 Reasons, *Submission 133*, pp. 28–29; Australian Council of Social Service, *Submission 23*, pp. 8–9; Children’s Policy Centre, *Submission 38*, pp. 8–9. Further discussion on child poverty as a structural driver is contained later in this chapter.

<sup>31</sup> Australian Council of Social Service, *Submission 23*, p. 9.

<sup>32</sup> The Smith Family, *Submission 1*, p. 4.

<sup>33</sup> Save the Children & 54 Reasons, *Submission 133*, p. 30.

<sup>34</sup> Dr Cassandra Goldie, Chief Executive Officer, Australian Council of Social Service, *Proof Committee Hansard*, 27 February 2023, p. 23.

which in turn affect school completion rates and levels of educational attainment. Educational attainment is in turn a strong predictor of earnings over a lifetime.<sup>35</sup>

- 4.39 The committee also heard that a lack of affordable early childhood education or care limited the opportunities for adults with caring responsibilities to enter or re-enter the labour market and remain in paid work. For example, ACOSS stated:

We have had a longstanding call for elevating the affordability and universal access to early childhood education and care. It is great for children and it is also great for a range of different kinds of families who are looking to be able to cover the costs of the essentials to be able to, as appropriate, retain access to participation in paid work so that there can be, essentially, a smoothing of supports for families.<sup>36</sup>

- 4.40 Dr Goldie further explained how a lack of affordable childcare could act as a barrier to paid employment for parents:

...in terms of it being a driver of poverty, if you are a single parent and you don't have affordable access to this kind of care, it is a barrier for you to be able to participate in paid work but also, essentially, to have the social connections and supports that are meaningful for you as a member of our community.<sup>37</sup>

- 4.41 The Australian Education Union also highlighted how affordable access to early childhood education or care could increase labour market opportunities for parents:

Some of the parents and carers of children who participate in early childhood education are able to participate in paid work, when they otherwise would not be able to, or choose to work more hours. They benefit from higher incomes, including over an extended period as a result of less career disruption.<sup>38</sup>

## **Housing factors**

- 4.42 Submitters identified housing factors, such as insecurity and unaffordability, as core structural drivers of poverty.<sup>39</sup>

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<sup>35</sup> Australian Education Union, *Submission 11*, p. 10.

<sup>36</sup> Dr Cassandra Goldie, Chief Executive Officer, Australian Council of Social Service, *Proof Committee Hansard*, 27 February 2023, p. 23.

<sup>37</sup> Dr Cassandra Goldie, Chief Executive Officer, Australian Council of Social Service, *Proof Committee Hansard*, 27 February 2023, p. 24.

<sup>38</sup> Australian Education Union, *Submission 11*, p. 10.

<sup>39</sup> See for example: St Vincent de Paul National Council, *Submission 27*, p. 3; Financial Counselling Victoria, *Submission 45*, p. 12; Salvation Army, *Submission 20*, p. 22–25; Antipoverty Centre, *Submission 29*, pp. 27–28; Brotherhood of St Laurence, *Submission 21*, p. 9; Housing for the Aged Action Group, *Submission 128*, p. 10; National Shelter, *Submission 123*, pp. 2–3; Northern Territory Shelter, *Submission 75*, p. 1; Micah Projects, *Submission 110*, pp. 4–5; Victorian Public Tenants

4.43 For example, the Victorian Public Tenants Association characterised the relationship as such:

Poverty in Australia cannot be separated from our housing problem. They are 'wicked' siblings, each driving growth in the other.<sup>40</sup>

4.44 The Salvation Army commented that entire segments of the Australian population found themselves excluded from affordable and secure housing (be it via home ownership or attainable rental options) which led them into poverty:

Consultations with staff and clients consistently tell us that the depth, breadth, and ongoing escalation of unaffordable housing is impacting negatively on the lives and welfare of an increasing number of Australians and is resulting in homelessness and poverty.<sup>41</sup>

4.45 It expanded on this point:

The current housing system fails to meet the housing needs of low-income households and exacerbates the harms to individuals and communities arising from housing insecurity, the inability to access affordable housing and ultimately, the drivers of poverty and homelessness.<sup>42</sup>

4.46 The submission from the ACOSS & UNSW Partnership advised of the strong correlation between poverty rates and housing costs. It outlined:

In Australia, housing represents the highest cost in most family budgets. Those with lower housing costs, especially those who own houses outright, can achieve a higher standard of living than people on the same income but with higher housing costs.<sup>43</sup>

4.47 National Shelter also emphasised housing insecurity and affordability as structural contributors to poverty:

It is well accepted that housing costs can be a significant contribution to poverty because it is the largest fixed cost for most households. Households that have lower housing costs can generally afford a higher standard of living than those on the same income with higher housing costs. Also, low incomes and poverty can prevent people from accessing and sustaining housing options. There are also tenure and spatial aspects to housing related poverty, with private renters and the public housing tenants more likely

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Association, *Submission 46*, pp. 2–5; Tenants Victoria, *Submission 95*, pp. 1–2; Tenants' Union New South Wales, *Submission 98*, p. 4; Consortium of Neighbourhood Centres Far North Coast, *Submission 24*, pp. 3–4.

<sup>40</sup> Victorian Public Tenants Association, *Submission 46*, p. 3.

<sup>41</sup> Salvation Army, *Submission 20*, p. 22

<sup>42</sup> Salvation Army, *Submission 20*, p. 22

<sup>43</sup> Australian Council of Social Service & University of New South Wales Poverty and Inequality Partnership, *Submission 22*, p. 3.

than home purchasers and homeowners to experience after housing costs poverty.<sup>44</sup>

4.48 In particular, submitters emphasised the link between poverty and the insecurity and unaffordability of the private rental market.

4.49 As the Tenants' Union of New South Wales argued:

Over the last 20 years there has been an increasing reliance on the private rental market for those on low or very low income, relative to social housing. Just over a million low income households rent in the private rental sector.<sup>7</sup> Two-thirds (66%) of these households are paying more than they can afford, with more than 30 percent of their weekly income being spent on rent. Almost a quarter spend more than half of their income on rent. This leaves vulnerable households with little to no money left each week for other necessary household items.<sup>45</sup>

4.50 Research from the Bankwest Curtin Economics Centre set out the role of housing costs in driving poverty. Among the issues it identified in a March 2022 report were the impact of the lack of social housing places and the high proportion of renters who fall below the poverty line as a result of housing costs. The report flagged that supply pressures, high housing costs, and rental vacancy rates at unprecedented lows had driven rental costs to record highs across some states and territories.<sup>46</sup>

4.51 It noted:

How much income a family has left for food, clothing and other necessities once housing costs have been paid is heavily affected when rents rise, and this explains much of the growth in poverty rates among those in private rented accommodation.<sup>47</sup>

4.52 Per Capita asserted that housing and poverty were intimately linked, with access to secure housing through home ownership (thereby offering a route to economic security) becoming less likely for Australians in recent decades.<sup>48</sup>

4.53 It noted that government policies over the last 30 years had led to an excessive marketisation in the housing policy space, with dramatic house price increases, a decline in non-market housing options, and limited efforts to regulate the

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<sup>44</sup> National Shelter, *Submission 123*, p. 1.

<sup>45</sup> Tenants' Union New South Wales, *Submission 98*, p. 6. [citations omitted]

<sup>46</sup> Bankwest Curtin Economics Centre, [Behind the Line: Poverty and disadvantage in Australia 2022](#), March 2022, pp. 28–29.

<sup>47</sup> Bankwest Curtin Economics Centre, [Behind the Line: Poverty and disadvantage in Australia 2022](#), March 2022, pp. 28–29.

<sup>48</sup> Per Capita, *Submission 131*, pp. 14–15.

private rental market having detrimental impacts on those attempting to avoid or escape poverty.<sup>49</sup> It commented:

It is clear that the current patchwork of policies is insufficient to return housing to a poverty-reducing, rather than poverty-increasing, area of public policy. An overreliance on market solutions for low-cost housing has failed to produce the appropriate number, type and location of new housing particularly for those living in poverty. Our current trajectory is one in which housing-induced poverty is likely to rise.<sup>50</sup>

### Social factors

4.54 The committee also received evidence relating to social drivers of poverty which could be considered structural or systemic in nature. These included domestic and family violence, and intergenerational disadvantage stemming from child poverty.<sup>51</sup>

4.55 For example, in regard to family violence, Financial Counselling Victoria commented:

Poverty is well established as linked to, and resulting from, family violence. One reason for this is that financial abuse is a widespread form of family violence, often deliberately designed to isolate and impoverish the victim/survivor, making them financially reliant on the perpetrator, or loading them with debts and financial obligations, and taking away financial resources and capacity.<sup>52</sup>

4.56 In a similar vein, South-East Monash Legal Service observed:

Family violence is a significant driver of poverty in Australia, particularly amongst female victim survivors. An issue that has recently received more attention is what is considered 'the impossible choice' - victim survivors are forced to choose between remaining in violent relationships for financial stability, or living in poverty should they leave.<sup>53</sup>

4.57 It further noted:

The reality of living in poverty after fleeing violence is particularly present for single mothers who are looking for after dependent children. 60% of 185,700 single mothers who experienced partner violence were employed but were not earning enough to support themselves or their children, and 50% relied on government benefits.<sup>54</sup>

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<sup>49</sup> Per Capita, *Submission 131*, pp. 14–15.

<sup>50</sup> Per Capita, *Submission 131*, p. 15.

<sup>51</sup> See for example: St Vincent de Paul National Council, *Submission 27*, p. 3; Centrecare Inc, *Submission 15*, [pp. 7–8]; Salvation Army, *Submission 20*, pp. 27–29; Redfern Legal Centre, *Submission 135*, pp. 5–6.

<sup>52</sup> Financial Counselling Victoria, *Submission 45*, p. 7.

<sup>53</sup> South-East Monash Legal Service, *Submission 114*, [p. 4].

<sup>54</sup> South-East Monash Legal Service, *Submission 114*, [p. 5].

- 4.58 A 2022 report titled 'The Choice: Violence or Poverty', authored by Professor Anne Summers of the University of Technology Sydney, investigated the extreme financial hardship and poverty faced by Australian women and their children as a result of domestic and family violence. The report acknowledged this violence as a structural driver of poverty, concluding that there was a need for urgent policy reforms to ensure that women who wanted to leave violent relationships could do so without being forced into poverty.<sup>55</sup>
- 4.59 Evidence from submitters also raised the concept of intergenerational disadvantage as a structural driver of poverty, highlighting that an individual who experiences poverty as a child is more likely to find themselves in poverty as an adult.<sup>56</sup>
- 4.60 As Save the Children & 54 Reasons explained:
- 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.<sup>57</sup>
- 4.61 Additionally, analysis from the Australia Institute stated that children who grow up in poverty are more likely when they are adults to have lower incomes and to be unemployed or marginally attached to the labour market.<sup>58</sup>
- 4.62 The Children's Policy Centre emphasised that childhood poverty impacted on a child's future outcomes and explained the broader social implications that entailed. It cited research findings indicating that a failure to invest in children resulted in immediate inequities in child development indicators, social exclusion, and long-term impacts on human capital and productivity.<sup>59</sup>
- 4.63 On this point, Save the Children & 54 Reasons further detailed:
- Research tells us without doubt that children who live in poverty for any period of time are more likely to struggle in school, have poor physical and mental health, and suffer worse outcomes across virtually every domain of development and opportunity.<sup>60</sup>
- 4.64 Adjunct Professor Tony Pietropiccolo AM, Director of Centrecare and founder of the Valuing Children Initiative, also spoke to the committee on the life-long impacts of child poverty on a person:

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<sup>55</sup> Professor Anne Summers, [The Choice: Violence or Poverty](#), July 2022.

<sup>56</sup> See for example: Australian Research Alliance for Children & Youth, *Submission 54*, p. 2.

<sup>57</sup> Save the Children & 54 Reasons, *Submission 133*, p. 6.

<sup>58</sup> Matt Grudnoff, The Australia Institute, [Poverty in the age of coronavirus: The impact of the JobSeeker coronavirus supplement on poverty](#), July 2020, p. 9.

<sup>59</sup> Children's Policy Centre, *Submission 38*, p. 4.

<sup>60</sup> Save the Children & 54 Reasons, *Submission 133*, p. 11.

We know that the result of experiences largely created by poverty can have tragic long-term outcomes for many children, who often face an adult life of poor educational achievement, unemployment, homelessness and other personal problems. Entrenched poverty that continues for extended periods creates experiences that become habitual and difficult to escape.<sup>61</sup>

### **Committee view**

- 4.65 The evidence received by the committee to date indicates that in broad terms poverty is underpinned by structural and systemic disadvantage within society, which is often multidimensional and determined by policy settings.
- 4.66 The evidence also shows that the experience of child poverty itself can be considered a structural driver of adult poverty.
- 4.67 The committee intends to canvass these issues in more detail as the inquiry progresses.

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<sup>61</sup> Adjunct Professor Tony Pietropiccolo AM, Director, Centrecare, *Proof Committee Hansard*, 4 April 2023, p. 2.



## Chapter 5

# The relationship between income support payments and poverty

- 5.1 As outlined in the previous chapter, there are a number of structural drivers behind poverty.
- 5.2 The committee received evidence from many submitters arguing that of these structural drivers, insufficient income from income support was a significant determinant of poverty rates.
- 5.3 This chapter begins with an explanation of Australia's social security system and income support payments.
- 5.4 It then examines the relationship between income support payments and poverty.
- 5.5 It presents evidence received from submitters arguing that lifting the rate of income support payments would reduce poverty rates in Australia.
- 5.6 It further presents evidence on the introduction of the \$550 Coronavirus supplement during the early stage of the COVID-19 pandemic in 2020.
- 5.7 The chapter concludes with the committee's views and recommendation.

### **Australia's social security system**

- 5.8 According to the Department of Social Services (DSS), Australia has an 'extensive and targeted' social security system which 'plays a key role in reducing and alleviating poverty in Australia'. The system is non-contributory and 'provides a strong safety net' for individuals who are unable to fully support themselves due to age, disability, caring responsibilities or employment.<sup>1</sup>
- 5.9 DSS characterised the social security system as follows, highlighting the possible tensions between support and fiscal sustainability:

It is a system that reflects the development of social policy by many governments over time. As with any system, balances and choices are required: between degrees of support and fiscal sustainability; between individual needs and responsibilities; in treating many different people with different needs and circumstances in an equitable fashion; ensuring the system incentives are in place so that supports are available where needed

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<sup>1</sup> Department of Social Services, *Submission 12*, p. 19.

while ensuring that people actively seek to support themselves where possible.<sup>2</sup>

5.10 It referenced the social security initiatives in place to support individuals and families in poverty:

The Australian Government has a large number of payments and programs in place to support individuals and families to find pathways out of poverty and broader disadvantage as well as preventing people falling into poverty. These payments and programs are designed to break the cycles of disadvantage, to collect the evidence on what works, and to support families and communities to build the opportunity, human capital (education and health), and capability (the skills and access to resources) to change children's and families' outcome trajectories and increase their capacity for self-reliance.<sup>3</sup>

5.11 It further advised that there were other initiatives outside of the social security system that were aimed at 'improving the wellbeing of individuals and families':

The Government is currently preparing an Employment White Paper to provide a roadmap for Australia to build a bigger, better-trained and more productive workforce – to boost incomes and living standards and create more opportunities for more Australians....The Government is also committed to measuring what matters to improve the lives of all Australians.<sup>4</sup>

### **Australia's income support payments**

5.12 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 living standards'.<sup>5</sup>

5.13 It also includes supplementary payments that provide additional assistance to address specific costs (for example, the costs associated with raising children or renting privately).<sup>6</sup>

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<sup>2</sup> Department of Social Services, *Submission 12*, pp. 18–19.

<sup>3</sup> Department of Social Services, *Submission 12*, p. 48.

<sup>4</sup> Department of Social Services, *Submission 12*, p. 48.

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

<sup>6</sup> Department of Social Services, *Submission 12*, p. 19.

5.14 DSS informed the committee that income support payments were paid primarily to support individuals with limited or no private resources.<sup>7</sup>

5.15 The system has 'categorical eligibility criteria' with specific payments that target the needs of the following cohorts:

- the unemployed;
- the aged;
- people with disability;
- carers of people with disability and the frail aged;
- principal carers of young children; and
- full-time students.<sup>8</sup>

### *Types of payments*

5.16 Income support payments include, but are not limited to:

- **JobSeeker Payment**— an income support payment that provides financial assistance to people aged 22 years to Age Pension age, for people who have the capacity to work 'now or in the future'.<sup>9</sup>
- **Youth Allowance (job seekers)** — a means-tested income support payment which provides assistance to job seekers aged 16 to 21 years. It is a separate payment to the Youth Allowance (students and apprentices) payment mentioned below.
- **Age Pension** — a pension paid to people 66.5 years or over, who satisfy the residence requirements and meet the means test requirements.
- **Carer Payment** — paid to individuals who, because of the demands of their caring role, are unable to participate in substantial paid employment.
- **Parenting Payment** — the main income support payment for principal carers of young children. The individual must be the principal carer of a qualifying child aged under 6 if partnered, or aged under 8 if single.
- **Disability Support Pension** — an income support payment for people who are unable to work for at least 15 hours per week at or above the relevant minimum wage, for at least the next two years, due to a permanent physical, intellectual or psychiatric impairment.
- **Student payments** — a range of student payments to support people undertaking further education and training, including:
  - **Youth Allowance (students and apprentices)** — an income support payment for students and apprentices aged 16 to 24 years.

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<sup>7</sup> Note: DSS advised that families with children can also receive support through family payments.

<sup>8</sup> Department of Social Services, *Submission 12*, p. 20.

<sup>9</sup> Further information on the JobSeeker Payment can be found later in this section.

- **Austudy** — an income support payment for students and apprentices aged 25 or over.<sup>10</sup>

- 5.17 Pensioners and working-age recipients may also be eligible to receive a range of supplementary payments and concessions. For example, Commonwealth Rent Assistance is available to assist income support recipients in private rental accommodation and community housing with the cost of rent.<sup>11</sup>
- 5.18 A full list of income support payments and their eligibility requirements can be found on the Services Australia website.<sup>12</sup>

### *Indexation of payments*

- 5.19 DSS stated that the indexation of income support payments was designed to ‘ensure that payments maintain their purchasing power when the cost of living increases’.<sup>13</sup>
- 5.20 The schedule of indexation is as follows:
- Adult allowance rates (such as the Jobseeker Payment and Parenting Payment Partnered) — rates indexed in March and September each year to increases in the Consumer Price Index (CPI).
  - Commonwealth Rent Assistance rates — rates and thresholds indexed in March and September each year to increases in the CPI.
  - Adult pension rates (such as the Age Pension and the Disability Support Pension) — rates indexed in March and September each year to the higher of the six month growth in CPI and the six month growth in the Pensioner and Beneficiary Living Cost Index (PBLCI), then benchmarked to Male Total Average Weekly Earnings (MTAWE).<sup>14</sup>

### *Jobseeker Payment*

- 5.21 The JobSeeker Payment is an unemployment benefit and the main working age income support payment for people aged over 22 and under the Age Pension age who have the capacity to work ‘now or in the future’. The payment replaced the Newstart Allowance in March 2020. JobSeeker is for those in the specified age bracket who are unemployed (or regarded as unemployed), or who are sick

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<sup>10</sup> Department of Social Services, *Submission 12*, p. 20; Services Australia, *A guide to Australian Government payments: 20 March 2023 to 30 June 2023*, 13 April 2023, [www.servicesaustralia.gov.au/guide-to-australian-government-payments?context=1](http://www.servicesaustralia.gov.au/guide-to-australian-government-payments?context=1) (accessed 14 April 2023).

<sup>11</sup> Department of Social Services, *Submission 12*, p. 20

<sup>12</sup> Services Australia, *A guide to Australian Government payments: 20 March 2023 to 30 June 2023*, 13 April 2023, [www.servicesaustralia.gov.au/guide-to-australian-government-payments?context=1](http://www.servicesaustralia.gov.au/guide-to-australian-government-payments?context=1) (accessed 14 April 2023).

<sup>13</sup> Department of Social Services, *Submission 12*, p. 21.

<sup>14</sup> Department of Social Services, *Submission 12*, p. 21.

or injured and cannot do their usual work or study for a short time. Unless exempt, claimants must meet mutual obligations and satisfy the ordinary waiting period and liquid assets waiting period, and residency requirements apply.<sup>15</sup>

- 5.22 The basic payment rates for the JobSeeker Payment at the time of writing (i.e. current for the time period 20 March 2023 to 30 June 2023) are as follows:

**Table 5.1 JobSeeker Payment basic rates — 20 March 2023 to June 2023**

<b>Status</b>	<b>Current basic rate (per fortnight)</b>
<b>Single</b>	
No dependent children	\$693.10
With dependent children	\$745.20
Principal carer of a dependent child	\$745.20
Principal carer of a dependent child granted an exemption from mutual obligation requirements for foster caring, non-parent relative caring under a court order, home schooling, distance education or large family	\$949.30
Aged 60 or over, after 9 continuous months on payment	\$745.20
<b>Partnered</b>	\$631.20

Source: Services Australia, *A guide to Australian Government payments: 20 March 2023 to 30 June 2023*, 13 April 2023, [www.servicesaustralia.gov.au/guide-to-australian-government-payments?context=1](http://www.servicesaustralia.gov.au/guide-to-australian-government-payments?context=1), p. 23 (accessed 14 April 2023).

- 5.23 For comparison purposes, the basic rate per fortnight for a single person on the Aged Pension or Disability Support Pension is \$971.50, and the basic rate per fortnight for a single person on the Parenting Payment is \$922.10.<sup>16</sup>

### ***Numbers and demographics of income support recipients***

- 5.24 DSS advised that in September 2022, there were approximately 5 million people on income support payments, broken down as follows:

<sup>15</sup> Services Australia, *A guide to Australian Government payments: 20 March 2023 to 30 June 2023*, 13 April 2023, [www.servicesaustralia.gov.au/guide-to-australian-government-payments?context=1](http://www.servicesaustralia.gov.au/guide-to-australian-government-payments?context=1), p. 23 (accessed 14 April 2023). See also: Services Australia, *JobSeeker Payment*, 3 March 2022, <https://www.servicesaustralia.gov.au/jobseeker-payment> (accessed 14 April 2023).

<sup>16</sup> Services Australia, *A guide to Australian Government payments: 20 March 2023 to 30 June 2023*, 13 April 2023, [www.servicesaustralia.gov.au/guide-to-australian-government-payments?context=1](http://www.servicesaustralia.gov.au/guide-to-australian-government-payments?context=1) (accessed 14 April 2023).

- 217 000 people receiving Student payments;
- 2.6 million people receiving the Age Pension;
- 766 000 people receiving the Disability Support Pension;
- 302 000 people receiving the Carer Payment;
- 839 000 people receiving unemployment benefit (comprising the JobSeeker Payment and Youth Allowance (job seeker) payment);
- 294 00 people receiving Parenting Payments; and
- 10 000 people receiving the Special Benefit (a payment for individuals in financial hardship outside of their control who are not eligible for any other income support).<sup>17</sup>

5.25 DSS further advised that the number of unemployment benefit recipients was around 827 000 as of 25 November 2022, a figure down from the peak of 1.6 million recipients in May 2020 during the COVID-19 pandemic, and less than the 882 000 recipients recorded on 20 March 2022.<sup>18</sup>

5.26 In terms of a demographic breakdown of unemployment benefit recipients, DSS provided the following details for the November 2022 figure:

Of the almost 827,000 unemployment benefit recipients in November 2022, around 760,000 received JobSeeker Payment and around 66,000 received Youth Allowance (other) [for job seekers]. Of these recipients 183,000 (22.1 per cent) reported earnings in the latest fortnight, with average earnings of \$795.37 per fortnight. The average income support duration was 299 weeks (5.7 years) and 647,000 (78.2 per cent) had long-term income support durations (1 year or more on income support).

In November 2022, of the 827,000 unemployment benefit recipients, around:

- 415,000 (50.2 per cent) were female
- 411,000 (49.8 per cent) were male
- 676,000 (81.8 per cent) were single
- 114,000 (13.7 per cent) identified as First Nations Australians
- 99,000 (12.0 per cent) were principal carers of children, of these recipients 79,000 were single
- 225,000 (27.2 per cent) were mature age
- 350,000 (42.3 per cent) had a partial capacity to work.

A majority, 511,000 (61.8 per cent) unemployment benefit recipients lived in major cities; 274,000 (33.1 per cent) lived in regional Australia; 42,000 (5.1 per cent) lived in remote Australia.<sup>19</sup>

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<sup>17</sup> Department of Social Services, *Submission 12*, p. 52.

<sup>18</sup> Department of Social Services, *Submission 12*, p. 52. Note: the JobSeeker Payment replaced the Newstart Allowance on 20 March 2020.

<sup>19</sup> Department of Social Services, *Submission 12*, p. 53.

### *Length of time receiving unemployment benefits*

- 5.27 In regard to the length of time spent on unemployment benefits, DSS advised that while the majority of JobSeeker Payment recipients transitioned off in less than 12 months, the number and proportion of long-term JobSeeker Payment (or equivalent) recipients had increased over time.<sup>20</sup>
- 5.28 DSS explained that the increase in long-term JobSeeker Payment recipients had been 'gradual and sustained' and coincided with growth in both the mature aged and Partial Capacity to Work cohorts.<sup>21</sup>
- 5.29 It acknowledged that this increase in long-term recipients was likely due to a range of factors, including:
- economic shocks;
  - the evolution of the labour market;
  - an ageing population; and
  - policy changes that moved recipients from other payments onto the JobSeeker Payment.<sup>22</sup>
- 5.30 In regard to the last factor, DSS provided detail on the relevant policy changes which led to individuals being moved onto the JobSeeker Payment:
- Changes to eligibility criteria for the Disability Support Pension (DSP).
    - From 1 July 2006, eligibility criteria for the DSP changed so that a person capable of working 15 hours or more per week no longer qualified.
    - From 1 January 2012, revised Impairment Tables were used to assess new DSP claims and reviews. This coincided with an increasing number of people receiving the JobSeeker Payment or Youth Allowance (job seeker) with an identified partial capacity to work.
  - A change restricting the age definition of a qualifying child for the Parenting Payment.
    - Individuals claiming the Parenting Payment on or after 1 July 2006 are only able to receive the payment until their youngest child turns 8 years old (for single recipients) or 6 years old (for partnered recipients). Before 1 July 2006, individuals could receive the payment until the child turned 16. The 'grandfathering' arrangements for individuals on the payment prior to 1 July 2006 ceased on 1 January 2013.

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<sup>20</sup> Department of Social Services, *Submission 12*, p. 54.

<sup>21</sup> Department of Social Services, *Submission 12*, p. 54.

<sup>22</sup> Department of Social Services, *Submission 12*, p. 54.

- An increase in the age of qualification for the Age Pension.
  - Consistent with legislation passed in 2009, the Age Pension qualification age has been increasing by six months every two years until it reaches 67 years on 1 July 2023. It is currently 66.5 years.
- An increase to the basic rate and income free area of working age payments.
  - From April 2021, the basic rate was increased by \$50 and the income-free area was increased to \$150. These changes increased the income limits and enabled some recipients to earn more and still remain on income support.<sup>23</sup>

5.31 The Brotherhood of St Laurence informed the committee that its research had also shown that the tightened eligibility for the DSP and Parenting Payment had left people with a disability and/or chronic health conditions and single parents ‘stuck’ on the JobSeeker Payment long-term.<sup>24</sup>

### **Submissions identifying income support payments as a structural driver of poverty in Australia**

5.32 Many submitters to the inquiry argued that the current levels of income support payments were inadequate and functioned as a structural driver of poverty.<sup>25</sup>

5.33 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) emphasised that the social security system was not fit for purpose and was in fact a key driver of poverty:

Australia’s social security system should play a key role in the prevention of poverty. However, many income support payments are inadequate to prevent poverty. Consequently, where income support is the main source of income for a household, there is a high risk of that household living in poverty.<sup>26</sup>

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<sup>23</sup> Department of Social Services, *Submission 12*, p. 54.

<sup>24</sup> Brotherhood of St Laurence, *Submission 21*, p. 8.

<sup>25</sup> See for example: St Vincent de Paul Society National Council, *Submission 27*, p. 5; UnitingCare Australia, *Submission 18*, p. 5; Australian Council of Social Service, *Submission 23*, p. 3; Mr Greg Jericho, Policy Director, Centre for Future Work, Australia Institute, *Proof Committee Hansard*, 27 February 2023, pp. 32–33; Professor Roger Wilkins, private capacity, *Proof Committee Hansard*, 27 February 2023, p. 31; Sacred Heart Mission, *Submission 117*, pp. 13–16; Council of Single Mothers and their Children, *Submission 100*, pp. 3–4; Ms Emma King, Chief Executive Officer, Victorian Council of Social Service, *Proof Committee Hansard*, 20 October 2022, p. 1.

<sup>26</sup> Australian Council of Social Service & University of New South Wales Poverty and Inequality Partnership, *Submission 22*, p. 13.

5.34 Financial Counselling Victoria made a similar point, pointing out that a social security system was fundamentally unfit for purpose if it was difficult to access and put those relying on it below the poverty line. It elaborated:

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.<sup>27</sup>

5.35 The Melbourne Institute also concluded that the level of income support 'to a large degree' determined the level of poverty in Australia.<sup>28</sup>

5.36 Professor John Quiggin, a prominent research economist based at the University of Queensland who provided evidence in his private capacity, echoed this point, stating:

The reason people are poor in Australia is primarily because income support is inadequate.<sup>29</sup>

5.37 As mentioned in Chapter 1 of this report, ACOSS identified that based on 2019–20 data, people in households receiving income support faced the highest risk of poverty. Specifically, it found that:

- 60 per cent of people on the JobSeeker Payment (formerly Newstart Allowance) were in poverty;
- 72 per cent of people on the Parenting Payment were in poverty;
- 34 per cent of people on Youth Allowance were in poverty;
- 43 per cent of people on the Disability Support Pension were in poverty; and
- 39 per cent of people on the Carer Payment were in poverty.<sup>30</sup>

5.38 Based on information current in February 2023, ACOSS also pointed out that:

- The base rate of JobSeeker was less than half the minimum wage (at 42 per cent).
- The gap between JobSeeker and pensions was growing, having gone from 80 per cent of the pension in 1980 to 65 per cent of the pension.
- Jobseeker was the second lowest unemployment payment in wealthy nations as a proportion of average earnings.

5.39 The base rate of Youth Allowance was less than half the minimum wage (at 34 per cent) and only 54 per cent of the pension.<sup>31</sup>

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<sup>27</sup> Financial Counselling Victoria, *Submission 45*, p. 5.

<sup>28</sup> The Melbourne Institute: Applied Economic & Social Research, *Submission 39*, p. 27.

<sup>29</sup> Professor John Quiggin, private capacity, *Proof Committee Hansard*, 27 February 2023, p. 35.

<sup>30</sup> Australian Council of Social Service & University of New South Wales Poverty and Inequality Partnership, *Poverty in Australia 2023: Who is affected*, March 2023, p. 8.

<sup>31</sup> Australian Council of Social Service, *Submission 23*, p. 3.

### **The interaction between income support payments and poverty**

5.40 As mentioned above, a significant number of submitters identified the impact of income support payments on rates of poverty.

5.41 For example, Dr Elise Klein OAM, an academic from the Australian National University (ANU) who submitted in her private capacity, stated:

While poverty cannot be attributed to one single factor, our research suggests that social security policy settings directly affect the prevalence of poverty in Australia.<sup>32</sup>

5.42 She informed the committee that it had been well established that people receiving working age payment types (such as JobSeeker) were highly likely to be living in poverty.<sup>33</sup>

5.43 At a public hearing in Canberra she outlined the concept of ‘policy-induced poverty’ as it applied to the current Australian social security policy settings:

...a lot of poverty in this country comes from policy by design—policy that induces poverty. We have a situation where the social security system, once set up to stop people falling through the cracks, has now been restructured to further entrench poverty.

5.44 In particular, she drew attention to the impact of two particular features – the base rate of payments and mutual obligations:

Two particular features are important to note: the low base rate of payment, which contributes to material deprivation; and the use of mutual obligations and conditionalities that stigmatise and disempower and can lead to the withholding of income. Together they produce hostile conditions that are said to propel people into employment. However, this logic of deterrence completely overlooks that people cannot work, in that they have a disability or illness; that there are not enough jobs, particularly in remote regions of the country; or that people receiving payments are already working, undertaking the critical work of unpaid care, which is essential for the economy and society.<sup>34</sup>

5.45 Dr Klein elaborated on these impacts:

According to ACOSS, of the people receiving unemployed payments, 40 per cent have a disability, 47 per cent are 45 years and older, 20 per cent are from culturally and linguistically diverse backgrounds, 10 per cent are First Nations people and 13 per cent are raising a child alone. We see from these numbers the very real ableist, racist and gendered impacts of the government's policy approach on those it subjects to poverty. Critically, instead of understanding the important care obligations people have or the very real situations that stop people from working, people are subjected to payments well below the poverty line.... What is also deplorable is that

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<sup>32</sup> Dr Elise Klein, *Submission 25*, p. 2.

<sup>33</sup> Dr Elise Klein OAM, *Submission 25*, p. 1.

<sup>34</sup> Dr Elise Klein OAM, private capacity, *Proof Committee Hansard*, 27 February 2023, p. 34.

children are punished through these policies. It is hard to think that this policy-induced poverty could be anything but state violence against our nation's children.<sup>35</sup>

- 5.46 The committee heard from inquiry participants — ranging across the spectrum of advocacy groups, community services and emergency relief providers, and individuals with lived experience — that Australia's working-age income support payments were insufficient to meet the cost of essential, day-to-day goods and services, including food, rent and energy.
- 5.47 ACOSS informed the committee that the base rates of JobSeeker, Youth Allowance and related payments were 'too low' to allow recipients to sustain an adequate standard of living. It remarked that the payments had fallen 'well behind' pensions, wages and community living standards, and reiterated that the practical result of the inadequate rates was that people went without basic goods and services every day.<sup>36</sup>
- 5.48 The St Vincent De Paul Society National Council stated that the base rate for income support payments was a structural driver of poverty, given it was well below the poverty line and meant that individuals and families struggled to afford necessities and were often forced into debt in order to survive.<sup>37</sup>
- 5.49 The Brotherhood of St Laurence observed that while Australia had a mechanism for setting minimum wages, there was no equivalent for the social wage and, consequently, the rate of working-age income support payments remained well below the various poverty lines. It further noted that even people on pensions, which were higher than JobSeeker Payment and notionally above the Henderson Poverty Line, experienced high rates of poverty due to inadequate income.<sup>38</sup>
- 5.50 Research by Dr Elise Klein and colleagues published by the Swinburne University of Technology and the Centre for Excellence in Child and Family Welfare highlighted that the impact of the low payments were contrary to the policy goals of social security:

...low payments and mutual obligations in current social security policy are functioning contrary to the outcomes government are trying to achieve by creating barriers to work, compromising physical and mental health, reducing self-worth and wellbeing, providing inadequate financial resources for basic living needs, reducing capacity to focus on anything

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<sup>35</sup> Dr Elise Klein OAM, private capacity, *Proof Committee Hansard*, 27 February 2023, p. 34.

<sup>36</sup> Australian Council of Social Service, *Submission 23*, p. 3.

<sup>37</sup> St Vincent de Paul Society National Council, *Submission 27*, p. 2.

<sup>38</sup> Brotherhood of St Laurence, *Submission 21*, p. 7.

other than survival, and disregarding people's unpaid caring responsibilities, community contributions and long-term goals.<sup>39</sup>

- 5.51 ACROSS noted that based on 2022 research, it had found that 94 per cent of people surveyed on JobSeeker and related payments and living in private rental were paying more than 30 per cent of their income on rent. Half were in debt with their energy provider or expected to be once their next bill arrived because they couldn't afford the cost. Additionally, 96 per cent of respondents in the research survey suffered poor mental and physical health because they did not have enough money to meet basic needs.<sup>40</sup>
- 5.52 Additionally, a March 2023 ACROSS report into the cost of living highlighted that large price increases over the previous 12 months had deepened the inadequacy of the payments, even with the routine CPI indexation that had been applied to the rates. The report found that based on research conducted in early 2023, people on the lowest incomes had 'nothing left in their meagre budgets' and were experiencing deprivation and financial stress on a large scale.<sup>41</sup>
- 5.53 As set out in Chapter 3, the committee heard numerous personal stories from individuals about the impact of current payment rates on their lives.
- 5.54 For example, Ms Catherine Caine from the Australian Unemployed Workers' Union outlined:
- ...when you're on income support, your housing is precarious, food is precarious and safety is precarious, and we register that state of precarious as a survival threat, just as if there were a tiger outside our door. But instead of lasting for 10 minutes, that threat can last for 10 months or even years—years of not being able to think of much other than the tiger. It's next to impossible to study when there's a tiger at the door. It's next to impossible to perform any of the tasks that we are supporting people for: raising a child, caring for a loved one or searching for employment. Then the system punishes people for any lapse, thereby making the tiger bigger.<sup>42</sup>
- 5.55 DSS stated that poverty was a 'complex and multifaceted issue', with dimensions such as material deprivation, intergenerational disadvantage, social isolation and poor family relationships needing to be considered alongside a persons or households income.<sup>43</sup>

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<sup>39</sup> Dr Elise Klein, Professor Kay Cook, Susan Maury, Kelly Bowey, [Social security and time use during COVID-19](#), March 2021, p. 7.

<sup>40</sup> Australian Council of Social Service, *Submission 23*, p. 3.

<sup>41</sup> Australian Council of Social Service, [Cost of Living Report 2023 – 'It's hell': How inadequate income support is causing harm](#), March 2023, pp. 2–3.

<sup>42</sup> Ms Catherine Caine, Spokesperson for Income Support, Australian Unemployed Workers' Union, *Proof Committee Hansard*, 27 February 2023, p. 44.

<sup>43</sup> Department of Social Services, *Submission 12*, p. 19.

- 5.56 It also stated that the level of government support was not the only factor at play in determining poverty levels and social outcomes more broadly:

There is also a temporal dimension, as outcomes and circumstances change over a person's lifetime. Further, social outcomes are not purely a function of the level of government support, but also reflect decisions and capabilities at the individual, family and community level and the underlying strength and sustainability of the economic, social and physical environment.<sup>44</sup>

### **Calls to raise income support payments**

- 5.57 Many inquiry participants called on the Commonwealth Government to raise the rate of working-age payments as an evidence-based, cost-effective policy lever.<sup>45</sup>

- 5.58 In making these calls, they emphasised the impact increased payments would have on poverty and broader outcomes across health, shelter and social and economic participation. Some submitters made suggestions as to what the increase should be and also drew the committee's attention to expert modelling that demonstrated how the Government could achieve an increase while still being mindful of budgetary implications.<sup>46</sup>

- 5.59 For example, the Salvation Army stated:

The Salvation Army's service delivery experience leads us to conclude that increasing welfare payments, including the JobSeeker Payment and Youth Allowance, remains the single most effective way to address poverty in Australia.<sup>47</sup>

- 5.60 The St Vincent de Paul Society National Council advised the committee that in April 2022 it had commissioned ANU Centre for Social Research and Methods to model reforms to the Australian tax and welfare system. The research came

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<sup>44</sup> Department of Social Services, *Submission 12*, p. 19.

<sup>45</sup> Note: Similar calls were made to the committee's 2019–20 inquiry into the adequacy of Newstart, see: 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.

<sup>46</sup> See for example: Uniting VicTas, *Submission 34*, p. 5; UnitingCare Australia, *Submission 18*, p. 5; Australian Council of Social Service (ACOSS) & University of New South Wales (UNSW) Poverty and Inequality Partnership, *Submission 22*, p. 3; Brotherhood of St Laurence, *Submission 21*, p. 14; Salvation Army, *Submission 20*, pp. 7, 37; St Vincent de Paul Society National Council, *Submission 27*, p. 6; Ms Kristin O'Connell, Co-coordinator and Policy Researcher, Antipoverty Centre, *Proof Committee Hansard*, 27 February 2023, p. 3; Mr Greg Jericho, Policy Director, Centre for Future Work, The Australia Institute, *Proof Committee Hansard*, 27 February 2023, pp. 32–33; Australian Research Alliance for Children & Youth, *Submission 54*, p. 5; Ms Emma King, Chief Executive Officer, Victorian Council of Social Service, *Proof Committee Hansard*, 20 October 2022, p. 1; Ms Fiona Hunt, Chief Executive Officer, Basic Rights Queensland, *Proof Committee Hansard*, 6 December 2022, p. 3; Mr Tony Davies, Chief Executive Officer, Social Futures, *Proof Committee Hansard*, 21 February 2023, pp. 2,9.

<sup>47</sup> Salvation Army, *Submission 20*, p. 13;

back with a variety of viable policy proposals to increase JobSeeker and other income support payments, which would in turn have a positive impact on the rate and severity of poverty in Australia. As the submission outlined:

These measures are backed by rigorous analysis and use a balanced budget approach for all its social policy recommendations. They do not involve a major overhaul of the tax or welfare systems and would reduce the inequality that exists between Australian households.<sup>48</sup>

5.61 Similarly, ACOSS drew attention to 2021 research from the ANU which showed that the best way to reduce poverty and financial stress among very low income householders would be to increase working-age payments, including JobSeeker.<sup>49</sup>

5.62 As noted earlier in this report, Professor Roger Wilkins, an academic economist from the University of Melbourne specialising in the incidence and determinants of poverty and social exclusion, provided evidence to the committee in his private capacity. He agreed with other submitters that it was a policy choice to leave people in poverty, given that it was definitively within the Government's remit to set income support payment rates. He summarised:

...you can make sure that no-one, whether they're a child or an adult, is in poverty just by having adequate income support payments.<sup>50</sup>

5.63 While acknowledging that there were a range of other policy domains (apart from social security) that formed part of the solution to addressing broader disadvantage and improving life outcomes across the population, he made clear that if the Government chose to provide adequate income support payments, this would directly lower the rate of poverty in Australia. He explained:

We could give people enough money so that there weren't children growing up in poverty and there weren't adults living in poverty. It's totally within our power to do that, at least on a measure of poverty of the austere kind that I gave—50 per cent of median. We could pretty much drive that fairly close to zero, with the bonus benefit that, for many of the children growing up in these otherwise poor households, many of them will go on to be well above the poverty line and not depend on income support as the mechanism that lifts them out of poverty—as in they become gainfully employed in their adulthood, earning good money.<sup>51</sup>

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<sup>48</sup> St Vincent de Paul Society National Council, *Submission 27*, p. 5. For the research commissioned by the St Vincent de Paul Society, see: Ben Phillips, Richard Webster – Australian National University Centre for Social Research and Methods, [A Fairer Tax and Welfare System for Australia: CSRM Research Note 1/22](#), April 2022.

<sup>49</sup> Australian Council of Social Service, *Submission 23*, p. 3. For the research referenced by ACOSS, see: Ben Phillips and Vivikth Narayanan – Australian National University Centre for Social Research and Methods, [Financial Stress and Social Security Settings in Australia](#), April 2021.

<sup>50</sup> Professor Roger Wilkins, private capacity, *Proof Committee Hansard*, 27 February 2023, p. 31.

<sup>51</sup> Professor Roger Wilkins, private capacity, *Proof Committee Hansard*, 27 February 2023, p. 31.

- 5.64 Mr Greg Jericho, Policy Director (Labour Market and Fiscal) for the Centre for Future Work at the Australia Institute, outlined how additional revenue could be raised, enabling an increase in the rate of JobSeeker without any long-term impact on the budget deficit.<sup>52</sup>
- 5.65 In setting out the details of this modelling, he highlighted the nature of the policy choice before the Government:
- People [the Government] have decided they want to bring in something [the Stage 3 tax cuts] that will give half of the benefit to four per cent of the people rather than lifting JobSeeker, which we know, from actual evidence during the pandemic, reduced poverty massively. To me it is a straightforward example—you can't hide behind the fact of saying, 'There will always be people in poverty and we can't do anything about it'. It's clear that something can be done.<sup>53</sup>
- 5.66 Other submitters contended that the need for reform of income support payments was not just about an increase in payments, but also about access. Ms Terese Edwards of the National Council of Single Mothers and their Children said:
- We share all the calls to increase income support but we particularly want to talk about restoring access to the parenting payment single, because this is how we treat unpaid care. It's silence, and it manifests in a range of policies, and that's one of them.<sup>54</sup>
- 5.67 ACOSS provided the committee with a copy of its 2023–24 submission to the federal Budget. In it, ACOSS described the case for lifting JobSeeker as 'compelling', arguing that the level of financial stress experienced by people relying on income support payments was severe and causing unnecessary harm.<sup>55</sup>
- 5.68 In order to reform income support payments to reduce poverty, ACOSS made a number of recommendations.<sup>56</sup> Principally, it recommended the Commonwealth Government lift the base rates of working-age income support payments (like JobSeeker, Youth Allowance, Austudy, ABSTUDY, Special

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<sup>52</sup> Greg Jericho, ['A new "build your own budget" tool reveals just how bad the stage-three tax cuts are'](#), The Guardian, 12 January 2023 (accessed 15 April 2023).

<sup>53</sup> Mr Greg Jericho, Policy Director, Centre for Future Work, The Australia Institute, *Proof Committee Hansard*, 27 February 2023, p. 32.

<sup>54</sup> Ms Terese Edwards, Chief Executive Officer, National Council of Single Mothers and their Children *Proof Committee Hansard*, 13 December 2022, p. 29; National Council of Single Mothers and their Children, *Submission 48*, pp. 2–4.

<sup>55</sup> Australian Council of Social Service, *Submission 23*, p. 1; Australian Council of Social Service, [Budget Priorities Statement 2023–24: Submission to the Treasurer](#), April 2023, p. 4

<sup>56</sup> Australian Council of Social Service, [Budget Priorities Statement 2023–24: Submission to the Treasurer](#), April 2023, pp. 11–14.

Benefit, Parenting Payment and Crisis Payment) to the same level as the single Aged Pension (including the pension supplement). Additionally, it recommended that the Government index all working-age payments twice per year in line with CPI and wages.<sup>57</sup>

5.69 In putting forward the recommendation, ACOSS stated:

At a time of high inflation that is having the biggest effect on people on the lowest incomes, it is urgent that the Federal Government lift the base rates of these lowest income support payments. People receiving JobSeeker Payment, Youth Allowance, and Parenting Payment are going without essentials like food, appropriate housing, medication, and electricity because their meagre incomes simply do not cover the cost of living. Unless the government increases these income support payments, more than 1.4 million people will continue to deprive themselves and their families of essentials because they have no other choice.<sup>58</sup>

5.70 ACOSS also recommended the creation of a Disability and Illness Supplement (of at least \$55 a week), benchmarked to the additional living costs faced by people with a disability or illness. It proposed that the supplement should be provided to people in the income support system with disability (e.g. those on the DSP), as well as people with an illness that prevents them from undertaking full-time paid work.<sup>59</sup>

5.71 In a March 2023 research report, the ACOSS & UNSW Partnership echoed these suggestions, recommending that the Government lift the base rates of the lowest income support payments to ‘at least pension levels’ and introduce or improve supplements to cover essential costs above and beyond basic income support, in order to recognise the additional costs arising from sole parenthood, illness or disability. It noted that these actions would ‘shield’ people of working age and their families from poverty when they could not obtain adequate income from paid work.<sup>60</sup>

### **Evidence related to the \$550 COVID supplement**

5.72 During the 2020 COVID-19 wave, the Commonwealth Government at the time created a fortnightly Coronavirus supplement for people receiving certain income support payments and temporarily suspended mutual obligation requirements. The supplement was initially introduced at \$550 per fortnight

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<sup>57</sup> Australian Council of Social Service, *Submission 23*, p. 4. See also Australian Council of Social Service, [Budget Priorities Statement 2023–24: Submission to the Treasurer](#), April 2023, pp. 10–11.

<sup>58</sup> Australian Council of Social Service, [Budget Priorities Statement 2023–24: Submission to the Treasurer](#), April 2023, p. 10.

<sup>59</sup> Australian Council of Social Service, *Submission 23*, p. 4. See also Australian Council of Social Service, [Budget Priorities Statement 2023–24: Submission to the Treasurer](#), April 2023, p. 12.

<sup>60</sup> Australian Council of Social Service & University of New South Wales Poverty and Inequality Partnership, [Poverty in Australia 2023: Who is affected](#), March 2023, p. 15.

from 27 April 2020, effectively doubling the rate of the JobSeeker Payment. It was then reduced to \$250 per fortnight from 25 September 2020 to 31 December 2020 and further reduced to \$150 per fortnight from 1 January 2021 to 31 March 2021, before being discontinued in its entirety.<sup>61</sup>

- 5.73 Some submitters to the inquiry stated that the \$550 increase was pivotal to improving the lives of income support recipients and in many cases, lifted them out of poverty almost immediately.<sup>62</sup>
- 5.74 ACOSS cited analysis by the ANU Centre for Social Research and Methods that demonstrated that the \$550 supplement sharply reduced poverty among people on income support. Specifically:
- Poverty among people in households on the JobSeeker Payment fell from 76 per cent in 2019 to 15 per cent in June 2020.
  - Poverty among people in sole parent families (both adults and children) was reduced by almost half, from 34 per cent to 19 per cent.<sup>63</sup>

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<sup>61</sup> Australian Parliamentary Library, *Research Paper 2020–21 Series: Changes to the COVID-19 social security measures: a brief assessment*, 20 July 2020, [https://parlinfo.aph.gov.au/parlInfo/download/library/prspub/7467519/upload\\_binary/7467519.pdf](https://parlinfo.aph.gov.au/parlInfo/download/library/prspub/7467519/upload_binary/7467519.pdf) (accessed 15 April 2023); The Treasury, *Fact sheet: Extension of additional income support for individuals*, 17 November 2020, [https://treasury.gov.au/sites/default/files/2020-11/Fact sheet-Income Support for Individuals.pdf](https://treasury.gov.au/sites/default/files/2020-11/Fact%20sheet-Income%20Support%20for%20Individuals.pdf) (accessed 15 April 2023); Nicole Mills, 'What is the Coronavirus Supplement from Centrelink, am I eligible and when does it start?', *ABC News*, 6 April 2020, <https://www.abc.net.au/news/2020-03-23/coronavirus-supplement-payment-what-is-it-and-how-to-apply/12080326> (accessed 15 April 2023).

<sup>62</sup> See for example: St Vincent de Paul Society National Council, *Submission 27*, p. 5; Uniting Vic Tas, *Submission 34*, pp. 4–5; South Australian Commissioner for Children and Young People, *Submission 109*, p. 12; Jesuit Social Services, *Submission 120*, p. 10; Save the Children & 54 Reasons, *Submission 133*, pp. 6, 12; Uniting Vic Tas, answers to questions on notice, 20 October 2022 (received 16 January 2023); Dr Gayatri Ramnath, Manager, Policy and Research, Queensland Council of Social Service, *Proof Committee Hansard*, 6 December 2022, p. 2; Mr Kamalle Dabboussy, Chief Executive Officer, Western Sydney Migrant Resource Centre, *Proof Committee Hansard*, 31 January 2023, p. 13; Ms Natalie Meyer, Nimbin Neighbourhood and Information Centre, *Proof Committee Hansard*, 21 February 2023, pp. 16–17; Mr Jayden Oxtan-White, Anti-Poverty Network Queensland, National Liaison, *Proof Committee Hansard*, 6 December 2022, p. 26; Ms Catherine Bartolo, Chief Executive Officer, Youth and Family Service Limited, *Proof Committee Hansard*, 6 December 2022, p. 26.

<sup>63</sup> Australian Council of Social Service & University of New South Wales Poverty and Inequality Partnership, *COVID, Inequality and Poverty in 2020 & 2021: How poverty and inequality were reduced in the COVID recession and increased during the recover: Build Back Fairer Series, Report No. 3*, March 2022, p. 12. For the original research source, see: Ben Phillips, Matthew Gray, Nicholas Biddle – Australian National University Centre for Social Research and Methods, *COVID-19 JobKeeper and JobSeeker impacts on poverty and housing stress under current and alternative economic and policy scenarios*, August 2020.

- 5.75 Additionally, analysis by the Australia Institute in July 2020 found that the introduction of the \$550 supplement in March 2020 lifted 425 000 people out of poverty, including 65 000 children aged 0 to 14 years.<sup>64</sup>
- 5.76 ACOSS also found that the initial reductions in poverty were partly reversed after the \$550 supplement was reduced to \$250 per fortnight from September to December 2020, with poverty among people in households on Jobseeker Payment rising to 48 per cent and among sole parent families rising to 31 per cent.<sup>65</sup>
- 5.77 Uniting Victoria Tasmania commented that the introduction of the \$550 supplement meant that income support payments actually began to function as intended – namely as a safety net that successfully prevented people from living in poverty.<sup>66</sup>
- 5.78 Sacred Heart Mission informed the committee that with the additional money provided by the supplement, its clients could:
- afford essential medication;
  - afford to run their refrigerators and heaters;
  - afford to purchase healthy fresh food, instead of canned and non-perishable goods;
  - afford three meals a day instead of skipping meals;
  - afford to replace worn out clothes and shoes; and
  - afford to purchase Christmas presents for their loved ones.<sup>67</sup>
- 5.79 In a similar vein, the St Vincent de Paul Society National Council observed:
- The Australian Government has the means and mechanisms to alleviate current poverty levels and prevent others from falling below the poverty line. This was demonstrated by the economic response during the pandemic....During this period, the Society also experienced a significant reduction in the number of people seeking help, in some jurisdictions by up to 75 per cent. Each time the Government then subsequently reduced the Coronavirus supplement, more and more people ended up in poverty and demand for charitable assistance increased. <sup>68</sup>

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<sup>64</sup> Matt Grudnoff, The Australia Institute, [Poverty in the age of coronavirus: The impact of the JobSeeker coronavirus supplement on poverty](#), July 2020, pp. 1, 9.

<sup>65</sup> Australian Council of Social Service & University of New South Wales Poverty and Inequality Partnership, [COVID, Inequality and Poverty in 2020 & 2021: How poverty and inequality were reduced in the COVID recession and increased during the recover: Build Back Fairer Series, Report No. 3](#), March 2022, p. 12.

<sup>66</sup> Uniting Vic Tas, *Submission 34*, p. 4.

<sup>67</sup> Sacred Heart Mission, *Submission 117*, p. 12.

<sup>68</sup> St Vincent de Paul Society National Council, *Submission 27*, p. 5.

5.80 Mr Jericho from the Centre for Future Work pointed out that it was rare for an economy to have a real-world test of what occurs when income support payments are increased. He observed that the temporary raising of the JobSeeker payment through the Coronavirus supplement and the easing of mutual obligations was ‘perhaps unintentionally a damning indictment on the performance of the unemployment benefits at that point’.<sup>69</sup>

5.81 He remarked:

The experience of the pandemic has revealed what has long been known but not always tested – that poverty is a policy choice.<sup>70</sup>

5.82 In commenting on the impact of the supplement, Mr Jericho advised the committee that unemployment benefits should have two main roles. The first of these is to ensure that those who are unemployed have sufficient money to survive while they look for work. As he detailed:

The payment and conditions should be at a level that does not limit their ability to seek work due to an inability to pay for services or equipment that are crucial for looking for work. Likewise, it should not be at the level that punishes people who find themselves without work, almost always through no fault of their own. This is especially important, given that the current macroeconomic policies in Australia determine that there needs to be a level of unemployment of approximately 4 per cent to 5 per cent.<sup>71</sup>

5.83 The second of these is to act as an ‘automatic stabiliser’. As Mr Jericho explained:

...such that when an economy experiences a downturn, the level of household income does not crater such that the conditions of that downturn are magnified and develop a cycle of lower incomes, leading to greater unemployment and lower incomes.<sup>72</sup>

5.84 Mr Jericho posited that as Australia entered the pandemic in early 2020, the level of unemployment benefits failed both of these roles, the fact of which the Government of the day was aware:

The level of Newstart at the time had recipients living in poverty, which made vital job-seeking activities such as travel, Internet and phone connection, let alone aspects such as deportment and clothing, extremely difficult. The level of the benefit was too low to sustain an economy about to see an effective doubling of unemployment. So it was not surprising that

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<sup>69</sup> Mr Greg Jericho, Policy Director, Centre for Future Work, The Australia Institute, *Proof Committee Hansard*, 27 February 2023, p. 27.

<sup>70</sup> Mr Greg Jericho, Policy Director, Centre for Future Work, The Australia Institute, *Proof Committee Hansard*, 27 February 2023, p. 27.

<sup>71</sup> Mr Greg Jericho, Policy Director, Centre for Future Work, The Australia Institute, *Proof Committee Hansard*, 27 February 2023, p. 27.

<sup>72</sup> Mr Greg Jericho, Policy Director, Centre for Future Work, The Australia Institute, *Proof Committee Hansard*, 27 February 2023, p. 27.

the government at the time sought to increase the level of the unemployment benefits.<sup>73</sup>

5.85 He observed that had the level of income support payments been already sufficient, there likely would have been no need for the introduction of the \$550 supplement at all.<sup>74</sup>

5.86 Dr Klein characterised the \$550 supplement as a ‘major natural experiment in poverty reduction’, given that the additional income had a demonstrable positive impact on poverty rates and the quality of recipient’s lives. She detailed:

People didn't have to ration medicine and food. People could afford to pay bills. People felt that they got their dignity back. People were able to undertake the important work of care without stigma. People were able to plan for their futures, including to prepare and work to get back into the workforce.<sup>75</sup>

5.87 She continued:

These dramatic changes enabled people to turn their attention away from day-to-day survival and towards envisioning and realising a more sustainable future for themselves and their dependents.<sup>76</sup>

5.88 Dr Klein provided the committee with an overview of her research that examined the impacts of the \$550 Coronavirus supplement and temporary suspension of many mutual obligations during 2020.<sup>77</sup> She explained that these temporary policy changes allowed her and colleagues to examine how social security recipients used not only the money, but also their time.<sup>78</sup> She noted that the research was also able to compare whether these changes differed from people who did not receive the supplement, either because their payment was not included or because they do not rely on Centrelink payments.<sup>79</sup>

5.89 Dr Klein summarised her findings on the impacts of the policy changes as follows:

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<sup>73</sup> Mr Greg Jericho, Policy Director, Centre for Future Work, The Australia Institute, *Proof Committee Hansard*, 27 February 2023, p. 27.

<sup>74</sup> Mr Greg Jericho, Policy Director, Centre for Future Work, The Australia Institute, *Proof Committee Hansard*, 27 February 2023, p. 27.

<sup>75</sup> Dr Elise Klein OAM, private capacity, *Proof Committee Hansard*, 27 February 2023, p. 34.

<sup>76</sup> Dr Elise Klein OAM, *Submission 25*, p. 2.

<sup>77</sup> Dr Elise Klein OAM, *Submission 25*, p. 1.

<sup>78</sup> For the full research report, see Elise Klein, Kay Cook, Susan Muaury, Kelly Bowey, Swinburne University of Technology & Centre for Excellence in Child and Family Welfare, [Social security and time use during COVID-19](#), March 2021.

<sup>79</sup> Dr Elise Klein OAM, *Submission 25*, p. 1.

- (1) The \$550 Coronavirus Supplement was used for meeting basic needs, as well as other strategic expenditures to improve respondents' economic futures.
- (2) The \$550 Coronavirus Supplement improved people's physical and mental health and contributed to their overall wellbeing. These dramatic changes enabled people 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.
- (3) The \$550 Coronavirus Supplement and suspension of mutual obligations increased respondents' engagement in labour market and other economic activities.
- (4) The \$550 Coronavirus Supplement and suspension of mutual obligations allowed people to better engage in other forms of productive work, including care work and community support.
- (5) The reduction in the \$550 Coronavirus Supplement to \$250 per fortnight (paid between 25 September – 31 December 2020) eroded these physical and mental health and productivity gains, with many respondents expressing dread for further cuts and what they would mean for the security of their future.<sup>80</sup>

### **Payment rates and employment**

5.90 The committee heard evidence from several witnesses that raising income support payments would not act as a disincentive to employment. For example, Mr Jericho from the Centre for Future Work responded that the debate around potential disincentives from increased income support seemed to be more often projected, rather than based in evidence.<sup>81</sup> He elaborated:

I often feel there is a weird disconnect in the debates around disincentives and jobs. We often hear that the best form of welfare is a job, and the dignity of work is praised. Certainly the Australia Institute are very much in favour of employment growth and jobs—I work for the Centre for Future Work, not the Centre for Future Unemployment. You often hear talk that the benefits of work are great. They are. There is the ability, if you are of a certain generation, to pursue homeownership and so forth. But, on the other side, there is almost this sense that we need to make unemployment so bad that people won't stay there. If the benefits of work are so good, which I think they are, then what we should be thinking with income support is not punishment or trying to incentivise how great work is, but how to keep those people who happen to be unemployed at a comfortable standard of living.<sup>82</sup>

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<sup>80</sup> Dr Elise Klein OAM, *Submission 25*, p. 1

<sup>81</sup> Mr Greg Jericho, Policy Director, Centre for Future Work, The Australia Institute, *Proof Committee Hansard*, 27 February 2023, p. 28.

<sup>82</sup> Mr Greg Jericho, Policy Director, Centre for Future Work, The Australia Institute, *Proof Committee Hansard*, 27 February 2023, pp. 28–29.

5.91 In discussing the issue, Professor Wilkins acknowledged that in very simple terms, there was likely to be a ‘trade-off’ between raising benefits and reducing incentives to work. However, he pointed out that in reality that was not the only consideration at play:

If you're raising benefits, you probably are reducing incentives to work. But if that was your only consideration, you wouldn't pay any benefits. That would optimise the incentive to look for work. It's not a complete response. You've got to think about: what are our objectives from a policy standpoint? Ensuring that people can live with dignity and at what we regard as an acceptable living standard is pretty much non-negotiable, I would have thought, in a modern, developed country. We should be prepared to accept what I would contend are fairly moderate disincentive effects.<sup>83</sup>

5.92 He further noted that there were policy options available (but not yet sufficiently explored by government) to increase the incentive to work from ‘a more positive perspective’ — that is, a ‘carrot’, rather than a ‘stick’ perspective.<sup>84</sup>

5.93 Professor Wilkins also submitted that while keeping an unemployment benefit at such a low level as to be unliveable might seem to incentivise people to work, practically speaking such a policy choice had counterproductive negative impacts on a recipient’s ability to seek work. He explained:

...when you do have an unemployment benefit low, sure you might incentivise people to work but you actually cut them off at the kneecaps in terms of their capacity to make themselves available for work. They don't have the resources needed to make themselves a good option for employers. They can't access transport, for example. They can't maintain good health. These sorts of factors will work against getting people in these situations into employment.<sup>85</sup>

5.94 He also put forward a further point for the committee’s consideration — that the JobSeeker Payment, by definition an unemployment benefit, was now paid to a large number of people who, due to their specific life circumstances, previously might not have been expected to work for significant periods of time, if at all. For example, people with significant disability, people with significant caring responsibilities and single parents. Professor Wilkins explained:

These are groups that have very constrained abilities to participate [in the labour market]. So worrying about the incentive effects is rather odd in that context. Part of the rationale given in the past for the low payment was that it's just a temporary support—it's only a short-term payment. We see now that a very high and growing proportion of unemployment benefit recipients and JobSeeker recipients are very long term. They don't have any

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<sup>83</sup> Professor Roger Wilkins, private capacity, *Proof Committee Hansard*, 27 February 2023, p. 29.

<sup>84</sup> Professor Roger Wilkins, private capacity, *Proof Committee Hansard*, 27 February 2023, p. 29.

<sup>85</sup> Professor Roger Wilkins, private capacity, *Proof Committee Hansard*, 27 February 2023, p. 29.

reserves left to draw on as a way of getting through a temporary unemployment spell.<sup>86</sup>

5.95 Dr Klein also rebutted the disincentive claim with findings from her research:

Our findings also suggests that the longstanding view held by policy makers, that social security payments at a liveable level can be an impediment for people to find work, is a limited view. Indeed, our research found that people with financial security and time were able to engage further with the labour market, make strategic decisions about their economic futures, and were able to provide better care for their children.<sup>87</sup>

5.96 She informed the committee that there was a very strong evidence base that showed that a 'punishment model' which relied upon payments below the poverty line (and punitive mutual obligations) did not get people into employment, and effectively worked to reduce people's ability to work.<sup>88</sup>

5.97 Additionally, economist Dr John Quiggin flagged that there was some international evidence which indicated that the disincentive effects of unemployment benefits had been 'significantly overstated'. He commented:

I think this is part of a general reckoning within the economics profession against the folk wisdom that minimum wage and unemployment benefits were bad for employment. As it turned out, much of that was based on faith rather than actual evidence.<sup>89</sup>

### **Recent findings of the Interim Economic Inclusion Advisory Committee**

5.98 On 27 November 2022, the Commonwealth Government committed to establishing an Economic Inclusion Advisory Committee to provide non-binding advice to government on economic inclusion (including policy settings, systems and structures) and the adequacy, effectiveness and sustainability of income support payments ahead of every federal Budget. An Interim Advisory Committee was appointed in December 2022.<sup>90</sup>

5.99 DSS advised that the Advisory Committee would:

...look at options to reduce barriers and disincentives to work, including in relation to social security and employment services. Further, it will explore options for tailored responses to address barriers to economic inclusion for long-term unemployed and disadvantaged groups, including place-based approaches at the local level.<sup>91</sup>

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<sup>86</sup> Professor Roger Wilkins, private capacity, *Proof Committee Hansard*, 27 February 2023, p. 29.

<sup>87</sup> Dr Elise Klein OAM, *Submission 25*, p. 2. See also: Dr Elise Klein OAM, private capacity, *Proof Committee Hansard*, 27 February 2023, p. 36.

<sup>88</sup> Dr Elise Klein OAM, private capacity, *Proof Committee Hansard*, 27 February 2023, p. 34.

<sup>89</sup> Dr John Quiggin, private capacity, *Proof Committee Hansard*, 27 February 2023, p. 36.

<sup>90</sup> Department of Social Services, *Submission 12*, p. 39.

<sup>91</sup> Department of Social Services, *Submission 12*, p. 39.

5.100 On 18 April 2023, the Commonwealth Government released the first report of the Interim Advisory Committee. The report concluded that ‘all indicators available’ showed that the current rates of payment for JobSeeker and related working-age non-pension payments were ‘seriously inadequate’, regardless of whether measured relative against National Minimum Wages, in comparison with pensions, or against a range of income poverty measures.<sup>92</sup>

5.101 It further observed that people receiving the payments faced the highest levels of financial stress in the Australian community, and that:

Indexing JobSeeker Payment and related income supports only in line with the consumer price index has resulted in their relative base rates falling significantly below existing benchmarks such as the Age Pension. Increasing their rate to 90 per cent of the Age Pension would improve adequacy and return them to payment relativities of 1999.<sup>93</sup>

5.102 The report stated that income support should better value unpaid caring work and support those who cannot be in full-time paid employment, including due to illness, disability or partial capacity to participate. It also commented on the inadequacy of the current rate and indexation of Commonwealth Rental Assistance, as well as the ineffectiveness of the employment services system.<sup>94</sup>

5.103 The Interim Advisory Committee made four recommendations to Government in regard to the adequacy of working-age income support payments:

*Recommendation 1*

The Government commit to a substantial increase in the base rates of JobSeeker Payment and related working age payments as a first priority.

*Recommendation 2*

The Government commit to increase Commonwealth Rent Assistance and reform its indexation to better reflect rent paid.

*Recommendation 3*

The Government commit to a timeframe for the full increases to be implemented, if the increases are to be staged.

*Recommendation 4*

The Government consider an increase in income support be accompanied by, but not contingent upon, major reform of employment services to

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<sup>92</sup> Interim Economic Inclusion Advisory Committee, [2023–24 Report to the Australian Government](#), 18 April 2023, p. 14.

<sup>93</sup> Interim Economic Inclusion Advisory Committee, [2023–24 Report to the Australian Government](#), 18 April 2023, p. 15.

<sup>94</sup> Interim Economic Inclusion Advisory Committee, [2023–24 Report to the Australian Government](#), 18 April 2023, p. 4.

support people who have been on payments for an extended period, including exploring demand-led and place based approaches.<sup>95</sup>

5.104 It made clear that of all the recommendations put to the Government in the report, it was substantially lifting the base rates of JobSeeker and the related income support payments that needed to take 'immediate priority'.<sup>96</sup>

5.105 In regard to Recommendation 1, the report also addressed the question of whether increasing unemployment payments would create disincentives to paid work. Based on the evidence it considered, the Interim Advisory Committee's view was that current unemployment payments had fallen to such an inadequate level that they created a barrier to paid work. It further stated:

It is also our view that our income support system should prevent poverty and financial distress to ensure people looking for paid work are not placed at a greater disadvantage by virtue of not having enough money to meet the essentials of life.<sup>97</sup>

5.106 In releasing the report, the Government thanked the Interim Advisory Committee for its advice. It commented that it would look to provide support where it could to those most in need 'where it is responsible and affordable to do so, and weighed up against other priorities and fiscal challenges'.<sup>98</sup>

### **Committee view**

5.107 The committee acknowledges that there is significant evidence before it regarding the relationship between income support payments and poverty, as well as the need for reform.

5.108 The committee heard that the daily struggle to survive and procure essentials with not enough money is dehumanising and demoralising for recipients and their families. The committee heard direct accounts of how lack of money denied them access to the basic goods and services needed to meet an adequate standard of living, and deprived them of meaningful opportunities, both social and economic, to participate and contribute to society.

5.109 There have been unified and long-standing calls from across the Australian community, including from payment recipients, advocacy groups, community

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<sup>95</sup> Interim Economic Inclusion Advisory Committee, [2023–24 Report to the Australian Government](#), 18 April 2023, p. 7.

<sup>96</sup> Interim Economic Inclusion Advisory Committee, [2023–24 Report to the Australian Government](#), 18 April 2023, p. 44.

<sup>97</sup> Interim Economic Inclusion Advisory Committee, [2023–24 Report to the Australian Government](#), 18 April 2023, p. 43, 46.

<sup>98</sup> The Hon Dr Jim Chalmers MP, Treasurer, the Hon Amanda Rishworth MP, Minister for Social Services, 'Release of Economic Inclusion Advisory Committee report', [Media Release](#), 18 April 2023.

services and emergency relief providers, academic experts, industry and unions to increase income support payments.

- 5.110 The committee also acknowledges the recent findings of the Interim Economic Inclusion Advisory Committee and its recommendation that as a first priority, the Government commit to a substantial increase in the base rates of the JobSeeker Payment and related working-age payments. Further, that an increase in income support must be accompanied by, but not contingent upon, a major reform of the employment services system.<sup>99</sup>
- 5.111 The committee believes that urgent action must be taken so that Australians are not living in poverty, and that such action must be prioritised in the upcoming Budget.
- 5.112 The committee believes that these measures should specifically target rising inequality and entrenched disadvantage, including through the income support system.
- 5.113 Moving forward, the committee remains cognisant that there are a range of policy domains which can address disadvantage and work to improve life outcomes for the community, and it will look to explore these further as the inquiry progresses.

### **Recommendation 1**

- 5.114 The committee recommends that the Australian Government take urgent action so that Australians are not living in poverty, and prioritise policy measures in the upcoming May Budget that specifically target rising inequality and entrenched disadvantage, including through the income support system.**

**Senator Janet Rice**  
**Chair**

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<sup>99</sup> Interim Economic Inclusion Advisory Committee, [2023–24 Report to the Australian Government](#), 18 April 2023, p. 3.

# Additional Comments from the Australian Greens

## Poverty is political choice

### Executive summary

Poverty is a political choice. You choose to keep us in poverty. You choose to keep us homeless. You choose to keep us hungry. You choose to keep us malnourished. You choose to keep us in poverty. Poverty is a political choice. Homelessness is a political choice.<sup>1</sup>

Anthony Albanese always politicises the fact that he grew up in public housing, but now people are growing up in and living in emergency housing, tents, cars and state 'care' because the government won't build enough public housing.<sup>2</sup>

1.1 This Committee has heard clear evidence that poverty is widespread across Australia and devastating in its impacts. The evidence makes it clear that the simplest, most effective, and most urgent step is to increase income support payments for all recipients, regardless of their age. This should immediately be followed by the development of a national poverty line.

1.2 The Australian Greens recommend:

**Recommendation 1: That the Australian Government immediately lift the base rate of all income support payments to \$88 a day, regardless of age.**

**Recommendation 2: That the Australian Government establish a national definition of poverty.**

1.3 The Australian Labor Party has long had rousing rhetoric on helping the disadvantaged, and 'the light on the hill'. Labor cannot continue to present itself as a progressive political party while enacting a centre-right agenda that provides tax cuts for billionaires and leaves people living below the poverty line.

### Testimony from people with direct experience of poverty

1.4 In hearings across the country, the committee heard powerful, personal evidence from witnesses with direct experience of poverty.

1.5 Abigail said:

Energy prices went up, inflation went up and the DSP did not. I had to start making difficult decisions. I couldn't save money, it was just impossible.

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<sup>1</sup> Rita, private capacity, *Proof Committee Hansard*, 13 December 2022, p. 21.

<sup>2</sup> Mel, private capacity, *Proof Committee Hansard*, 6 December 2022, p. 29.

There were some fortnights where I had to decide whether I was buying myself groceries or paying electricity bills.<sup>3</sup>

1.6 Peter said:

To be on income support and have no money is very dispiriting. It is crushing. It is soul destroying. You become socially isolated.<sup>4</sup>

1.7 Jo said:

I am 58 years old. I have been waiting for a total hip replacement for 14 months. I get \$683.40 per fortnight on JobSeeker. It should be more than that, but Centrelink have not recognised my new lease that I have uploaded three times or answered my calls ... I am going to lose this tooth because I can't afford to see a dentist.<sup>5</sup>

1.8 Genevieve said:

... in Australia today there is a huge divide between the haves and the have-nots, far from the days when Robert Menzies made housing affordable and accessible for all. Australia has become a lot harsher for those with less and the safety net for low-income single-parent families has all but disappeared.<sup>6</sup>

1.9 Glenys said:

I would like to read a letter I wrote to the paper out of sheer frustration, anger and worry ... Every second week she shops for the few groceries she can afford. As the prices increase, she suffers depression and anxiety. Can she afford biscuits this week or bread and butter?<sup>7</sup>

1.10 Witness A said:

If I wasn't poor, I'd have justice in my life. I would be safe and have time to heal. Other people would be held accountable for their actions. I would not have slipped through the cracks my whole life. I could afford dreams. If I wasn't poor, securing proper healthcare services would not depend on my likability. I would be harder to victimise. I would have teeth.<sup>8</sup>

1.11 Rebecca said:

... when you're on it, the indignity of being on Centrelink and the hold that people have over you. Literally, if you miss a call for some reason—say you've run to the toilet, and in the five minutes that you've gone to the toilet, they've called you, in the hour period of time that they're supposed to call you—they cut off your payment.<sup>9</sup>

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<sup>3</sup> Abigail, private capacity, *Proof Committee Hansard*, 20 October 2022, p. 59.

<sup>4</sup> Peter, private capacity, *Proof Committee Hansard*, 20 October 2022, p. 58.

<sup>5</sup> Jo, private capacity, *Proof Committee Hansard*, 20 October 2022, p. 57.

<sup>6</sup> Genevieve, private capacity, *Proof Committee Hansard*, 20 October 2022, p. 56.

<sup>7</sup> Glenys, private capacity, *Proof Committee Hansard*, 20 October 2022, p. 60.

<sup>8</sup> Witness A, private capacity, *Proof Committee Hansard*, 20 October 2022, p. 59.

<sup>9</sup> Rebecca, private capacity, *Proof Committee Hansard*, 6 December 2022, p. 33.

1.12 David said:

Now, with my DSP alone, I am left with \$177 for the fortnight after I pay rent. Of course, I can't do that all the time. I need to keep fuel in my car and money to pay for credit to contact prospective clients. I'm currently around five weeks in arrears; I'm just waiting for my eviction notice.<sup>10</sup>

1.13 Isabelle said:

I have seen how this country treats poor people. I've been on the receiving end of it long enough to have had a gutful, and it regularly makes me think, 'Hey, maybe death might not be such a bad idea.' I was born in 1994, and the policy of the government—by which I mean every government in my lifetime—has been to break us down and then pay someone a hell of a lot of perfectly good taxpayer money to do nothing except tell us that you're going to starve us if we don't drag ourselves back up by our bootstraps.<sup>11</sup>

1.14 Jennifer said:

I spent nearly eight years sleeping in my car because I couldn't find anywhere suitable to live. The longer I went without anywhere to live, without an address, the harder it became for me to find anywhere suitable to live.<sup>12</sup>

1.15 Witness A said:

I'm trying to explain to my kids that we can't afford things but I'm not able to explain how we got into this situation, because of being legally barred from disclosing the domestic violence to them. I've had seven years of pretending to my kids that I'm not hungry or I've already eaten.<sup>13</sup>

1.16 Jessica said:

I skip meals. I do deals with who I owe money to in any given fortnight ... My daughter deserves a secure, stable home. In order to give her what she needs and what she deserves, I'm sort of working tooth and nail to deliver that as best possible.<sup>14</sup>

1.17 Kristin said:

This has been a really hard day to sit through. It's always a really hard day, when we have these endless inquiries, to hear stories like the ones you've just heard—which everyone knows are not outliers—shared, and everybody wrings their hands and does nothing about it.<sup>15</sup>

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<sup>10</sup> David, private capacity, *Proof Committee Hansard*, 6 December 2022, p. 36.

<sup>11</sup> Isabelle, private capacity, *Proof Committee Hansard*, 6 December 2022, p. 37.

<sup>12</sup> Jennifer, private capacity, *Proof Committee Hansard*, 13 December 2022, p. 20.

<sup>13</sup> Witness A, private capacity, *Proof Committee Hansard*, 31 January 2023, p. 45.

<sup>14</sup> Jessica, private capacity, *Proof Committee Hansard*, 31 January 2023, p. 47.

<sup>15</sup> Kristin O'Connell, private capacity, *Proof Committee Hansard*, 31 January 2023, p. 49.

## 1.18 Greg said:

Once all the basic bills are taken care of, there are certain things you can't do. I've got a psychiatry appointment that's 500 and something dollars out of pocket, and you get \$300 back, but I just keep having to postpone that, because it's not something I can afford now.<sup>16</sup>

## 1.19 Chibo said:

I've never felt so mentally tortured as when I was unemployed, starting with Centrelink treating you like you're the last dirt from the street. Just coming into the whole situation—and I think a few people pointed it out in front of you here today—really impacts on your lifestyle, on your nutrition level, on anything.<sup>17</sup>

## 1.20 Brian said:

My flatmate, Maurice, and I have been living in public housing since 1997 and 2008. ... We've had two years of flooding from a neighbour above us, with ten floodings in two years, with human faeces in what was coming down.<sup>18</sup>

## 1.21 Len said:

The reason I've come here today is to say part of the reason I went on the streets was that I couldn't cope on the money. I could not cope on the money paying private rental, going through what I was going through, the depression and whatever. But what brought me off the streets was permanent affordable housing. And that extra couple of hundred dollars that I was getting on the disability pension gave me a chance.<sup>19</sup>

## 1.22 Alison said:

The systems that were meant to protect children have failed them. For 11 years, I have had to manage all of this alone with no respite and on minimum government assistance. My eldest granddaughter is now 16 years old and has recently been diagnosed with the same medical condition as me, plus complex mental health issues from the trauma of her early childhood experiences, which resulted in her recently assaulting me. Because I cannot afford private health cover, I use my credit card to give her the immediate mental health intervention she needs from an expensive clinical psychologist whilst waiting for assistance from Perth Children's Hospital. This adds to the financial struggle.<sup>20</sup>

## 1.23 The Australian Greens want to particularly thank Rita, Mel, Abigail, Peter, Jo, Genevieve, Glenys, Rebecca, David, Isabelle, Jennifer, Nijole, Jessica, Kristin,

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<sup>16</sup> Greg, private capacity, *Proof Committee Hansard*, 31 January 2023, p. 51.

<sup>17</sup> Chibo, private capacity, *Proof Committee Hansard*, 21 February 2023, p. 30.

<sup>18</sup> Brian, private capacity, *Proof Committee Hansard*, 20 October 2022, p. 60.

<sup>19</sup> Len, private capacity, *Proof Committee Hansard*, 4 April 2023, p. 33.

<sup>20</sup> Alison, private capacity, *Proof Committee Hansard*, 4 April 2023, p. 34.

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Greg, Chibo, Brian, Len, Alison, and all those with direct experience of poverty who shared their evidence with the committee.

### **Poverty in Australia**

- 1.24 A fair society is one in which no one is left behind, regardless of their age.
- 1.25 The Australian Greens charter calls for the eradication of poverty, and we believe that everyone, regardless of how old they are, has the right to access adequate high-quality resources to enable them to participate fully in society, and additional services and support should be targeted to disadvantaged people and sectors.
- 1.26 We have consistently put forward clear proposals that would lift income support payments. In 2013, Senator Rachel Siewert introduced the Social Security Legislation Amendment (Caring for People on Newstart) Bill 2013, which would have provided an immediate increase in the rate of payment to people relying on Newstart, the predecessor to the JobSeeker payment. She also introduced the Social Security and Other Legislation Amendment (Caring for Single Parents) Bill 2013, which would have provided an immediate increase in the payment rate of single parents forced to rely on Newstart.<sup>21</sup>
- 1.27 In 2022, our election policy platform set out a clear proposal for an increase not only to JobSeeker but to other income support payments to \$88 a day, ensuring that people would not be forced to rely on payment rates below the poverty line.

### **Poverty and power**

- 1.28 Evidence to the committee has clearly indicated that poverty must be understood as a political choice. The extent and nature of poverty in Australia is fundamentally a reflection of the structural and systemic drivers behind why an individual can find themselves without sufficient income and living in poverty, and a crucial part of those structural drivers are the power relationships in a society.
- 1.29 As Centrecare noted in their submission:

Given that the determinants of poverty are complex and often outside of an individual's control then it stands to reason that addressing poverty is a collective responsibility, a notion expressed well by Ronald Henderson, the chair of Australia's first comprehensive inquiry into poverty. Henderson said, "Poverty is not just a personal attribute: it arises out of the organisation of society". This is particularly true in a wealthy country like Australia which has both the means and the knowledge to significantly reduce poverty. According to a 2022 Credit Suisse Research Institute report Australia is the richest country in the world on a per capita basis using the

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<sup>21</sup> For the text of the bills, see: [Social Security Legislation Amendment \(Caring for People on Newstart\) Bill 2013](#) and [Social Security and Other Legislation Amendment \(Caring for Single Parents\) Bill 2013](#).

measure of median wealth. However, this statistic is skewed by the fact that there is a significant wealth disparity in Australia. The wealthiest 1% of Australians hold 21.8% of the country's wealth, up from 19.6% in 2019 which confirms the disparity between the rich and the poor is growing.

Accepting the above, when considering poverty, it is hard to argue against the view that it is morally and ethically unacceptable for a wealthy and developed country like Australia to continue to allow a significant percentage of our population to live in poverty. Centrecare's view is that the government has a moral and ethical responsibility to ensure that all citizens have access to the necessities of life, such as food, shelter, healthcare, and quality education. A failure to ensure all Australians have these things is a violation of basic human rights and means we are failing to meet our obligations under important human rights treaties.<sup>22</sup>

### 1.30 Similarly, Per Capita outlined:

Poverty is best understood as neither a personal failing nor as an historical accident. Rather, it is the consequence of power relations, such as those between working people and their employers, or between citizens and the state. As we will argue, the ability to recognise and respond to those power relations is obscured by the central idea and narrative of capitalism: that people make their own fortunes, through study, work, and saving, or are responsible for their own poor choices. In recent decades, that narrative has co-existed with the withdrawal of the state from social responsibility for service provision and welfare, alongside the incremental incursion of the market into the public sphere, the commodification of care and the financialisation of housing.

Public interest in and concern about poverty is rising, as more Australians become at risk of falling into it. Per Capita also sees growing evidence of public belief that government not only can play a role but increasingly has the mandate to do so. Attention is turning to flatlined wages, declining housing affordability, and rising costs of living, including rising costs of healthcare and even education in the public system that is meant to be free.<sup>23</sup>

## **Poverty and human rights**

1.31 A social safety net that ensures no-one lives in poverty is also critical to justice and human rights.

1.32 As Economic Justice Australia outlined in their submission:

The right to social security and a basic income is a fundamental building block of all human rights; other legal and human needs cannot be fulfilled without financial security. This right is also central to guaranteeing human dignity for all people.

A fair social security system is fundamental to addressing poverty. It provides a safety net necessary to keep a person (and their children) clothed,

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<sup>22</sup> Centrecare Inc, *Submission 15*, p. 4.

<sup>23</sup> Per Capita, *Submission 131*, p. 5.

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housed and fed, as well as stability to enable them to plan for the future and engage in their community.<sup>24</sup>

1.33 Similarly, Anglicare Australia submitted:

Anglicare Australia believes that a fair society is one where everyone can live a dignified life and participate in their community. People need adequate support while they study, while they look for work, while they look after their loved ones, and to support themselves if they have a disability.

Social security payments were designed to provide a safety net Australians to maintain their capacity to contribute to their families and communities. Yet JobSeeker and related payments are now so low they trap people in poverty. For more than twenty years governments have failed to ensure that social security payments have kept up with the cost of living. The Anglicare Australia Network has for nearly the same amount of time documented how the most vulnerable in our community have borne the brunt of the harm caused by this government inaction, and we have repeatedly called for change.<sup>25</sup>

1.34 Australian Lawyers for Human Rights also outlined the nexus between poverty and human rights:

Poverty is a violation of human dignity. ALHR submits that poverty in Australia must be approached from within a human rights framework. As a party to the core international human rights treaties Australia has recognised the inherent dignity of all people and the universal, indivisible and interdependent nature of all human rights. However, as a nation we have largely failed to develop effective anti-poverty strategies that recognise and address the wide range of human rights impacted by poverty.<sup>26</sup>

### **Raise the rate and establish a poverty line**

1.35 The inquiry received submissions and heard from individuals with direct experience of poverty, as well as from a wide range of organisations: peak bodies, community groups, advocacy organisations, and representative organisations across the social services, medical, legal and other sectors. Two overwhelming themes emerged.

#### **Raise the rate**

1.36 The first is the need for an urgent increase to income support payments for everyone.

1.37 The evidence before the committee clearly indicates that the current levels of income support payments are far too low and act as a structural driver of poverty. Additionally, it is clear that policy choices made by previous

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<sup>24</sup> Economic Justice Australia, *Submission 16*, p. 1.

<sup>25</sup> Anglicare Australia, *Submission 7*, p. 4.

<sup>26</sup> Australian Lawyers for Human Rights, *Submission 107*, p. 3.

governments have pushed people onto the JobSeeker unemployment benefit (which has one of the lowest basic rates), despite their circumstances meaning they would be more appropriately placed on an alternative payment such as the Disability Support Pension (DSP) or the Parenting Payment.

- 1.38 The committee heard from a large volume of stakeholders — ranging across the spectrum of advocacy groups, community services and emergency relief providers, and individuals with lived experience — that Australia’s income support payments were completely inadequate to meet the cost of essential, day-to-day goods and services, including food, rent and energy.
- 1.39 The punishingly low rates of income support serve to create material and social deprivation, as well as entrenched disadvantage. The daily struggle to survive and procure essentials with not enough money is dehumanising and demoralising for recipients and their families. Insufficient income support denies them access to the basic goods and services needed to meet an adequate standard of living and robs them of meaningful opportunities, both social and economic, to participate in and contribute to society.
- 1.40 A significant majority of the submissions urged that income support payments be immediately increased, as the most effective tool to reduce poverty in Australia.
- 1.41 As the Antipoverty Centre outlined in their submission:

The priorities and decisions of this government and those of the past 30 years make us feel you would rather we were dead. This isn’t hyperbole, it’s an everyday conversation among those of us who rely on income support to live, or need support and can’t get it ... The best time for the Albanese government to reverse direction and end these harms was the day it took power. The next best time is now.<sup>27</sup>

### **Recommendation 1**

- 1.42 That the Australian Government immediately increase the base rate of Jobseeker and other income support payments to \$88 a day, regardless of age.**

#### **The impacts of poverty on young people**

- 1.43 The Australian Greens are particularly concerned and disappointed at media reports that the Labor Party is choosing to limit increases to JobSeeker based on age. This discounts the clear evidence provided to the committee that poverty has an impact across the lifespan, and that the experience of poverty is just as devastating for young people.
- 1.44 As the Multicultural Youth Advocacy Network Australia wrote in their submission:

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<sup>27</sup> Antipoverty Centre, *Submission 29*, p. 4.

We believe that failing to invest in young people will result in substantial economic, social, and political costs ... National poverty reduction efforts must include a focus on youth if they are to be successful. Against a backdrop of COVID-19 recovery, rising costs of living, low wages and major housing issues, this is a crucial time to work with young people to install a vision of a future that they feel hopeful and confident in.<sup>28</sup>

1.45 Similarly, the Youth Affairs Council of South Australia wrote in their submission:

Young people in Australia today are experiencing a vastly different economic situation to older generations. As well as enduring disproportionate impacts from a series of 'once-in-a-lifetime' financial and social events, effects of long-term wage stagnation and Australia's ageing population, young people will also experience a greater tax burden in the future as environmental damage worsens and economic growth remains low ... Underlying young people's experiences of poverty is their experience of the labour market and economic participation. Since at least the GFC young people have been overrepresented in unemployment, underemployment, and precarious employment. Young people experience fewer employment opportunities, less working hours and lower wages ...

The consistent refusal of successive governments to increase the rate of income support also impacts young people disproportionately as they experience higher unemployment and underemployment and are more likely to receive support payments outside of the Age Pension ... Young people receiving Youth Allowance and JobSeeker consistently report going without essential items like medication and food and as costs of living continue to rise more young people are at risk of experiencing the detrimental impacts of abject poverty Keeping the rate of income support payments well below any poverty line while housing, food, medication, and education costs are predicted to continue to rise will have a significant impact on young people, their future, and the future sustainability of Australia's economy.<sup>29</sup>

1.46 We are particularly concerned about the impacts of poverty on mental health for young people. As the Western Australian Association for Mental Health noted in their submission:

The mental health impacts of poverty are profound and pervasive and have widespread effects on individuals, families and children and young people, and are multi-generational.<sup>30</sup>

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<sup>28</sup> Multicultural Youth Advocacy Network Australia, *Submission 69*, p. 5.

<sup>29</sup> Youth Affairs Council of South Australia, *Submission 84*, pp. 1–4.

<sup>30</sup> Western Australian Association for Mental Health, *Submission 129*, p. 4.

Children and young people living in the 20% of least well-off households are four times more likely to experience severe mental health problems than those in the highest income households.<sup>31</sup>

1.47 The National Union of Students outlined in their evidence to the committee:

We believe that everyone in Australia should have access to higher education through TAFE or university, no matter where they live or the amount of money in their bank account. Students deserve a truly equitable education system that does not discriminate based on factors outside of their control. But today we find that receiving that education is increasingly out of reach for many young students. The rising cost-of-living pressures; casualised and insecure work; high rents, combined with a highly inaccessible housing market; and the increasing cost of education fees—all of course exacerbated by COVID-19—are making it harder and harder for students to pay for their studies. We increasingly hear from our member student unions that, for students, studying full time is essentially impossible with the current income support measures, which really do not take into account a lot of factors that students experience ...

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. Student poverty is a massive issue ...<sup>32</sup>

1.48 The Australian Greens urge Labor to ensure that students and young people are not left behind in this Budget, and act upon Recommendation 1 to increase income support payments for all, regardless of age.

### **Intersectionality is not an excuse for inaction**

1.49 Poverty disproportionately impacts a number of groups, as set out in the main report — in particular, women, First Nations people, disabled people, older people, and other groups who are systematically disadvantaged. It is important that the committee continue its work to understand how particular groups are more vulnerable and can be better supported.

1.50 However, neither this intersectionality nor arguments about 'structural' or 'intergenerational' factors should be an excuse for obfuscating the central, fundamental, urgent importance of raising the rate of income support for everyone, regardless of their age.

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<sup>31</sup> Western Australian Association for Mental Health, *Submission 129*, p. 22.

<sup>32</sup> Ms Bailey Riley, President, National Union of Students, *Proof Committee Hansard*, 31 January 2023, pp. 32–33.

1.51 As the Antipoverty Centre set out:

We reject the ideological underpinnings and framing of poverty as a “wicked problem” lending itself to intergenerational cycles of disadvantage that cannot be helped by simply giving people money. This narrative serves the interests of the architects of the poverty machine and those who perpetuate it. It is the reason why, despite endless cycles of consultation, targeted programs, and “place-based” experiments there are more of us in poverty, not less.

Supports and services can never fulfil their aims while trying to counter the effects of having insufficient resources. The idea that people need enough money to live should not be a radical one. The biggest barrier to escaping the poverty trap isn’t inherent human flaws, it’s poverty itself.<sup>33</sup>

1.52 The committee will continue its important work in hearing evidence and understanding the factors that can make particular groups more vulnerable — but this cannot be an excuse for government failing to act immediately to raise income support payments above the poverty line for everyone.

**The clear case for a national poverty line**

1.53 Similarly, while there are a range of different measurements of poverty, with differing strengths and weaknesses, there were clear recommendations from advocates, community organisations, and experts, that the Australian Government should immediately establish a national definition of poverty.

**Recommendation 2**

**1.54 That government establish a national definition of poverty.**

**What happened to the light on the hill?**

1.55 The Australian Labor Party has a long history of rousing rhetoric on inequality and action to help the vulnerable and disadvantaged. As former Prime Minister Ben Chifley set out in 1946:

We have a great objective – the light on the hill – which we aim to reach by working the betterment of mankind not only here but anywhere we may give a helping hand. If it were not for that, the Labour movement would not be worth fighting for.<sup>34</sup>

<sup>33</sup> Antipoverty Centre, *Submission 29*, p. 7.

<sup>34</sup> AustralianPolitics.com, ‘*The Light On The Hill*’ — *Speech by Ben Chifley*, <https://australianpolitics.com/1949/06/12/chifley-light-on-the-hill-speech.html> (accessed 2 May 2023).

1.56 In 1969 Gough Whitlam said:

We are all diminished as citizens when any of us are poor. Poverty is a national waste as well as an individual waste.<sup>35</sup>

1.57 In 1988 Bob Hawke famously promised to end child poverty, saying:

No society can afford, on grounds of morality or self-interest, to ignore the claims of those of its members who most need help ... Nowhere is this lesson more true than in the case of those of our children who live in poverty.<sup>36</sup>

1.58 In Opposition, key leaders of the Australian Labor Party emphasised the importance of addressing poverty. The Treasurer, Jim Chalmers, said while in Opposition, that the increase to Jobseeker legislated in 2021 was inadequate:

As the Labor Party we will be focused on poverty and hardship, not just as it relates to the JobSeeker payment, but more broadly as well.<sup>37</sup>

1.59 On election night in 2022, Prime Minister Anthony Albanese stated that:

During this campaign, I have put forward a positive, clear plan for a better future for our country. And I have shared the two principles that will be part of a government that I lead. No one left behind because we should always look after the disadvantaged and the vulnerable ...<sup>38</sup>

1.60 In Opposition, Labor Senators supported key recommendations of this committee in its 2020 inquiry into the adequacy of Newstart:

(1) The committee recommends the Australian Government set a national definition of poverty. The Government should immediately commence work in collaboration with academic experts and the community sector to determine this definition.

(2) The committee recommends the Australian Government immediately undertake a review of the income support system to

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<sup>35</sup> Museum of Australian Democracy, *Election speeches — 1969 Gough Whitlam — Australian Labor Party*, <https://electionspeeches.moadoph.gov.au/speeches/1969-gough-whitlam> (accessed 2 May 2023).

<sup>36</sup> Department of Prime Minister and Cabinet, *PM Transcripts — Transcripts from the Prime Ministers of Australia – Speech by the Prime Minister Conference on Child Poverty Melbourne – 6 April 1988*, <https://pmtranscripts.pmc.gov.au/release/transcript-7310> (accessed 2 May 2023).

<sup>37</sup> Dr Jim Chalmers MP, Shadow Treasurer, 'Transcript of doorstep interview by Jim Chalmers, Shadow Treasurer, Member for Rankin', *Transcript*, 25 February 2021, <https://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id%3A%22media%2Fpressrel%2F7825233%22> (accessed 2 May 2023).

<sup>38</sup> 'Read income prime minister Anthony Albanese's full speech after Labor wins federal election', *ABC News*, 22 May 2022, <https://www.abc.net.au/news/2022-05-22/anthony-albanese-acceptance-speech-full-transcript/101088736> (accessed 2 May 2023).

ensure that all eligible income support recipients do not live in poverty.<sup>39</sup>

- 1.61 Even Labor Territory Ministers and backbenchers have recognised the need for an urgent, immediate increase to the rate of JobSeeker.
- 1.62 We are deeply disappointed that the Australian Labor Party's position has shifted from Opposition to now they are in Government, leaving them unable to support even the basic principle that people should not be forced to rely on an income support payment that is below the poverty line.
- 1.63 The Australian Labor Party may argue that it faces fiscal constraints, but evidence to this committee made it exquisitely clear that there are simple options to raise revenue that would easily cover an increase to the rate of JobSeeker.
- 1.64 Mr Greg Jericho, Policy Director (Labour Market and Fiscal) for the Centre for Future Work at the Australia Institute, drew the committee's attention to modelling he had done using a tool from the Parliamentary Budget Office which showed that it was possible to raise the rate of JobSeeker and avoid any long-term increase to the budgetary deficit by rescinding or modifying the Stage 3 tax cuts.<sup>40</sup>
- 1.65 In setting out the details, he highlighted the nature of the policy choice before the Australian Labor Party:

People [the Government] have decided they want to bring in something [the Stage 3 tax cuts] that will give half of the benefit to four per cent of the people rather than lifting JobSeeker, which we know, from actual evidence during the pandemic, reduced poverty massively. To me it is a straightforward example—you can't hide behind the fact of saying, 'There will always be people in poverty and we can't do anything about it'. It's clear that something can be done.<sup>41</sup>
- 1.66 A delay to raising JobSeeker and other payments across the board is effectively a decision that it is less important than other priorities, such as the Stage 3 tax cuts and the AUKUS submarines.
- 1.67 Sadly, it appears that Labor's light on the hill has been replaced by an unwavering commitment to the fiscal constraints imposed by a Liberal prime minister.

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<sup>39</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, pp. 30, 41.

<sup>40</sup> Greg Jericho, ['A new "build your own budget" tool reveals just how bad the stage-three tax cuts are'](#), *The Guardian*, 12 January 2023 (accessed 3 May 2023).

<sup>41</sup> Mr Greg Jericho, Policy Director, Centre for Future Work, The Australia Institute, *Proof Committee Hansard*, 27 February 2023, p. 32.

- 1.68 To revisit former Prime Minister Ben Chifley's question, if the light on the hill has gone out, what is the Australian Labor Party for?
- 1.69 The Australian Labor Party cannot continue to present itself as a progressive political party while enacting a centre-right agenda that provides tax cuts for billionaires and leaves people living below the poverty line.

**Senator Janet Rice**  
**Chair**

## **Additional Comments from Coalition Senators**

- 1.1 The topic of poverty, and its causes and solutions, is complex, multifaceted, and difficult to respond to – even through the most thorough committee report.
- 1.2 The approach of the Coalition when in government has been clear and principled.
- 1.3 While in government, the Coalition through disciplined economic management, was able to deliver the largest permanent increase to the JobSeeker income support payment.
- 1.4 From 1 April 2021, the former government increased working age payment rates, including JobSeeker Payment, by \$50 and permanently increased the income-free areas to \$150 per fortnight to support job seekers as they secure employment and re-enter the workforce.
- 1.5 Throughout the height of the pandemic, the then Coalition Government also provided \$32 billion in emergency support payments and on top of that delivered the largest increase to unemployed benefits since 1986.
- 1.6 Every dollar we spend is a dollar that someone else has had to earn – so it is incumbent to ensure that spending on our social safety net is sustainable into the future.
- 1.7 Few countries provide the strong safety net available in Australia.
- 1.8 The Coalition’s focus is creating jobs and getting people back into work because we know that getting a job is the best way to improve the living standards individuals and families.
- 1.9 Whilst Coalition Senators do not disagree with all aspects of the majority report, we will reserve our recommendations until the final report is released.

**Senator Slade Brockman**

**Senator Wendy Askew**



## Additional Comments from Senator David Pocock

- 1.1 I thank the committee for the opportunity to provide additional comments to this interim report on the extent and nature of poverty in Australia.
- 1.2 In particular, I thank the committee for the opportunity to hear from experts and advocates from the ACT to better understand the experience of poverty within my own community.
- 1.3 The ACT is not immune to poverty, nor the challenges that precipitate it within our city and region.
- 1.4 From the evidence collected through this inquiry, it is clear that poverty in Australia is not random and is not distributed equally across the community. It is a concentrated phenomena that impacts particular cohorts more than others, which include women (particularly single mothers, older women and those experiencing family violence), children and young people, First Nations people, people in Australia's regions, people with caring responsibilities, people with disability, and people from culturally and linguistically diverse backgrounds.
- 1.5 HelpingACT, YWCA Canberra, Roundabout Canberra, Winnunga, Community Services #1 and the ACT Council of Social Service (ACTCOSS) presented to this committee in a special panel. From each member, we heard that poverty is becoming more pronounced in our community and that frontline services are seeing more people at-risk of homelessness, more families needing groceries from community pantries and more children showing up to schools needing breakfast.
- 1.6 According to ACTCOSS, rates of poverty in the ACT have doubled since the withdrawal of JobKeeper and the withdrawal of the coronavirus supplements:

...our preliminary research suggests that poverty is getting worse [in] Canberra. Over the last couple of years we've seen increased demand for support and services from our underfunded, overworked and underpaid community sector. The withdrawal of JobKeeper and the coronavirus supplements saw the poverty rate in the ACT almost double, to nine per cent. This represents about 38,000 Canberrans, including approximately 9,000 children.<sup>1</sup>
- 1.7 HelpingACT notes that more people are needing assistance with food:

The incidents of food insecurity in Canberra, which, we have noted, have easily doubled... We have identified one in 10 Canberrans currently need food assistance, and that is true.<sup>2</sup>

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<sup>1</sup> Dr Gemma Killen, Acting Chief Executive Officer, Australian Capital Territory Council of Social Service, *Proof Committee Hansard*, 27 February 2023, pp. 51–52.

<sup>2</sup> Mr Mohammed Ali, Chair, HelpingACT, *Proof Committee Hansard*, 27 February 2023, p. 54.

- 1.8 Community Services #1 noted that people in the ACT are having to decide between paying for medical bills and transport:

We are seeing more and more people walking in our doors, coming straight off the street, who are now making decisions like, do I actually send my child to sport, do I pay for medical bills, do I actually have the ability to get to our service without running out of petrol?<sup>3</sup>

- 1.9 Despite being a wealthy country — and a wealthy city — multiple witnesses have observed that conditions are deteriorating locally and that we're seeing a rise in poverty in our backyard. It is precipitating a rise in people who may be considered 'working poor' or even 'working homeless'. As noted by Community Services #1:

More and more people are walking in the door that we would call the working poor — people who do have full-time jobs but are unable to pay and continue to pay for the cost of rent, which is astronomical in this town, as well as all the other bills that are required for people.<sup>4</sup>

- 1.10 There is little doubt that increases in rents and the lack of affordable housing is a significant contributor to poverty in the Capital. There is currently a shortfall of some 3100 social housing properties, though its estimated 8500 will be needed by 2036. At the same time, the standard waitlist time for social housing is nearly five years, or around one year if you are added to the priority list.
- 1.11 This is compounded by an historic underinvestment in social and affordable housing here in the ACT, including from the Federal Government. Prior to the recently announced pilot project at Ginninderry, the ACT has received none of the more than \$3.4bn in finance provided by the National Housing Finance and Investment Corporation since its establishment in 2018.
- 1.12 A recent report from the University of New South Wales and the Australian Council of Social Service from March 2023, building off an already substantial evidence base, has found that those at the greatest risk of poverty in our communities are those that are unemployed or receiving income support.<sup>5</sup>
- 1.13 The interim Economic Inclusion Advisory Committee recently determined, unambiguously, that the rates of JobSeeker, Youth Allowance and other working age payments are seriously inadequate. Their report states that 'people

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<sup>3</sup> Mrs Amanda Tobler, Chief Executive Officer, Community Services #1, *Proof Committee Hansard*, 27 February 2023, p. 52.

<sup>4</sup> Mrs Amanda Tobler, Chief Executive Officer, Community Services #1, *Proof Committee Hansard*, 27 February 2023, p. 52.

<sup>5</sup> Australian Council of Social Service & University of New South Wales Poverty and Inequality Partnership, [Poverty in Australia 2023: Who is affected](#), March 2023, pp. 10–11.

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receiving these payments face the highest levels of financial stress in the Australian community'.<sup>6</sup>

- 1.14 Disturbingly, but also unsurprisingly, the interim Economic Inclusion Advisory Committee found that the inadequate rate of these payments is providing a barrier to employment.<sup>7</sup> As this committee has heard, it's hard for people to be job-ready when they cannot afford the essentials of life, such as food, rent and healthcare.
- 1.15 The interim Economic Inclusion Advisory Committee also recommended that the Government 'commit to increase Commonwealth Rent Assistance and reform its indexation to better reflect rent paid'.<sup>8</sup>
- 1.16 We have many converging challenges in the Australian community that are seeing more people being pushed below the poverty line. Access to social and affordable housing and the adequacy of income supports are key areas that we need to prioritise if we hope to lift people out of poverty and give everyone the best opportunity to secure employment and achieve long-term financial security.

## **Current developments**

- 1.17 This interim report from the committee is being published less than a week away from the Albanese Government handing down the 2023–24 Budget.
- 1.18 The nature and extent of poverty in Australia has now become a national conversation, centred around access to housing, the adequacy of wages against a backdrop of inflation and spiralling cost-of-living and how we treat those who are unemployed.
- 1.19 At the time of writing, an open letter asking the Prime Minister to adopt the first and priority recommendation of the interim Economic Inclusion Advisory Committee to raise the rate of working age income supports has been signed by over 350 politicians, economists, faith-leaders, business leaders, former bureaucrats, community advocates and social service providers.
- 1.20 This has included politicians from every corner of Australian politics, in a clear demonstration that the impacts of poverty are being felt indiscriminately in the backyards of all representatives.

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<sup>6</sup> Interim Economic Inclusion Advisory Committee, [2023–24 Report to the Australian Government](#), 18 April 2023, p. 15.

<sup>7</sup> Interim Economic Inclusion Advisory Committee, [2023–24 Report to the Australian Government](#), 18 April 2023, p. 14.

<sup>8</sup> Interim Economic Inclusion Advisory Committee, [2023–24 Report to the Australian Government](#), 18 April 2023, p. 7.

- 1.21 This week, we have seen reports that the Albanese Government is considering raising the rate of JobSeeker for people aged 55 years and over. Commentators have posited that the likely outcome is aligning the payment of over 55s with that of over 60s, who are able to claim a slightly higher rate of income support in recognition of the challenges this cohort face in securing employment toward the end of their working lives.
- 1.22 In my opinion, this would be a mistake. This committee has demonstrated that poverty impacts a broad cross-section of our society, across all age groups. While the over 55 cohort do face unique challenges, people under 55 are no less deserving of society's support while they are between jobs.
- 1.23 Everyone deserves secure access to food, just as everyone deserves access to healthcare and housing. The findings of this committee, and those that have been running parallel over the past year, show that if we don't act, people will continue to go hungry, including children.

### **Recommendation 1**

- 1.24 I recommend that the Government, in their 2023–24 Budget, commit to a substantial increase in the base rates of JobSeeker, Youth Allowance and other working age income support payments and commit to increasing Commonwealth Rent Assistance and reform its indexation to better reflect rent paid, in line with the recommendations of the expert Economic Inclusion Advisory Committee.**

**Senator David Pocock**

**Independent Senator for the Australian Capital Territory**

# Appendix 1

## Submissions and additional information received

### *Submissions*

- 1 The Smith Family
- 2 Lifeline Australia
- 3 Professor Philip Mendes
- 4 Accountable Income Management Network
  - 1 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
  - 1 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

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- 74 Westjustice
- 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
- 1 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
- 1 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
  - 1 attachment
- 146 Community Legal Centres Australia

*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.

*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.

*Tabled Documents*

- 1 Uniting Care Vic/Tas, research paper tabled at public hearing on 20 October 2022.
- 2 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 2022.
- 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.

# 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

**STARTS**

- 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

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*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
- Ms Kavitha Sivasamy, Parachute Program Solicitor, Canberra Community Law
- Ms Abby Cone, Board member

*Australian Council of Social Service*

- Dr Cassandra Goldie, Chief Executive Officer
- Ms Charmaine Crowe, Program Director, Social Security
- Dr Peter Davidson, Principal Advisor

*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

*Australian Unemployed Workers' Union*

- Ms Lee-Anne Coutts, Member
- Mr Andrew Lawrence, Member
- Mr Raymond Sutherland, Member
- Ms Catherine Caine, Spokesperson for income support

*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 Nimmityjah Aboriginal Health and Community Services*

- Ms Julie Tongs OAM, Chief Executive Officer

*CommunityServices #1*

- Mrs Amanda Tobler, Chief Executive Officer

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***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