

Antipoverty Centre Inc

Social policy on our terms.

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To the Committee Secretary,

Please find enclosed our submission to the Senate Community Affairs Legislation Committee inquiry into the *Economic Inclusion Advisory Committee Bill 2023*.

While we are disappointed to see that this bill does not incorporate any of the changes we have advocated for through direct appeals to the minister's office and multiple parliamentary inquiries since the EIAC was first announced, we hope that this inquiry process will result in robust recommendations to ensure that the economic exclusion committee does not exclude the people it is supposed to be about.

We would welcome the opportunity to expand on the concerns and recommendations in our submission at an inquiry hearing.

This submission was prepared by Jay Coonan and Kristin O'Connell and its recommendations are supported by the Australian Unemployed Workers' Union, Anti-Poverty Network SA, Disability Advocacy Network Australia, Older Women's Network NSW, Inclusion Australia and Anglicare Australia. For enquiries related to this submission please contact team@antipovertycentre.org.

Regards,

Jay Coonan
Research and policy
Antipoverty Centre

Nothing about us without us

Antipoverty Centre submission to the Senate Community Affairs Legislation Committee
inquiry into the Economic Inclusion Advisory Committee Bill 2023

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Acknowledgement of Country

The Antipoverty Centre acknowledges the First Peoples of this unceded continent, who have been custodians of Country for thousands of generations, as its rightful owners. Aboriginal and Torres Strait Islander people have connections to place, land, waters and community that have been unbroken for 120,000 years. We recognise Indigenous sovereignty and the cultural significance inherent in these connections; historical and contemporary.

We pay respect to Elders past and present and stand with all First Peoples in the quest for land back, self-determination, justice and truth-telling in the face of ongoing colonial violence, including that inflicted through racism in the welfare system, carceral system and labour market.

About the Antipoverty Centre

The Antipoverty Centre was established in 2021 to counter problems with academics, think tanks, charities, bureaucrats and others in the political class making harmful decisions on behalf of people they purport to represent. We are a collective of activists, advocates and researchers with direct, contemporary experience of poverty and unemployment.

We have deep expertise in poverty because we live it. We defend and fight for the rights of people like ourselves who experience violence at the hands of an economic system designed to oppress us. It is our mission to shift how people speak about and respond to poverty and unemployment in this colony. We work closely with peer support groups, activists and grassroots civil society organisations to complement their work. Our goal is to help ensure the voices and rights of people on the lowest incomes are at the centre of social policy development and discourse. We believe there should be no decision made about us without us.

Terminology

Economic exclusion is a euphemistic term obscuring the real problems we face: poverty, labour market and other forms of discrimination and a lack of suitable, fairly paid jobs. To the extent that “economic exclusion” hinders our social participation and wellbeing, the root cause of this is the inadequate rates of welfare payments and narrow criteria that exclude people in poverty who need income support. Legal and social discrimination particularly contribute to disproportionately high rates of poverty and unemployment for First Nations people, trans people, disabled people, formerly incarcerated people, refugees, single parents, older women and full-time carers.

Direct experience means a person who themselves has contemporary, ongoing and/or recent experience of poverty, unemployment or the social security system and who is affected by other government policies related to people who experience economic exclusion. For the purpose of this document, when referring to people with direct experience, we mean people who have this



expertise in economic exclusion and are also actively involved in advocacy, policy or peer support work, whether individually or as part of an organisation.

Constituent group(s) means an advocacy, policy or mass member organisation run by and for people with direct experience of the issues they advocate on. In this context, when referring to constituent groups we mean organisations that focus on economic inequality, poverty, unemployment and forms of discrimination that lead to economic exclusion.

Exclusion committee is the name we use to refer to the committee this bill seeks to legislate. We will continue to use this name until the committee is inclusive of people affected by economic exclusion.

Introduction

The *Economic Inclusion Advisory Committee Bill 2023* in its current form is unacceptable to groups that are run by and for people in poverty. It does nothing to alleviate concerns the Antipoverty Centre has raised repeatedly: that this committee is little more than a tool to distract from criticism of government inaction and to set low ambitions.

We have advocated for a year now to make substantial changes to this committee to allow it to better reflect the needs of those in poverty, and we will continue to do so as long as necessary. We do this work alongside the Australian Unemployed Workers' Union, the Anti-Poverty Network SA and other grassroots groups as we and the people we support struggle to survive in deep poverty – because of political choices.

This bill represents the latest in a long line of severe disappointments for people in poverty since Labor took government. It marginalises and excludes us in the name of “inclusion”. The exclusion committee alone has been an endless series of disappointments from the day it was negotiated without any consultation with people in poverty as to whether this is something we wanted, to the day the social services minister announced the intended composition of the committee, to the day the members were announced, to the day the committee's first report was released, and finally the government's immediate and unequivocal rejection of its recommendations.

When the treasurer dismissed these recommendations it showed utter contempt for our right to have our needs met. It showed the government's intention was that this committee be used as mere window dressing to satisfy Senator David Pocock's good faith efforts to improve the lives of people in poverty and secure his vote for industrial relations reforms.

We have advocated for a year now for the government to make substantive changes to this committee that would better reflect the wishes and needs of those in poverty, and to make it something that would have credibility and utility in the eyes of people affected by economic exclusion. We will continue to do so as long as necessary, as we continue our push for income support payment rates to be taken out of politicians' hands entirely so us and our ability to survive are no longer used as a political football.

People in poverty are the most important stakeholders for the exclusion committee because we are the ones the government is failing the most. Past approaches to consultation have either completely excluded, marginalised or tokenistically included us.

Who you choose to consult and who you choose to listen to matters. Continuing to ignore time and again what people who are economically excluded – the real experts – have to say makes the government look like fools. Advice about people in poverty must come directly from people



in poverty, not those who speak over and for us. We should be viewed and treated as equals, not subordinate “lived experience” objects. We have demonstrated that welfare recipients are capable and worthy of respect.

If the government is to meaningfully address poverty it must implement our recommendations for this committee as a small step in the right direction. This bill is a test for our political “leaders” to see whether they are at all capable of changing direction by, at the very least, making the exclusion committee inclusive of those of us affected by its decisions.

Recommendations

The below recommendations are the bare minimum the government must do for this committee to have any credibility. As time goes on the committee must evolve and be transformed into a body that has the remit and power to directly address economic inequality and take material steps to reduce poverty.

1. Meaningfully include people with direct experience of poverty and unemployment

The bill must be amended to ensure substantive representation of unemployed advocates and people from organisations run by and for people affected by poverty and unemployment. Representation must be by people with direct, contemporary experience in the welfare system. Groups led by people who experience disproportionate rates of economic exclusion due to other factors such as race, visa status, disability and caring responsibility should also be represented.

While there is a role for academics, economists, service providers, unions and business to play, they are not experts in poverty and cannot represent people with direct experience of social policies that leave us behind.

Amend s11(2) to ensure the committee includes full-status members who have direct, contemporary experience of poverty, the social security system, employment services and related supports. This representation must comprise people who are actively involved in policy, advocacy and peer support work related to economic exclusion, whether in their capacity as an individual or within a relevant constituent group led by people directly affected by economic exclusion.

Appointments to the committee must ensure it is majority-comprised of people from organisations run by and for people with direct experience or individual advocates who have direct experience of economic exclusion. These organisations must include groups who represent welfare recipients and people in poverty, First Nations people, and disabled people, and may also include organisations



who represent people who experience economic exclusion because of their race, gender, visa status, caring responsibilities or age.

The committee must have at a minimum two members who are Aboriginal and/or Torres Strait Islander, and two members who have a disability. This may include members from an organisation that does not specifically advocate on First Nations or disability issues.

Committee members must be genuinely independent, non-partisan, appointed based on merit and appointment processes and decisions must be transparent. Decisions regarding appointments must be open to scrutiny and review by the Administrative Appeals Tribunal.

To reach quorum:

- 50% + 1 of the total number of committee members must be present at a meeting or participate in any decisions made outside meetings; and
- at least 50% of the members present for a meeting or participating in a decision must be people who have direct experience of economic exclusion.

2. At least half the committee members must have direct experience of economic exclusion

The committee must be expanded or members of the interim committee replaced to ensure at least 50 per cent of the membership are advocates who have direct, contemporary experience of poverty, unemployment, the welfare system or are affected by legal or social discrimination that contributes to economic exclusion (for example on the basis of race, gender, disability, history of incarceration, visa status or caring responsibilities).

Examples of constituent groups led by people affected by economic exclusion include: Disability Advocacy Network Australia, Australian Unemployed Workers' Union, Anti-Poverty Network SA, Council of Single Mothers and Their Children, People with Disability Australia and Older Women's Network NSW.

3. Expand the committee's functions, powers and independence

To achieve the aim of reducing economic exclusion, the committee must have meaningful benchmarks against which to measure progress. Existing indicators based on employment or outdated poverty lines are not adequate or acceptable measures.

An additional duty must be added to the committee's functions to develop sophisticated methods of measuring the extent and degree of economic exclusion and work towards establishing a sophisticated measure of poverty for the 21st century.



One of the committee's explicitly stated responsibilities should be identifying actions required to uphold Australia's obligation to ensure every member of society is able to realise "the economic, social and cultural rights indispensable for his dignity and the free development of his personality" in accordance with article 22 of the Universal Declaration of Human Rights. In addition, the committee should ensure its work and recommendations are assessed against their ability to assist Australia in meeting its obligations under articles 5, 21 and 23 of the United Nations Declaration on the Rights of Indigenous Peoples and articles 19, 27 and 28 of the Convention on the Rights of Persons with Disabilities.

Poverty and economic exclusion are intersectional – the committee must have the ability to consult all relevant government departments for research and data, not just departments that are the responsibility of the joint ministers. Conversely, the committee must be free to provide information, advice and recommendations directly to any minister they consider relevant to the committee's purpose and functions.

4. Pay people with direct experience for their expertise and labour

Individuals or constituent groups they represent should be compensated fairly for the time and expertise they contribute to the committee, including any preparation required for meetings or other activity related to the committee's functions.

5. Ensure the committee's appointments and activities are independent, transparent and free from government direction and control

The committee must be free from political influence and open to public scrutiny. Appointments and members' conflicts of interest must be made publicly available.

A minister should not have the power to remove a committee member without reason. To remove a committee member a minister may make a recommendation to the committee that must include a valid reason for removal, however the committee should make the decision to remove someone through a formal decision making process. This will allow for the committee to have the ultimate decision over actions of its members and prevent political influence and control over the make-up and decision of the committee.

The committee must have independence in how it operates and take no overall dictation from the joint ministers. Omit item (b) in s8.6, which reads "to ensure that a particular report under this section addresses specified matters mentioned in subsection (2) and no other matters" so the ministers cannot restrict the committee's ability to report on relevant matters. In s8.9, specify that the report must be published at least one month before the federal budget.



6. Include all appropriate ministers and departments

In addition to the social services minister and treasurer, the joint ministers should include the ministers or assistant ministers with responsibility for employment, employment services and government services.

7. Do not pass the bill in its current form

The current bill in no way reflects what the composition and powers of a committee ostensibly seeking to address economic exclusion should be. This bill should not pass unless and until the recommendations below are incorporated, in particular, recommendations regarding the composition of the committee and representation of organisations led by people directly affected by welfare policies and economic exclusion. The government should delay passage of the bill until 2024 to incorporate these changes if necessary.

Recommendations endorsed by





Context

The euphemistic language of “economic exclusion” obscures the root problem that is most urgent to address: millions of us do not have enough money to live. This committee should exist first and foremost to ending policy-induced poverty and this should be its explicit aim. Its work should focus on ensuring government policies uphold human rights and guarantee dignity to those on social security payments, and those who need income support but are currently excluded from it.

Composition

To people in the welfare system, the exclusion committee's first report demonstrated a superficial understanding of poverty among the committee members and gaps in their knowledge about the effect of social security policy settings.

Improving the composition of the committee by including advocates with direct, contemporary experience of the welfare system and other forms of economic exclusion will allow for better representations and consultations, making the committee's recommendations more reflective of the specific issues faced by different cohorts. Constituent groups led by and for people affected by economic exclusion are not only comprised of individuals who have deep personal knowledge of the welfare system and related services, we also have hundreds of people we support or who contribute directly to our work, and have a high degree of trust in us as a result of our position as peers. Constituent groups are uniquely positioned to consult widely because of this trust, which cannot be replicated by service delivery or government organisations.

Priority cohorts

People experience economic exclusion for a variety of reasons related to social and labour market discrimination as well as limited work capacity due to their health or caring duties.

It is essential that people representing groups involved in advocacy on the social security system have members on the committee, however members with direct experience should not be limited to these groups. Ideally, the committee should include members with a range of factors contributing to their economic exclusion, particularly First Nations people, trans people, disabled people, formerly incarcerated people, refugees, single parents, older women and full-time carers.

Poverty and disability

Experiences of violence, abuse and neglect resulting from poverty, welfare system settings and employment services were entirely absent from the recent Disability Royal Commission report recommendations. Many submissions relating to these themes were not even published on the

DRC website. The DRC report did not mention anything about a major contributing factor to poverty among disabled people: income support payment settings or the barriers to accessing payments – it is fundamental that this is a key focus of the committee.

It is more expensive to be disabled, meaning the poverty line for disabled people is much higher than the general population.

“... the average cost of disability in the long-run was higher at 63% of adult-equivalent disposable income ... with the same level of income, the living standard is lower in households with people with a disability compared to households without members with a disability.”¹

Disabled people have \$24,000 less disposable income per year than the rest of the population and 38% are living on less than \$ 383 a week.²

Working-age people with disability have a lower employment rate (48%) than those without disability (80%).³ While employment is a goal for many disabled people, it is not the only way to address high poverty rates and should not be prioritised ahead of other policy areas when considering responses to economic exclusion. Disabled advocates must have the opportunity to participate in the committee and other related policy processes to redress this inexcusable oversight.

The requirement for a single disabled committee member contained in the bill is inadequate, particularly when it does not provide any requirement for that member to have direct, contemporary experience of poverty. Recommendation 4.11 in the DRC report is about the involvement of disabled people in all relevant government processes. To adequately meet this aim, and given the high rates of poverty and unemployment among disabled people, the exclusion committee should include at least two members who have a disability. The government should ensure there is a person with intellectual disability supported to participate as a full committee member due to the unique needs and targeted policies affecting this cohort, including working with Inclusion Australia to approach organisations led by and for people with intellectual disability.

¹ Vu B, Khanam R, Rahman M and Nghiem S, 'The Costs of Disability in Australia: A Hybrid Panel-Data Examination', *Health Economics Review*, 10/1 (2020), 6, doi.org/10.1186/s13561-020-00264-1.

² Mille H and Dixie L (2023) *Not a level playing field – People with Disability*, Actuaries Institute, actuaries.asn.au/public-policy-and-media/our-thought-leadership/reports/not-a-level-playing-field-people-with-disability; Australian Institute of Health and Welfare (2022) *People with disability in Australia*, AIHW, aihw.gov.au/reports/disability/people-with-disability/in-australia/contents/income-and-finance/income.

³ AIHW, *People with disability in Australia*.

Poverty and First Nations people

Aboriginal and Torres Strait Islander people experience high rates of poverty and are overrepresented in the social security system on all working age payments with the exception of Youth Allowance (student and apprentice).⁴

First Nations people's experiences of poverty have been exacerbated by racist welfare policies that experiment with particularly punitive rules. Examples include paternalistic and exploitative programs like income control (BasicsCard, Cashless Debit Card and the SmartCard), ParentsNext and the Community Development Program, which exacerbate the stigma associated with poverty.

In the three months from April to June 2023, of the 58,520 Indigenous people with a Workforce Australia services provider, 95.7% had received a payment suspension. On average there were 2.2 suspension events per person.⁵

*Until recently, poverty was a foreign concept here... In just a few decades, colonisation had violently destroyed an Indigenous economy many thousands of years older than any parliamentary system... Immense harm has been and is being done to our communities by government policy that has impoverished us.... Social policy is almost always something done to and for First Nations peoples, not by and with us.*⁶

Due to the disproportionate harm caused to Aboriginal and Torres Strait Islander people both within the social security system, and through labour market discrimination and the carceral system, the committee should have a minimum of two First Nations members, with at least one being reserved for a person with direct, contemporary experience of poverty.

The committee must place a priority on developing proposals to redress the impacts of poverty resulting from colonisation and have an embedded understanding of the role colonisation plays in the setting of racist policies that target First Nations people and communities, and the attitudes of workers in the social security and employment services systems.

⁴ AIHW (2023) *Income and finance of First Nations people*, AIHW, aihw.gov.au/reports/australias-welfare/indigenous-income-and-finance.

⁵ Department of Employment and Workplace Relations (2023) 'TCF Public Data - April to June 2023' [data set], *Employment Services Data*, DEWR, dewr.gov.au/employment-services-data/resources/tcf-public-data-april-june-2023.

⁶ Change the Record hearing evidence, 31 October 2023, *Inquiry into the nature and extent of poverty in Australia*, Senate Community Affairs References Committee, Canberra, parlinfo.aph.gov.au/parlinfo/search/display/display.w3p;query=id%3A%22committees%2Fcommesen%2F27464%2F0000%22.



Portfolio representation

Poverty and economic exclusion are not confined to one policy area or portfolio. These are the product of intersectional issues created and exacerbated by government decisions. If departmental ex officio members are restricted to the social services portfolio, and the committee is not empowered to engage other departments and relevant ministers, it will be constrained in its ability to gather information and communicate problems to those responsible.

Employment and (un)employment services

The Minister for Employment, Assistant Minister for Employment Services and Secretary to the Department of Employment and Workplace Relations should be involved with the Economic Inclusion Committee as workplaces and employment services actively exclude people from economic participation in policy and practice.

Interactions between the social security system, (un)employment services and skills and training create barriers to employment by preventing people from upskilling, retraining, and entering education. Silos, administrative burden and the barriers that result from the complexity of these systems must be broken down so that people on payments and in services are able to access training and payments more readily.

The committee should work to understand and make recommendations to resolve these problems through consultation and engagement with both the Department of Employment and Workplace Relations and the Department of Social Services. to ensure that silos are broken down and policy conversations to break down barriers happen so that people on payments and in services are able to easily access training and payments when they need it.

With the parliamentary review into Workforce Australia due to report in November 2023, policy reform related to the employment services system will become a focus of government. The committee must have the capacity to monitor and inform implementation of changes to ensure they work for people who are economically excluded, rather than outsourced service providers.

Independence

The government's failure to follow an open and transparent process for committee appointments and the real and perceived conflicts of interest of some of its members, particularly those with political affiliations, further undermined its work. Appointments must be independent and open to scrutiny.



Future of the committee

Even if this bill is amended to make the exclusion committee inclusive, independent and transparent, it will not directly address poverty. A committee with the remit to provide advice to government in the weeks leading up to the federal budget can never have enough power to achieve economic inclusion for everyone in the country.

The committee that is legislated with this bill should not be considered to have reached its final form. Work should be done by the committee within the 5-year period before the independent review to consider what the future vision and function the committee will play in ending poverty and minimising unemployment in so-called Australia.

The government should work towards establishing a well-funded, truly independent body tasked with developing a new, sophisticated measure of poverty that is appropriate for the 21st century. Ultimately, social security payment rates should be set independently of government based on the new poverty measure, ensuring that no one falls below it.



Appendix: Towards a new poverty measure

The opportunity must be taken to develop sophisticated policy infrastructure that can be put in place today to effectively end poverty and endure 50 years or more from now. This is long overdue. We need a unique measure of poverty for our circumstances to better understand what people on low incomes in so-called Australia are experiencing.

The Antipoverty Centre once again urges the government to work with people in poverty to develop a new measure of poverty that is transparent, based on real living costs for people at the low end of the income scale and that ensures a fair standard of living. There should be specific work undertaken that is tailored to understand and measure living costs and poverty levels for disabled people.

By developing a transparent method that is better able to assess what is required to maintain a fair standard of living, we will establish a poverty line that is responsive to meaningful changes in living costs that would arise from other public investments, such as housing, health and transport. For example, significant changes in the housing market may see the poverty line reduce.