

Submission to Senate Inquiry ‘The extent and nature of poverty in Australia’ by Professor Philip Mendes, Director Social Inclusion and Social Policy Research Unit, Department of Social Work, Monash University

Contact details:

Dear Inquiry Secretariat,

Please find enclosed my submission to the Senate CARC Inquiry which includes some brief recommendations below, and three published papers.

My three key recommendations are as follows:

- 1) Policy makers should utilize a co-designed approach to social security policy development that enables the direct participation of low income Australians in the planning of programs, policies and decision making processes.
- 2) That approach will require the creation of a peer support workforce of people with lived experience of poverty based within key government and non-government policy and program institutions operating in a similar fashion to the significant peer workforces well established in areas such as mental health, drugs and alcohol and out-of-home care. That workforce must be appropriately remunerated reflecting their expert skills and knowledge.
- 3) Budget decisions around whether or not to fund specific social security programs or payments (including higher payments) should always calculate not only the savings from lower expenditure, but also the potential **additional costs to individuals and the community** as a result of harm that directly accumulates from such savings. For example, a decision to increase savings by tightening sanctions on those who fail to meet mutual obligation requirements may result in X number of Australians becoming homeless, or unable to afford basic food or clothes, or experiencing family breakdown, or having children placed in out-of-home care, or experiencing a decline in their physical or mental health, or entering the criminal justice system.

Paper One

Philip Mendes (2022) “From the Henderson Poverty Inquiry to the Cashless Debit Card: The reframing of poverty as welfare dependency”, *The International Journal of Community and Social Development*, <https://journals.sagepub.com/doi/10.1177/25166026221132344>.

Paper Two

Philip Mendes (2022) “Exposing government policies that fail to address structural disadvantage”, *Monash University Lens*, 24 October: <https://lens.monash.edu/@philip-mendes/2022/10/24/1385194/exposing-government-policies-that-fail-to-address-structural-disadvantage>.

Paper Three

Philip Mendes (2022) “Why is poverty not a priority for Australia’s major political parties”? *Monash University Lens*, 4 May: <https://lens.monash.edu/@philip-mendes/2022/05/04/1384645/why-is-poverty-not-a-priority-for-australias-major-political-parties>.

PAPER ONE

From the Henderson Poverty Inquiry to the Cashless Debit Card: Alternatives to the reframing of poverty as welfare dependency in Australia by Professor Philip Mendes

Keywords: poverty, welfare dependency, neoliberalism, political resistance.

Abstract:

The 1972-75 Commission of Inquiry into Poverty arguably represented the high point of Australian poverty research and policy discourse. Since that time, poverty has increasingly been marginalized within Australian policy debates. One of the principal reasons for this relative silence has been the effective campaign by neoliberal forces to reframe poverty as an individual choice via application of the term Welfare Dependence. That phrase has been used to legitimize paternalistic forms of welfare compliance such as Work for the Dole, ParentsNext and the Cashless Debit Card. This paper critically examines the key manifestations of the Welfare Dependency agenda from the late 1970s to the present, and considers the potential for alternative policy responses.

Introduction

The recent announcement of a Senate inquiry into the ‘extent and nature of poverty in Australia’ (Community affairs Legislation Committee 2022) reminds us that poverty policy in Australia has long been a contested concept in terms of identification of causes and potential solutions.

The 1972-75 Henderson Commission of Inquiry into Poverty led by Ronald Henderson arguably represented the high point of Australian poverty research and policy discourse. That inquiry established a framework for measuring poverty based on a link to the minimum wage, and incorporating housing costs which has informed all subsequent research (Regan & Stanton 2019; Saunders 2019).

The First Main Report of the Commission published in September 1975 found that 10.2 per cent of Australians were very poor and 7.7 per cent were rather poor. It identified poverty as the result of ‘structural inequality within society’ (Henderson 1975: viii), and called for ‘a redistribution of income and services to increase the capacity of poor people to exercise power thus enabling them to take an effective part in decision-making processes along with other sections of the community’ (Henderson 1975: ix).

Its recommendations targeted both increases in specific levels of income needed to alleviate poverty for individuals, and influencing broader societal factors that could alternately create or prevent disadvantage. The first element resulted in major raises to the unemployment allowance from 1972-74 so that they achieved parity with pension rates. The second element referred to what has been called a structural approach which interrogates how a broad range of ‘economic and social institutions and values’ (for example housing, education, labour markets and location) influence unequal access to life “opportunities and resources” (Saunders 2005: 86-87). That approach was reflected in its recommendation for the medium-term introduction of a Guaranteed Minimum Income Scheme (GMI) to replace the existing system of social security benefits and pensions, which they estimated would cost \$900 million to be funded by higher taxation on richer sections of the community (Henderson 1975).

To be sure, some (mostly Marxist) commentators argued that the Henderson Report did not sufficiently address the impact of class inequality entrenched in the broader social structures of society, and failed to tackle the need for a redistribution of power, income and resources from the affluent to the poor (Mendes 2019). The GMI was never introduced. Nevertheless the Henderson poverty line remains the most accepted measure for adjudging poverty rates today.

Since that time, poverty as an issue has increasingly been relegated to the political margins (See **Table One** for Timeline of major poverty policy developments from 1975-2023). One of the key reasons for this relative silence has been the concerted campaign by neoliberal forces (based in think tanks such as the Centre for Independent Studies (CIS) and Institute of Public Affairs, media corporations such as News Corp, business advocacy groups and political parties) to reframe poverty as an individual character deficit (i.e. the result of individual behaviour and failures rather than economic or social structures), what is called Welfare Dependency (Mendes 2019; Saunders 2002; 2005). That term, which aims to blame and stigmatize those living in poverty, has been used to legitimize forms of welfare conditionality such as the Work for the Dole scheme and the Cashless Debit Card that erode the social citizenship rights of many Australians. This paper traces the key arguments and critiques of the Welfare Dependency discourse from the late 70s to the current day.

The Neoliberal campaign to eliminate welfare dependency

The neoliberal critique of the welfare state comprises four related themes: a) The capture of the welfare state by self-interested welfare professionals and

lobbyists; b) Changing irresponsible welfare dependent behaviour is the solution to social disadvantage; c) The need for mutual obligation and conditional welfare to punish the undeserving poor; and d) The preference for private charitable welfare rather than government provision. In this paper, I will concentrate on Theme B, welfare dependency.

So what is meant by this populist term welfare dependence? It is used to depict the increasing (and prolonged) financial reliance of individuals or families on social security payments for their primary source of income, and the alleged anti-social behaviour of this group of people.

Australian neoliberals (strongly influenced by American political scientists such as Charles Murray and Lawrence Mead) reject structural explanations for poverty and unemployment. Rather, they argue that social disadvantage is caused by dysfunctional behaviour including substance abuse, disengagement from education and work, involvement in crime, and associated family violence and breakdown. They maintain that government welfare programs based on a right to assistance only cause further damage: they encourage dependency and anti-social behaviour, and the development of a feckless underclass typified by high rates of unemployment, illegitimacy and lawlessness; and do little to encourage self-reliance and desirable behaviour.

The general argument here is that welfare programs have a ‘perverse’ effect: that is they produce poverty instead of relieving it. This ‘perversity thesis’ dates from the time of the Poor Laws in England when critics of social assistance argued that it promoted idleness and mendicancy, instead of relieving distress.

Neoliberals label welfare recipients as holding fundamentally different values and attitudes to the rest of the community. This is despite contrary evidence from numerous poverty researchers (e.g. Mark Rank (1994) in the USA, Tracy Shildrick 2018) in the UK, Daly and Kelly (2015) in Northern Ireland, and Fred Argy (2003) in Australia). For example, a 2011 study of 150 Australian social security recipients by John Murphy and colleagues, *Half a Citizen*, found that most were actively engaged in social and/or economic participation. Many were involved as volunteers in local neighbourhood activities such as school parents groups, sporting groups, churches, and political groups including the Council for the Single Mother and Her Child. At least one third (including two-thirds of the single parents and half of the unemployed) were employed – mainly in part-time work – and closely linked to workplace social networks. Many of those not working had significant work histories, but were currently limited by factors such as age discrimination, disability, caring responsibilities and inadequate employment support services.

Additionally, the WD model totally ignores the different life opportunities that those growing up and living in poverty experience compared with those who enjoy greater social and economic resources. Yet, dependence on welfare is constructed by neoliberals as a psychological addiction not dissimilar to that of helpless dependence on drugs and alcohol or gambling. One specific report by CIS researcher Lucy Sullivan (2000) argued that poverty was not the result of low incomes, but rather was an outcome of irresponsible and self-destructive behaviour such as substance abuse, cigarette smoking, laziness and gambling. She asserted that unconditional welfare payments encourage such behaviour by eliminating incentives for self-reliance. Consequently, the author blamed rights-based welfare for creating sole parenthood, youth homelessness, the drug problem, begging, juvenile crime, and youth suicide. The recommended solution was to reinstate obligations of honesty, hard work, and independence on welfare recipients.

However, in the real world, there is no serious evidence that such an indeterminate psychological concept of illness or addiction exists whereby reliance on social security can be diagnosed as a form of personal pathology or mental health condition. Rather, the WD model assumes an ideal world in which anyone who wants work can find work at a living wage, and all citizens enjoy equal opportunities from the time of birth. In contrast, the real world is based on social and economic inclusion and exclusion, and unequal life opportunities. The American political scientist, Professor Sanford Schram (2018), has exposed the absurdity of this term being used in an attempt to medicalize a debate that to the contrary reflects deep seated political and ideological contention around the causes of social disadvantage.

Neoliberals also insist that the generosity of the current welfare system encourages recipients to choose long-term dependence. For example, Australian neoliberal think tanks in the late 80s and early 90s argued respectively that many teenage girls have children in order to qualify for the parenting payment which has historically paid more than the single rate of unemployment benefit; that the non-time limited availability of unemployment benefits increases the duration of unemployment by providing an incentive to spend longer looking for the 'right' job; and that the availability of the Youth Allowance is responsible for a growth in the number of young homeless people.

The neoliberal policy solution to welfare dependency is that the state should act to motivate and discipline welfare recipients and reintegrate them with mainstream social values and morality such as self-reliance and the work ethic. Social security should shift from being a right or entitlement to a privilege. Welfare-dependent individuals should be given incentives to choose employment over welfare. Initially, their policy priorities were the introduction

of longer waiting or qualifying periods, time limits, reduced rates and tougher eligibility criteria via mutual obligation plus public campaigns against welfare fraud including, for example, the Howard Government's 'dob in a dole bludger' hotline to discourage long-term reliance on social security. Later, the emphasis shifted to harsher conditionality measures (involving prescribed activities and/or good behaviour) as reflected in Work for the Dole, Parents Next, the proposed (but never legislated) drug testing trial for new applicants for unemployment payments, and of course compulsory income management via both the Basics Card introduced as part of the Northern Territory Emergency Response in 2007, and later in 2015 the Cashless Debit Card.

In summary, the political aim of the welfare dependency argument is to undermine public sympathy for disadvantaged people by shifting attention from the social context of disadvantage and the real deprivation and hardship caused by poverty to the individual flaws of the disadvantaged. This stigmatization and blaming of the poor was characterized by Prime Minister Howard's 1996 attack on the Paxton family who had been exposed as alleged 'dole bludgers' by Channel Nine's A Current Affair program for turning down a job offer on a far-away island. Howard said: 'If you are not trying to get a job, if you are not prepared to take a job offer, then I don't think people can expect a lot of sympathy from the rest of the community, because it is hard-working, battling Australian taxpayers who have got to foot the bill, and I can understand their anger'.

The political application of the welfare dependency argument to create second class citizens: The best form of welfare is a job

The two Coalition government welfare reform reviews of 1999 and 2014 entrenched this individualistic notion in Australian welfare policy.

The first review was motivated by a specific concern to prevent and reduce welfare dependency. It exclusively targeted the skills, character and failures of individual social security recipients. It did not examine the broader social and economic causes of poverty which drove the increasing demand for payments, or whether the existing payment levels were adequate to alleviate poverty. Rather, the government constructed the problem as the dependence of too many people on social security payments due to individual character deficits, and implied that many did not deserve to receive these payments. Long-term reliance on welfare was identified as the cause of poor physical and mental health and limited life opportunities. The implied solution was to promote the social and economic participation of social security recipients, and particularly to encourage as many recipients as possible to enter the workforce which was identified as a

key source of self-esteem and positive connection with broader social and community networks.

The second welfare reform report also argued that too many Australian were receiving social security payments, and adopted a work rather than welfare paradigm. The report made no reference to the effectiveness of the social security system in alleviating poverty. Rather, its particular concern was to advance workforce participation and self-reliance.

Later, the neoliberal preference for placing the responsibility for resolving disadvantage on those living in poverty rather than society more generally underpinned the 2019 House of Representatives inquiry led by a Coalition-dominated Committee into what was termed ‘intergenerational welfare dependence’. That inquiry targeted the alleged dysfunction of those people ‘who have a disproportionate need for welfare support, including successive generations of individual families’.

Yet, the Committee was forced by the weight of evidence to dial down its specific attack on individual welfare dependency, and to acknowledge that conditional measures may not provide an effective solution. Instead, the final inquiry report mostly used the alternative term ‘entrenched disadvantage’ due to a concern voiced by many welfare advocates that ‘dependence carries an implication of individual fault’. The inquiry acknowledged that disadvantage had multiple and complex causes including systemic factors such as geographic location in rural or remote areas, access to education, and the availability of jobs and health and welfare support services, as well as being linked to membership of specific population groups such as single parents, the unemployed, those with a disability, and Aboriginal and Torres Strait Islander Australians.

Resistance to the Welfare Dependency argument

The peak community welfare body, the Australian Council of Social Service (ACOSS), and other social justice advocates have continued to place poverty on the public policy agenda. They have used a number of strategies including press releases, research reports, collaboration with sympathetic politicians and political parties such as the Greens, and joint statements with those that have lived experience of poverty. One ongoing strategy has been the annual anti-Poverty Week campaign which began in 2003, and is **annually** scheduled in the month of October. Its current objective is to secure a major increase in the rate of social security payments above the poverty line, and an increased investment in social housing. The campaign has used a number of strategies including media releases, public forums, research projects, and parliamentary speeches to

place pressure on governments to take action to relieve poverty.

Conclusion

The reframing of poverty as welfare dependency has legitimized a policy paradigm shift. Disadvantage is attributed to behavioural not structural causes, and its resolution has become an individual rather than societal responsibility. Welfare is transformed from a social right to a conditional payment reliant on prescribed activities. Those living in poverty are stigmatized and segregated as a separate category of Australians that do not deserve full citizenship rights. Hopefully, the current Senate inquiry will provide an opportunity for the development of new service approaches to addressing poverty including particularly the introduction of co-design frameworks that privilege the voices of those living in poverty within program and policy planning.

Table One: Major Australian Poverty policy developments Timeline, 1975-2023

DATE(s)	EVENT
September 1975	Henderson Poverty Inquiry Main Report recommends GMI scheme
Late 1970s	Neoliberal think tanks such as Institute of Public Affairs and Centre for Independent Studies commence long-term campaign against welfare state which highlights attack on welfare dependency.
June 1987	Labor Party Prime Minister Bob Hawke promises 'By 1990 no Australian child will be living in poverty'. Family Package reduces child poverty by about 35-40 per cent. Last serious attempt by an Australian government to prioritize poverty alleviation (Disney 2003; Freudenberg 2019).
1991	Liberal Party's Fightback package pledges to end growth of 'dependence on government welfare' (Liberal Party 1991).
1999-2000	Coalition Government's First Reference Group on Welfare Reform inquiry chaired by Patrick McClure. Establishes prevention and reduction of welfare dependency as key government policy agenda (RGWR 2000).
2004	Senate Committee headed by Opposition

	Labor Party completes inquiry into Poverty and financial hardship, and recommends National Poverty Strategy. Report largely ignored by Coalition government and mainstream media (CARC 2004).
2014-2015	Coalition Government's Second Reference Group on Welfare Reform inquiry entrenches focus on transitioning individuals from welfare to work (RGWR 2015).
2019	House of Representatives Committee headed by Coalition completes inquiry into 'Intergenerational welfare dependence' (HORSCWD 2019).
May 2022	Federal election campaign is characterized by major parties repudiation of any responsibility to present an anti-poverty agenda.
September 2022	Australian Greens announce Senate inquiry into poverty to report by October 2023 (CALC 2022).

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PAPER TWO

Exposing the costs as well as savings of government policies that fail to address structural disadvantage: How the Australian Council of Social Service (ACOSS) has kept poverty and inequality on the policy agenda by Professor Philip Mendes

Every year in October, the anti-Poverty Week Coalition presents a series of events to educate Australians about the continued prevalence of significant poverty and disadvantage in our community. This year's APW agenda is to 'halve child poverty by 2030'

<https://antipovertyweek.org.au/make-a-pledge-to-halve-child-poverty/>

In most years these anti-poverty events are accompanied by a parliamentary debate where representatives of all political parties promise to do better to address what they respectively define as the specific causes of poverty. Yet more often than not, little more is actually said or done by those in power. What I have previously framed as the great Australian silence about poverty usually reasserts itself:

<https://lens.monash.edu/@politics-society/2022/05/04/1384645/why-is-poverty-not-a-priority-for-australias-major-political-parties>

Nevertheless, one organisation, the Australian Council of Social Service (ACOSS) talks and acts on these issues all year round. They particularly highlight the links between financial poverty and broader forms of social and economic inequality, and reject the neoliberal notion that poverty is the inevitable outcome of poor decisions by individuals and hence beyond the control of policy makers. They assert that there are major ongoing structural and systemic causes of poverty that go way beyond any individual choices by those living in poverty.

A further ACOSS argument is that when governments make choices to avoid addressing those structural causes (for example by retaining the JobSeeker payment for the unemployed well below the poverty line) there may well be immediate savings to the budget. But equally, there are also measurable (and often larger) long-term economic and social costs to the individuals and families concerned and the wider community as a result of chronic disadvantage, increased homelessness, poor physical and mental health, and higher levels of crime and criminal justice system involvement.

ACOSS was originally formed in 1956 as a peak coordinating body of non-government welfare services. Many of its founding members were large religious charities such as the Salvation Army, the Church of England in

Australia, and the National Catholic Welfare Committee. But over time, it reframed its role to act as both a peak representative of community and welfare service providers, and an advocate for the interests of low income and disadvantaged Australians. Their core vision is for ‘a fair, inclusive and sustainable Australia where all individuals and communities can participate in and benefit from social and economic life’:

<https://raisetherate.org.au/about/>

Today, ACOSS has 93 national member organisations including the eight Councils of Social Service in all States and Territories; leading religious and secular welfare agencies; key professional associations and peak bodies which specialize in specific policy areas or population groups; and low-income consumer groups representing the unemployed, single mothers, and those living in poverty or with a disability: https://www.acoss.org.au/wp-content/uploads/2021/08/ACS1996_Annual-report_A4_Linked_FA1.pdf. A major strength of ACOSS is that its diverse membership base enables it to capture the real needs and experiences of people living in poverty, and to present that real life evidence concerning the impact of disadvantage on individuals, families and communities in public policy debates.

ACOSS targets a number of policy areas ranging from tax and economics to social security and housing. Here I highlight two long-term policy agendas they have pursued. One is to raise the rate of the JobSeeker payment for the unemployed (currently \$47 per day as of 12 October) so that it moves recipients above the poverty line. This advocacy work has included two major campaigns from 2011-2013 and then again from 2018-2022 aimed at Labor and Liberal-National Coalition governments, respectively. ACOSS has used a range of strategies in those campaigns including policy and research reports, petitions, surveys, opinion pieces and press releases, presentations of the lived experience of JobSeeker recipients, submissions to parliamentary inquiries, partnerships with other key interest groups such as trade unions (the ACTU) and business (BCA), and engagement with parliamentarians particularly from the Australian Greens (and also more recently the Independent Teals) with whom they share common ground: <https://onlinelibrary.wiley.com/doi/abs/10.1002/ajs4.140>.

This campaign, which is now termed ‘Raise the rate for good’, has remained active during 2022. For example, ACOSS and the University of NSW produced a joint report which documented how the introduction of the Coronavirus Supplement (an extra \$275 per week) in May-June 2020 massively reduced poverty levels for those reliant on JobSeeker payments, and equally how the reduction and then removal of that Supplement resulted in far higher levels of poverty. According to ACOSS, that initiative showed that governments had the capacity to significantly reduce poverty and inequality if only they had the

political will to do so:

https://www.acoss.org.au/media_release/new-acoss-and-unsw-sydney-report-shows-how-poverty-and-inequality-were-dramatically-reduced-in-2020-but-have-increased-ever-since/

In April 2022, ACOSS coordinated a National Day of Action whereby policy advocates contacted politicians directly via letters and emails, and also utilized social media, to demand a higher rate of income support and greater investment in social housing to lift the availability of safe and stable accommodation. Additionally, ACOSS organized a letter signed by more than 60 peak bodies and community organisations that was forwarded to all members of parliament and parliamentary candidates demanding greater political action to reduce poverty and inequality:

https://www.acoss.org.au/media-releases/?media_release=over-60-peak-bodies-and-community-organisations-call-for-adequate-income-support-and-investment-in-social-housing

ACOSS also commissioned a national poll of 1000 adults during the federal election campaign in May 2022 which reported that 76 per cent stated they would not be able to live on the current JobSeeker rate, two thirds of those surveyed agreed the JobSeeker rate should be raised to \$70 a day, and 46 per cent would consider changing their vote to a party that raised JobSeeker above the poverty line whilst only 11 per cent would be less likely to do so:

https://www.acoss.org.au/media-releases/?media_release=poll-australian-voters-believe-jobseeker-is-too-low

In July 2022, ACOSS conducted a cost-of-living survey of 449 low income Australians to document the impact of inflation on those struggling to survive on existing levels of income support. The survey (titled *How JobSeeker and other income support payments are falling behind the cost of living*) reported that 6/10 respondents had reduced their food intake, and a similar number found it difficult to afford basic medicine or medical care. ACOSS argued that low income earners ‘face impossible choices. No one should have to choose between food and medicine, but these are exactly the choices being forced on people in Australia, one of the world’s wealthiest nations’:

https://www.acoss.org.au/media-releases/?media_release=people-on-income-support-bear-inflationary-brunt

ACOSS has actively encouraged those living in poverty (including by offering media training) to directly share their stories with policy makers:

<https://raisetherate.org.au/share-your-story/>

They argue that the voices of lived experience advocates – whom they term ‘experts by experience’ – should be at the ‘centre of policy debate and development’:

https://www.acoss.org.au/media-releases/?media_release=statement-to-jobs-and-skills-summit-by-acoss-acting-ceo-edwina-macdonald

For example, ACOSS organized four lived experience experts to speak at the September launch of the JobSeeker survey discussed above, and to share their stories with members of Parliament and multiple media outlets.

ACOSS has advanced a number of evidence-based arguments in favour of raising the rate. One key argument is that a large number of JobSeeker recipients now rely on the payment long-term. For example, the number on JobSeeker for more than a year in March 2021 was 69 per cent including 25 per cent for more than five years, and 12 per cent for 10 years or more: <https://www.aihw.gov.au/reports/australias-welfare/unemployment-and-parenting-income-support-payments>.

Another argument is that those on JobSeeker cannot afford basic necessities such as food, shelter, clothing, fuel, energy bills, transport and healthcare:

https://www.acoss.org.au/media-releases/?media_release=indexation-does-nothing-to-lift-people-on-income-support-out-of-poverty

Additionally, they assert that raising the rate would benefit the economy in that those on lower incomes are more likely to spend any increase in payments which would help to drive higher economic growth, and equally that the existing low rate acts as a barrier to workforce entry given that entrenched poverty prevents the unemployed from accessing the resources (i.e. newspapers and/or the internet, public transport, new clothes etc.) necessary to attain employment. According to ACOSS, they lack ‘enough money to get a haircut, buy a new shirt, or travel to a job interview’:

https://www.acoss.org.au/media-releases/?media_release=statement-to-jobs-and-skills-summit-by-acoss-acting-ceo-edwina-macdonald

ACOSS emphasize that political decisions around whether or not to increase social security payments reflect a choice between competing policy values and priorities. They highlight the cost (\$16 billion a year) of continuing what they describe as the ‘unfair’ current tax cuts package which will mostly benefit disproportionately male higher income earners earning \$100,000 or above: https://www.acoss.org.au/media-releases/?media_release=now-is-not-the-time-to-resume-the-old-normal-service-we-need-a-new-approach-and-fast.

In positive contrast, they emphasize that raising the JobSeeker rate to \$70 per day will cost less (about \$8 billion per year), and instead benefit mainly single

mothers on low incomes who are the group most needing additional support:
<https://www.smh.com.au/national/why-don-t-politicians-get-that-46-a-day-isn-t-enough-to-live-on-20220413-p5ad4d.html>

ACOSS insist that tax cuts do little to assist low income earners, and the optimal solution would be to ‘lift incomes and improve access to housing and essential services, for those with the least’:

https://www.acoss.org.au/media-releases/?media_release=tax-cuts-are-not-the-answer-to-cost-of-living-for-people-on-low-and-modest-incomes

Another long-term ACOSS policy agenda since 2007 has been to end compulsory income management (IM), whether the BasicsCard or the Cashless Debit Card (CDC). ACOSS argues that IM is highly expensive; that there is no conclusive evidence that it enhances outcomes for participants in targeted areas such as addiction, gambling, violence and socially responsible behavior; that it disempowers participants by restricting their agency and choice around management of personal finances and spending; that it was imposed without reasonable consultation on affected communities; and that it is racially discriminatory in that it disproportionately affects Aboriginal and Torres Strait Islander Australians:

<https://www.acoss.org.au/wp-content/uploads/2022/08/Submission-to-Community-Affairs-Cashless-Debit.pdf>.

ACOSS presented written and oral submissions to the Senate inquiry into the Labor Government’s Bill to repeal the Cashless Debit Card in August 2022, and their views were widely cited within the report which recommended support for the abolition of the CDC:

https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Community_Affairs/CashlessDebitCardBill/Report

Not surprisingly, ACOSS welcomed the passage of the CDC repeal Bill, stating ‘this is a long overdue step to removing one of the worst examples of paternalism in our social security system. Cashless debit is a failed policy that discriminates against First Nations people and people on low incomes’:
https://www.acoss.org.au/media-releases/?media_release=acoss-warmly-welcomes-cashless-debit-abolition-now-the-same-must-happen-for-mandatory-income-management

A further concern of ACOSS is to advance a full employment policy:

https://www.acoss.org.au/media-releases/?media_release=acoss-bca-and-act-back-full-employment-as-a-key-economic-goal-ahead-of-summit,

and reform the inadequate employment services system. ACOSS argue both for

a reduction in the compliance measures applied by employment services which arguably unfairly penalize those jobseekers who are already disadvantaged, and for the introduction of higher quality employment programs, including a jobs and training guarantee, that enhance the skills and job readiness of those who are long-term unemployed:

https://www.acoss.org.au/media-releases/?media_release=with-interest-rates-rising-the-next-government-must-rule-out-harsh-spending-cuts-commit-to-full-employment

Other recent policy priorities of ACOSS have included more generous support for low income earners during COVID-19 such as extending availability of Pandemic Leave Disaster Payments, free and reliable access to Rapid Antigen Tests (RAT), and community-led initiatives to enable high levels of vaccination:

https://www.acoss.org.au/media-releases/?media_release=community-sector-calls-for-collaboration-and-decisive-leadership-from-national-cabinet-to-deal-with-covid-debacle

Although ACOSS have prioritized the inclusion of lived experience voices in policy debates, they have not to date argued specifically for a co-designed approach to social security policy development that would enable the direct participation of low income Australians in formal decision making processes. That approach would necessarily require the creation of a peer support workforce of people with lived experience of poverty based within key government and non-government policy and program institutions operating in a similar fashion to the significant peer workforces well established in areas such as mental health, drugs and alcohol and out-of-home care:

<https://journals.sagepub.com/doi/abs/10.1177/14733250221117688>

Recently, the Australian Senate announced an inquiry into the extent and nature of poverty in Australia which is scheduled to release its report in October 2023:

https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Community_Affairs/PovertyinAustralia

This will be the first major Australian poverty inquiry since the 2004 Senate inquiry into poverty and financial hardship, and long overdue. No doubt ACOSS will play a major role in this inquiry which will potentially disrupt the long-standing Australian silence about the real life causes and consequences of poverty.

PAPER THREE

The high level of poverty in affluent Australia is a national disgrace and its prevention should be a priority for all political parties by Professor Philip Mendes, *Monash University Lens*, 3 May 2022

In the first week of the 2022 federal election campaign, the Labor Party announced that they would not review the rate of the JobSeeker Payment - formerly called Newstart - for the unemployed, and were unlikely to raise the rate during a first term in government. A number of media commentators slammed Labor for allegedly breaking earlier promises to review or increase the rate: <https://www.theaustralian.com.au/nation/politics/election-2022-no-increase-to-jobseeker-in-first-labor-postelection-budget/news-story/2fadd3359ca7052a5b810a1a89983c18>

But few censored the ruling Liberal-National Party government for also refusing to pledge an increase. With some exceptions: <https://www.theage.com.au/politics/federal/jobseeker-is-still-too-low-to-live-on-20220413-p5adax.html>,

there was little critical analysis of the documented connection between the low rate of JobSeeker and the high figures for poverty (including particularly child poverty) in Australia: https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Community_Affairs/Newstartrelatedpayments/Report

The concept that government should take responsibility for actively preventing poverty and disadvantage in Australia was given relatively limited consideration.

In contrast to the current disinterest of the major Australian parties, earlier Australian governments identified the reduction of poverty as a major political priority. Following a long-standing campaign by the Australian Council of Social Service (ACOSS), a number of churches and the Labor Party opposition, the then Liberal-National Party Coalition Prime Minister William McMahon established a Commission of Inquiry into Poverty in August 1972. The Inquiry, which was headed by Professor Ronald Henderson, conducted detailed consultations with broad sections of the Australian community. The First Main Report, released in September 1975, found that 10.2 per cent of Australians were very poor and 7.7 per cent were rather poor. The Commission presented multiple recommendations to eliminate poverty including increases in social security payments, an extension of the minimum wage, and most contentiously, a guaranteed minimum income scheme:

<https://www.routledge.com/Empowerment-and-Control-in-the-Australian-Welfare-State-A-Critical-Analysis/Mendes/p/book/9780367584689>.

Most of these proposals were never implemented, but nevertheless the Henderson poverty line remains the most accepted measure for adjudging poverty rates today:

<https://melbourneinstitute.unimelb.edu.au/research/labour/henderson-poverty-line>

More than a decade later, Labor Party Prime Minister Bob Hawke promised that ‘By 1990 no Australian child will be living in poverty’. His commitment was motivated by a concern that one in five Australian children were estimated to be living in poor households, and resulted in substantial reform measures including large increases in support payments for low income families. It was generally agreed that these initiatives significantly enhanced outcomes for this cohort, and reduced levels of child poverty:

<https://www.smh.com.au/politics/federal/no-child-will-live-in-poverty-30-years-on-bob-hawkes-promise-remains-an-elusive-goal-20170621-gwvdya.html>.

A further decade later, a Senate Committee headed by the Opposition Labor Party, conducted a major inquiry into poverty which was estimated to afflict between 2 and 3.5 million Australians. The inquiry recommended a suite of reforms to fight growing poverty and inequality including a national jobs strategy, strengthened minimum wage, and establishment of a National Poverty Strategy. However, the ruling Coalition government rejected the inquiry findings, arguing that poverty had a wide range of causes including poor education, family breakdown, substance use, gambling, smoking and illiteracy. They concluded that ‘the problems of those affected by poverty’ could not be ‘solved by simply throwing more money at them’ (p.444):

https://www.aph.gov.au/parliamentary_business/committees/senate/community_affairs/completed_inquiries/2002-04/poverty/report/index

The Coalition perspective reflected the increasingly prevalent view in mainstream political and media debates that poverty was mostly the result of flawed individual choices and behaviour, rather than broader structural or systemic inequalities: <https://onlinelibrary.wiley.com/doi/abs/10.1002/ajs4.140>

Indeed, the neoliberal preference for placing the responsibility for resolving disadvantage on those living in poverty rather than society more generally underpinned the 2019 House of Representatives inquiry led by a Coalition-dominated Committee into what was termed ‘intergenerational welfare dependence’. That term frames poverty as a form of psychological illness or addiction, rather than the result of inequitable social and economic structures.

To be sure, the final inquiry report mostly used the alternative term ‘entrenched disadvantage’ due to a concern voiced by many welfare advocates that ‘dependence carries an implication of individual fault’ (p.5):

https://www.aph.gov.au/Parliamentary_Business/Committees/House/Former_Committees/Intergenerational_Welfare_Dependence/IGWD/Final_Report

Nevertheless, ACOSS and other welfare advocates such as the Anti-Poverty Week coalition: <https://antipovertyweek.org.au/> have continued to place poverty on the public policy agenda. ACOSS argue that governments should be taking more active measures to relieve and prevent poverty including prioritizing a raise in the JobSeeker rate above the accepted poverty line (i.e. from the current \$46 a day to \$70 a day):

<https://www.thirdsector.com.au/acoss-asks-political-leaders-and-candidates-could-you-live-on-46-a-day/>

A recent joint report by ACOSS and the University of NSW examined current poverty statistics. They emphasized that the Coronavirus Supplement introduced by the government in March 2020 significantly reduced the level of poverty – from 11.8 per cent (or 3,018,000) in 2019 to 9.9 per cent (or 2,613,000) in June 2020. However, conversely, the reduction of that Supplement in January 2021 provoked an increase to 14 per cent or 3,820, 000 Australians living in poverty. It was also likely that the final removal of that Supplement in April 2021 (despite the legislated \$25 a week increase in the JobSeeker Allowance) produced a further increase in poverty:

<https://povertyandinequality.acoss.org.au/covid-inequality-and-poverty-in-2020-and-2021/>

Additionally, Australian National University research jointly funded by Social Ventures Australia and the Brotherhood of St Laurence, specifically examined rates for childhood poverty. Their study reported that child poverty within single parent families reliant on JobSeeker decreased markedly as a result of the Coronavirus Supplement from 39 to 17 percent respectively. However, they estimated that the new JobSeeker rates introduced in April 2021 would increase that figure to 41 per cent, and rise even higher for those with children under five years of age: https://www.socialventures.com.au/assets/Making-a-difference-to-financial-stress-and-poverty_full-report-SVA-BSL.pdf.

Yet as noted earlier these equity concerns have had limited impact on the major political parties. The Coalition’s election document makes no reference at all to poverty in its Cost of Living statement: <https://www.liberal.org.au/our-plan/cost-of-living>

Elsewhere, the current Minister for Social Services, Senator Anne Ruston, argued that there was no need for an official measure of poverty, or for

governments to consider the adequacy of existing social security payment rates in relieving poverty: <https://www.theguardian.com/australia-news/2020/oct/28/australian-measure-of-poverty-unnecessary-because-welfare-is-comprehensive-and-targeted>.

The Labor Party identifies a general concern to prevent poverty in its 2021 social security policy statement. However, it makes no specific commitment to increase the rate for JobSeeker or any other payment: <https://alp.org.au/media/2594/2021-alp-national-platform-final-endorsed-platform.pdf>.

In contrast, the Greens highlighted the reduction of poverty as a key election promise. They released a statement urging the introduction of a liveable income guarantee in order to ensure all Australians live above the poverty line: <https://greens.org.au/sites/default/files/2022-03/Greens-2022-Policy-Platform--Equality--Income-Support.pdf>.

These political differences were also evident during the most recent (October 2021) federal parliamentary debate regarding Anti-Poverty Week. The Greens Senator Janet Rice argued that the high rates of poverty in Australia were ‘appalling’, and reflected a ‘political choice’ made by the government (pp.6351-6352). She presented a motion demanding that the government raise social security payments above the poverty line. Her Greens colleague, Senator Dorinda Cox, expressed similar sentiments.

The Labor spokesperson, Senator Karen Grogan, argued in favour of greater support for those living below the poverty line, but recommended greater training and employment opportunities rather than higher social security payments.

The Minister, Senator Ruston, emphasized that the government’s priority was enabling the unemployed to move from welfare to work. She refused to endorse any increase in the JobSeeker rate. Her colleague Senator Hollie Hughes added simply that ‘the best form of welfare is a job’ (p.6353): https://parlinfo.aph.gov.au/parlInfo/download/chamber/hansards/25181/toc_pdf/Senate_2021_10_21_Official.pdf;fileType=application%2Fpdf#search=%22chamber/hansards/25181/0000%22

These statements suggest that the current government regard poverty as an issue of relatively minor importance. Yet as noted, research studies report that high numbers of Australians including many families with young children continue to live well below the poverty line. Despite the relative indifference of the major parties, welfare advocacy groups and minor political parties such

as the Greens are committed to ensuring that poverty stays on the policy agenda. Irrespective of which party is successful in the current election, it is likely that the new government will be confronted with renewed public campaigns to raise the rates of social security payments as a key anti-poverty strategy.