



Anti-Poverty Week Submission to the Senate Inquiry into the Extent and Nature of Poverty in Australia, 3/2/23

1. Act on Poverty

Anti-Poverty Week welcomes the Senate Inquiry into the Extent and Nature of Poverty in Australia and the opportunity to make a short submission. As important as it is to **understand poverty**, it is imperative we **act to end poverty**. The Federal Government and Parliament needs to lead this action. We agree with Glyn Davis AC, former CEO of the Paul Ramsay Foundation and now Secretary of the Department of Prime Minister and Cabinet that *“Rarely does charity alone have the financial heft to lift people form poverty. Government remains the most significant player in addressing disadvantage.”*^{vi} Evidence also tells us *“policies to support household income have a key role to play in any strategy to improve life chances for children from disadvantaged backgrounds. A boost to income affects parenting and the physical home environment, maternal depression, children’s cognitive ability, achievement and engagement in school, and behavior.”*^{vi}

We urge all parliamentarians to pass legislation to halve child poverty by 2030, with measurable targets and actions to achieve this goal. The New Zealand experience shows setting targets enshrined in legislation works and changes lives for the better. To treat all of Australia’s children fairly, we need to ensure every family has what they need. Actions the Parliament could take immediately include:

- Increasing the adequacy of JobSeeker as well as family payments, so everyone can afford the basics including rent, food, medication and education.
- In addition to welcome commitments to increase social and affordable housing, Commonwealth Rent Assistance also needs to rise, so everyone has a safe place to call home.
- We know that single parent families – predominately single mother families - have the highest poverty rates of any familyⁱⁱⁱ. Restoring access to Parenting Payment Single until the youngest child turns 16 and reviewing our woefully inadequate child support scheme would also immediately reduce the number of our children living in poverty.

2. Adopt a national definition of poverty

Australia does not have a definition of poverty accepted by the Federal Government. The Household, Income and Labour Dynamics in Australia Survey (HILDA) tracks 17,500 people about various aspects of their lives, from employment and income to wellbeing and lifestyle. The study is funded by the Australian Government Department of Social Services and is managed by the Melbourne Institute of Applied Economic and Social Research at the University of Melbourne. Their [2020 HILDA report](#) stated:

*“Consistent with the approach of the Organisation for Economic Co-operation and Development (OECD) and other international bodies, we define **relative income poverty as having a household income below 50% of median income.**”*

Note this is also the measure used by the ACOSS/UNSW Poverty in Australia series published by the [Poverty and Inequality Partnership](#). Using this measure, the latest report, [A Snapshot of Poverty in Australia 2022](#), and released on the eve of Anti-Poverty Week 2022, found that **more than 3 million people experienced poverty in Australia (1 in 8)**. Anti-Poverty Week also most commonly uses this poverty measure in our work, including our [Fast Fact](#) series.

We urge the Federal Government to quickly adopt the following definition of poverty: relative income poverty as having a household income below 50% of median income and to measure and track progress over time as part of a new Australian Wellbeing Framework.

3. Act on child poverty

Anti-Poverty Week made halving child poverty the focus of our [advocacy in 2022](#), our 20th year of acting on poverty, because children have the highest poverty rates of any age group and the evidence is clear that living in poverty diminishes children’s lives now, and into their future.

[Poverty in Australia 2022 by ACOSS/UNSW Poverty and Inequality Partnership](#) found:

- 1 in 6 children in Australia (16.6% or 761,000) are growing up in poverty which continues to be higher than the rate for adults (12.7%). We note these numbers reflect the average for 2019-2020.
- The boost in income support payments provided in the early months of the pandemic delivered large reductions in poverty for adults and children (child poverty rates were reduced to the lowest level in 20 years), but the gains were short-lived.
- While child poverty and overall poverty rates follow similar trends over 20 years (2000-2020), child poverty rates consistently track 3 percentage points higher than rates for the population as a whole.

[Melbourne University](#) research published in 2020 found *“Experiencing just a single year of poverty during childhood is associated with poorer socio-economic outcomes in terms of educational attainment, labour market performance and even overall life satisfaction in early adulthood. Children from poor households are 3.3 times more likely to suffer adult poverty than those who grew up in never poor households.*

Other evidence has found that poverty has broad and deep negative consequences for children:

Starting school: the [Australian Early Development Census \(AEDC\) 2021](#) survey found more than 1 in 5 Australian children (22%) were assessed as developmentally vulnerable when they started school, potentially reducing good health, education and social outcomes later in life. For children living in the most disadvantaged areas, more than a third started school developmentally vulnerable. Children in the most disadvantaged areas had twice the rate of vulnerability in their physical health and well-being and were four times as likely to be developmentally vulnerable in language and cognitive skills as children in the most advantaged areas.

At school: The scathing [Productivity Commission report into School Reforms](#) released in January 2023 shows that much more needs to be done for students experiencing

disadvantage – who are three times more likely to fall behind than other students. It also tells us that we need to measure student wellbeing (which cannot be addressed unless we address child poverty). The report says:

“Poor wellbeing directly affects students’ capacity to learn and can particularly impact students who experience challenges to engagement and inclusion at school (including Aboriginal and Torres Strait Islander students). The Commission proposes parties to the next school reform agreement: Elevate student wellbeing as an outcome of the next agreement, along with greater transparency about wellbeing outcomes (R 5.1)”

According to the [2020 HILDA Survey](#), the likelihood of completing high school or university are two to three times lower for children who are persistently poor (poor for at least three years of their childhoods). We agree with Professor Gerry Redmond writing in [The Conversation 10/3/22](#), “To reduce educational disadvantage, action is needed to reduce child poverty, which has remained stubbornly high since the early 2000s.”

Health and wellbeing: Developed by the Australian Research Alliance for Children and Youth (ARACY), [The Nest](#) offers a holistic approach to child wellbeing and outlines the profound impact poverty, inequality and disadvantage can have on children’s health and wellbeing. These measures could be adopted by a new Australian Wellbeing Framework.

We should not accept these high rates of child poverty. As the Prime Minister said in his [23/6/22 interview on 7.30](#)

“We need to make sure that every child gets the opportunity to be the best that they can be, because that helps, not just that individual, that’s the key to Australia as well. We need to be the smart country.”

Australia should follow the lead taken by [New Zealand](#) which is making progress on legislated action to reduce child poverty. The Labor Party 2017 election commitment was to more than halve child poverty in 10 years in line with the UN Sustainable Development Goals and Jacinda Ardern took on the role of Minister for Child Poverty Reduction throughout her time as Prime Minister. Ardern introduced the Child Poverty Reduction Bill in January 2018, as part of her Government’s first 100 days commitments. The Bill was passed in December 2019 with overwhelming support across the Parliament, including the main opposition National Party. Child poverty advocates say it was one of the major achievements – enshrining and to a great extent depoliticising - action to reduce child poverty. A new Prime Minister and even a new Government of a different political persuasion would need to repeal legislation to undo this commitment.

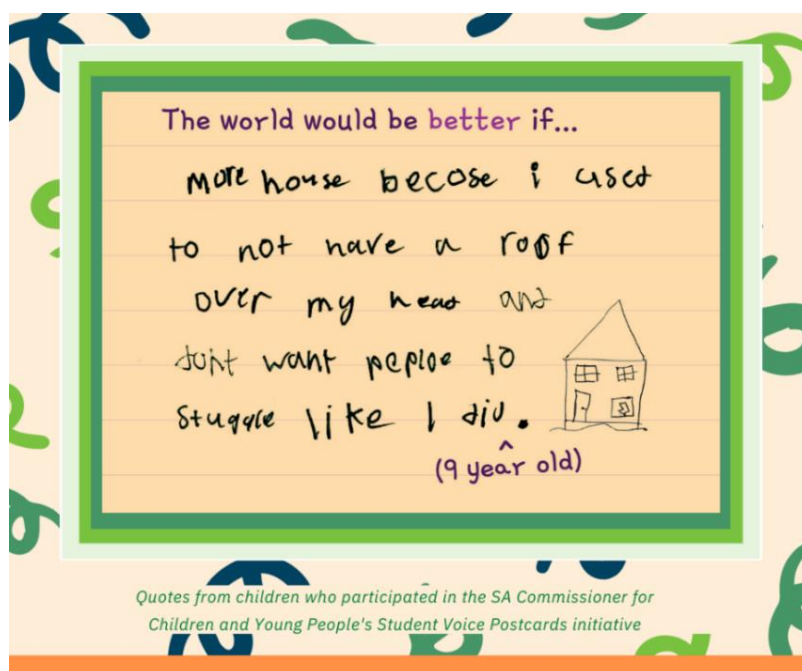
The New Zealand Government Statistician [announced](#) the most recent outcomes on 24 February 2022. It confirmed a downward trend across all nine indicators of child poverty and the achievement of two out of three of the Government’s first child poverty reduction targets. See our [2022 Briefing New Zealand Tackles Child Poverty](#) including our analysis of the data (confirmed by the NZ child poverty unit) that they had reduced poverty by 18% over the three years 2017-18 to 2020-21 (*relative* poverty measure which moves over time and based on the common OECD measure of a percentage of the contemporary median equivalised income). Another example of the improvement is in answers from households with children to the question about whether household income was enough to cover the basics of food, accommodation, clothing, electricity, etc. The trend to answer ‘not enough’ is now downwards for all families but particularly so for those in the lowest 20% of households where responses declined from 46% in 2013 to 28% in 2021, according to a report by the [Ministry of Social Development](#) in October 2022.

4. People with lived experience of poverty

The Senate Inquiry has asked to particularly hear from people with lived experience of poverty. We agree this is always powerful and shocking, especially given Australia is the wealthiest country in the world on some measures.^{iv} We also know that speaking publicly about living in poverty takes a toll on individuals. As such we refer the Committee to evidence given by individuals to the [Senate Inquiry into the Adequacy of Newstart](#) which heard evidence throughout 2019 and reported in April 2020. See also the Appendix to this document for more from that Inquiry. Anti-Poverty Week facilitated a special *Australia at Home* [webinar](#) focused on poverty on 25/5/20 which included Freya Pollard, a university student with lived experience of poverty: “**My mental health has never been as bad as when I am on welfare payments and living in poverty.**”

The [550 Reasons to Smile](#) campaign initiated by the National Council for Single Mothers and Their Children generated direct responses from single mothers affected by poverty and the life changing impact of the increase provided by the Coronavirus Supplement in 2020. “**This has helped pay the rent and feed my family. I’m a sole parent with no child support and multiple chronic illnesses. This money has given me breathing room.**” See more quotes from 550 Reasons to Smile [here](#) and in this [Mamamia article 17/7/20](#).

Anti-Poverty Week materials and events aim to include evidence and case studies from people with lived experience of poverty. A summary from 2021 can be found here: Women’s Agenda, [This Anti-Poverty Week we saluted the brave voices of poverty](#), 5/11/21. Children’s voices featured in Anti-Poverty Week 2022, for example the [APW YouTube channel](#) which included contributions from the [Valuing Children Initiative](#), (co-founded by Professor Tony Pietropiccolo AM, Director, [Centrecare Inc](#) and West Australian Co-Chair Anti-Poverty Week 2022) and a social media campaign featuring the Student Voice Postcards Initiative from the South Australian Commissioner for Children and Young People (and Anti-Poverty Week South Australian Co-Chair 2021 and 2022):



More about Anti-Poverty Week

Anti-Poverty Week supports the Australian community to have an increased understanding of poverty and to take action collectively to end it. We are a diverse network of individuals and organisations who share this purpose. We have been active since 2002, dedicating a week to act on poverty around 17 October, the International Day for the Eradication of Poverty. Our key message is **Poverty exists. Poverty hurts us all. We can all do something about it.** It is one of hope, not despair. We promote evidence-based solutions to poverty.

In 2022, Anti-Poverty Week was sponsored by:

[Brotherhood of St Laurence](#); [Berry Street](#); [St Vincent de Paul Society](#), [The Smith Family](#); [Anglicare Australia](#); [Uniting Vic/Tas](#); [The Life Course Centre](#) – ARC Centre of Excellence for Children and Families over the Life Course; [UnitingCare Australia](#); [The Salvation Army](#); [Australian Education Union](#) (Federal); [Australian Nursing and Midwifery Federation](#).

2022 State/Territory Co-Chairs included leaders from: [ACTCOSS](#), [Care Financial Counselling Service ACT](#); [NCOSS](#); [PeakCare](#) Qld; [NAPCAN](#); [Commissioner for Children and Young People SA](#), [Baptist Care SA](#); [Salvation Army Tasmania](#); [Uniting Vic/Tas](#); [Family Care Shepparton](#); [Centre Care WA](#), [Foodbank WA](#). 2022 Supporters included [ACOSS](#), [Everybody's Home](#), [Foodbank Australia](#), [Mission Australia](#) and the [National Council for Single Mothers and Their Children](#).

For any further information, please contact **Toni Wren, Executive Director, Anti-Poverty Week** at _____ or telephone _____. See also www.antipovertyweek.org.au. You can also see more here:

- Toni Wren, [Government needs to do more to help disadvantaged students](#), Canberra Times, 30/1/23
- Anti-Poverty Week Media Briefing, [Still Too Much Child Poverty in the 'Lucky' Country](#), 18/10/22
- Joint media release with National Council for Single Mothers and Their Children [Child support failure costs children and Budget](#), 18/8/22.
- [Julia Gillard committed a terrible wrong. It's time for Albanese to right it \(smh.com.au\)](#) (and Age) by Dr Chris Wallace, 4/8/22
- Toni Wren interview on [ABC RN Breakfast](#), 3/8/22
- [Child poverty: A problem Labor can and must solve \(smh.com.au\)](#) (Sydney Morning Herald and Age) by Sean Kelly, 1/8/22
- APW Briefing on [Women, Violence and Poverty](#), 22/7/22
- CEDA, [Let's Learn from the pandemic and choose to reduce child poverty in Australia](#), Toni Wren & Dr Andrew Charlton, 6/12/21
- [National Press Club](#) speech by Toni Wren, Executive Director of Anti-Poverty Week, 27/11/21
- The Australian, [Young domestic violence victims suffer financial hardship](#), 3/9/21
- RN Breakfast, [The shocking link between poverty and family violence](#), 2/9/21
- ABC analysis online [Women's March 4 Justice and JobSeeker changes may seem worlds apart — but they're linked](#), 15/3/21

Appendix: Excerpts from the Report of the [Senate Inquiry into the Adequacy of Newstart](#) (released 30/4/20)

The report includes evidence of terrible hardship including people and families having to sacrifice medical care, prescriptions drugs and other necessities. We know that for many people being sick can make your poor and being poor often makes you sick. Some examples put to the Senate Inquiry included these from the [Consumers Health Forum, 1/10/19](#):

...there seemed to be no way out. I was sick and couldn't afford to get better.

I'm a victim of sexual assault resulting in a diagnosed anxiety disorder and depression. I couldn't afford the gap payment for counselling services.

I am unable to afford the medication I need...I have had to stop seeing my psychologist...which has been very detrimental to my mental health.

The report also cited evidence from people living on Newstart

"In her submission, Aeryn explained how a small increase to Newstart would enable her to afford many basic essentials and concluded: But most importantly, I'd no longer be just surviving or even barely existing. I could afford to live."

Regarding the central question, whether the payments were adequate, the Committee view was (section 2.124-2.127):

"In a wealthy country like Australia, no one should be forced to forego meals in order to pay for medications or housing. The committee heard throughout the inquiry distressing accounts of deprivation, highlighting the daily struggles of those living below the poverty line... Alarmingly, these lived experiences of poverty and extreme deprivation are those of people who do receive income support payments. They have not fallen through the cracks of the welfare system. Rather, the current system is failing them. The Australian income support system is clearly not meeting its objective of ensuring a minimum standard of living for all. As highlighted by all submitters, except Australian Government departments, the current levels of jobseeker allowances are inadequate and impede peoples' ability to engage socially and economically within their community. The additional supplements and payments available to assist with the costs of housing, energy bills or pharmaceutical expenses are clearly insufficient to mitigate the inadequacy of the JobSeeker Payment (known as Newstart Allowance until 20 March 2020) and Youth Allowance. The committee notes the general agreement on the need to review and raise the payments and supplements available to jobseekers, including from the business sector, local governments, community services sector, academics and the wider community. Only the Australian Government seems to stand outside this consensus."

ⁱ Glyn Davis, *On Life's Lottery*, Hachette Australia, 2021.

ⁱⁱ A 2020 London School of Economics [paper](#) examined 54 studies from the EU and OECD that had investigated the causal effects of household financial resources on wider outcomes for children. They concluded this robust evidence base indicates strongly that **money itself makes a difference to children's outcomes.**

ⁱⁱⁱ Davidson, P., Bradbury, B., Hill, T. and Wong, M. (2020), [Poverty in Australia 2020: Who is affected?](#) ACOSS/UNSW Poverty and Inequality Partnership Report No. 4, Sydney: ACOSS

^{iv} The [Credit Suisse Annual Global Wealth Report 2022](#) says Australia has the highest median wealth per adult of any country (\$US273,900) followed by Belgium, New Zealand and Hong Kong SAR.