

2 February 2023

Committee Secretary
Senate Community Affairs References Committee
Department of the Senate
PO Box 6100
Parliament House
CANBERRA ACT 2600
AUSTRALIA

Transmitted via email: community.affairs.sen@aph.gov.au

Dear Committee Secretary

INQUIRY INTO THE EXTENT AND NATURE OF POVERTY IN AUSTRALIA

I would like to extend our sincere appreciation for the opportunity provided to Centrecare Inc. to provide a response to the inquiry into the extent and nature of poverty in Australia.

Please find the following Submission for your consideration. Should clarification be required in relation to our submission, or further information be required, please do not hesitate to contact me at 08 9326 6644

Yours sincerely

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Founder, Valuing Children Initiative

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SUBMISSION: INQUIRY INTO THE EXTENT AND NATURE OF POVERTY IN AUSTRALIA

DATE: 01 FEBRUARY 2023

SUMMARY

Centrecare Inc (Centrecare) is pleased to make the following submission to the Senate Community Affairs References Committee inquiry into the extent and nature of poverty in Australia.

Fundamental to Centrecare's ethos is the idea that all people are inherently valuable. Many people living in poverty experience stigma, shame, and a loss of dignity. Poverty also denies people the opportunity to know and reach their full potential which in turn results in lost opportunities and poorer outcomes for society as a whole.

Context

Centrecare is a not-for-profit organisation based in Western Australia that provides a wide range of community services to individuals and families including many vulnerable and disadvantaged people. With a history dating back to the 1940's, Centrecare is a well-respected community service provider which aims to strengthen people and communities through the provision of professional social services.

The organisation provides more than 70 services delivered from 10 branches in both metropolitan and regional areas of Western Australia and is inspired by compassion and respect for human dignity.

Terms of Reference

The Terms of Reference (TOR) are noted and in formulating this submission, Centrecare has taken care to address the Committee's TOR. However, as a community service organisation, we are not well placed to meaningfully comment on TOR part (b).

Additionally, whilst most of the TOR has been addressed in order, TOR part (g) is responded to at the beginning of this submission as this information should be considered by the Committee prior to reading the information contained later in the response.

(G) ANY RELATED MATTERS.

Attitudes towards poverty.

When examining the issue of poverty in Australia it is important to consider public and political attitudes towards poverty and how these have changed over time in Australia. In 1987, Prime Minister Bob Hawke famously declared “by 1990 no Australian child will be living in poverty”. In making this statement Hawke deviated from his speech notes which said, “no Australian child **need** live in poverty”. Hawke’s statement in 1987 was unattainable and he received widespread public and political criticism when the goal was not met in 1990. In 2007 Hawke said he regretted his “silly, shorthand remarks (and he) should have just said what was in the distributed speech”.¹ However, what is often overlooked is that policy reforms introduced by the Hawke government were successful in significantly reducing child poverty. A statement issued by ACOSS in 2019 summarises the impact as follows. *‘In 1987, the Hawke government delivered a comprehensive child poverty reform package that increased assistance for low-income families and benchmarked income support payments to the cost of children. The package also put in place housing, education, training, childcare and tax reforms to help low-income families. This package reduced child poverty by an extraordinary 30 percent. Hawke demonstrated that poverty was not intractable, but a choice about Government priorities. He had the courage to lead this reform.’*²

Also discussing child poverty specifically, Adjunct Professor Tony Pietropiccolo AM in 2018 wrote, *‘Despite the mounting evidence of the extent of poverty in Australia and the significant impact this has on children, the response by successive Australian governments over the last 20 years has been imperceptible...in effect the general thrust of Australian policy in this area has been to rewind the social benefits that had successfully reduced poverty before the mid 1990’s.’* He goes on to say, *“The impact of neoliberal thought and practice towards a greater emphasis on small government and individual responsibility (both for the cause and resolution of poverty), has significantly influenced the underlying philosophy associated with government intervention in this area”*³

Notably, the word poverty has largely disappeared from government communication and policy documents. John Howard’s government removed references to “poverty” and the Rudd and Gillard government’s preferred term was “social inclusion”.⁴ The avoidance of the word poverty largely continues today. Whilst there is a discussion about low-income families, marginalised and disadvantaged groups, and the rising cost of living we rarely have an explicit discussion about poverty at either a community or government level in Australia. Consequently, many Australians are not aware of the extent of poverty in Australia. Given this context, the current inquiry, which specifically seeks to understand the nature and extent of poverty in Australia is heartening.

Poverty is a complex issue and people who are unaffected by poverty are not likely to have a deep understanding of its complexities. To form a view about a complex social issue like poverty most people rely on the information they see and hear in public discourse. For this reason, the language used- or not used- about poverty is critically important. In recent decades the poor have been stigmatised and othered when our political leaders use terms like ‘dole bludgers’, ‘leaners’, and ‘lazy’ in the context of discussions about the adequacy of government support payments. These terms also support a narrative that individuals are responsible for their poverty and if people get a job or work harder, they will not be poor. Poverty flourishes when societal structures work to enhance the material success of some

¹ [No child will live in poverty? 30 years on, Bob Hawke's promise remains an elusive goal \(smh.com.au\)](http://www.smh.com.au)

² https://www.acoss.org.au/media_release/acoss-tribute-to-bob-hawke/

³ [A-Childhood-Without-Poverty-T-Pietropiccolo-AM-R1.pdf \(valuingchildreninitiative.com.au\)](https://www.valuingchildreninitiative.com.au)

⁴ [Poverty as a moral question: do we have the collective will to end it? | Australia news | The Guardian](https://www.theguardian.com/australia-news/2018/sep/12/poverty-as-a-moral-question-do-we-have-the-collective-will-to-end-it?hpid=hp-top-story-table%3Apoverty%3Ahomepage%2Fstory)

while diminishing that of others. An individualised view of poverty takes the burden for its resolution away from governments and diminishes collective responsibility. It also minimises the structural aspects of poverty such as the significance of tax systems, inequitable access to quality education and healthcare, the level of government supports and the intergenerational nature of poverty. Blaming individuals for their poverty also fails to consider that many people live in poverty for reasons that are outside of their control- health, disability, homelessness following domestic violence, high housing costs, minimum wage, limited rental availability, and rising living costs are just some examples. For many, the journey into poverty is triggered by an unexpected life event such as the death of a spouse, serious health diagnosis, or job loss. Furthermore, over 774,000 Australian children are living in poverty. When considering child poverty, it is an inescapable truth that children are always victims of poverty because children have no choice about the circumstances of their birth, or childhood, and little to no capacity to influence change in their individual circumstances. Whatever bias may exist towards adults living in poverty, these biases cannot be extended to children.

Moral and ethical considerations.

Given that the determinants of poverty are complex and often outside of an individual's control then it stands to reason that addressing poverty is a collective responsibility, a notion expressed well by Ronald Henderson, the chair of Australia's first comprehensive inquiry into poverty. Henderson said, "*Poverty is not just a personal attribute: it arises out of the organisation of society*".⁴ This is particularly true in a wealthy country like Australia which has both the means and the knowledge to significantly reduce poverty. According to a 2022 Credit Suisse Research Institute report Australia is the richest country in the world on a per capita basis using the measure of median wealth.⁵ However, this statistic is skewed by the fact that there is a significant wealth disparity in Australia. The wealthiest 1% of Australians hold 21.8% of the country's wealth, up from 19.6% in 2019 which confirms the disparity between the rich and the poor is growing.⁶

Accepting the above, when considering poverty, it is hard to argue against the view that it is morally and ethically unacceptable for a wealthy and developed country like Australia to continue to allow a significant percentage of our population to live in poverty. Centrecare's view is that the government has a moral and ethical responsibility to ensure that all citizens have access to the necessities of life, such as food, shelter, healthcare, and quality education. A failure to ensure all Australians have these things is a violation of basic human rights and means we are failing to meet our obligations under important human rights treaties.

Australia's commitments to address poverty.

There are several human rights treaties relevant to poverty that Australia has committed to uphold. These include treaties related to all citizens and to specific groups of people who are disproportionately impacted by poverty. The relevant human rights treaties are:

- The International Covenant on Economic, Social, and Cultural Rights (ICESCR).⁷ This treaty was ratified in Australia in 1976. It recognises the right to an adequate standard of living, including adequate food, clothing, and housing, and the right to the highest attainable standard of physical and mental health.

⁵ Global Wealth Report, Credit Suisse Research Institute, 2022.

⁶ [Credit Suisse global wealth: Australians are the world's richest people \(afr.com\)](#)

⁷ [International Covenant on Economic, Social and Cultural Rights - Australian Human Rights Commission](#)

- The United Nations Convention on the Rights of the Child (CRC)⁸ was ratified in Australia in 1990. It recognises children's rights to an adequate standard of living and the highest attainable standard of health. Article 4 of the CRC specifically states "Governments should make these rights available to children".
- The Convention on the Rights of Persons with Disabilities (CRPD).⁹ Ratified in Australia in 2008 the treaty recognises the right of persons with disabilities to an adequate standard of living, and to the highest attainable standard of health.
- The Convention on the Elimination of All Forms of Racial Discrimination (CERD).¹⁰ Ratified in 1975 this treaty recognises the right to an adequate standard of living, and to the highest attainable standard of health, without discrimination on the grounds of race, colour, descent, or national or ethnic origin.
- The United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP).¹¹ This Declaration, which Australia endorsed in 2009, recognises the rights of indigenous peoples to an adequate standard of living and to the highest attainable standard of health.

Whilst Australia has committed to upholding these treaties and working towards fulfilling their provisions there are ongoing concerns about the successive governmental failure to adequately address poverty. The failure to adequately address poverty means Australia is failing to meet its obligations under these treaties, particularly regarding Indigenous Australians, people with disabilities, and children.

Additionally, Australia is committed to the 2030 Agenda for Sustainable Development, adopted by all United Nations members in 2015. This includes a commitment to achieving the United Nations Sustainable Development Goals (SDGs). The SDGs can be summarised as a *'universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity.'* Australia's commitment to the SDGs means that as a nation we have pledged to take specific actions to achieve seventeen interrelated goals by 2030. Australia's failure to adequately address poverty puts us at risk of not meeting our commitments to the SDGs, particularly Goal 1: No Poverty, Goal 2: Zero Hunger and Goal 10: Reduced Inequality.¹²

(A) THE RATES AND DRIVERS OF POVERTY IN AUSTRALIA.

Rates of poverty.

Poverty is a significant problem in Australia with widespread impacts and implications for individuals, families, and society. It is well-established that poverty causes harm to people in myriad ways. We also know that with a strong commitment from the government and the right levers, it is possible to significantly reduce poverty. As such, for the more than three million Australians living in poverty this inquiry, and subsequent action taken to reduce poverty, is urgent and necessary.

In Australia, there is no official measure of poverty¹³ which is inherently problematic for reasons discussed later. Internationally, the measure adopted by the European Union is that anyone living on 60% or less of median income, before deducting housing costs, is living in poverty. In Australia and many other OECD countries, the measure generally used is 50% of

⁸ [United Nations Convention on the Rights of the Child \(UNCRC\) \(unicef.org.au\)](https://www.unicef.org/australia)

⁹ [Disability Rights - People with Disabilities ACT \(pwdact.org.au\)](https://www.pwdact.org.au)

¹⁰ [The International Convention on the Elimination of All Forms of Racial Discrimination \(ICERD\) | Australian Human Rights Commission](https://www.humanrights.gov.au/our-work/indigenous/indigenous-peoples/declaration-on-the-rights-of-indigenous-peoples)

¹¹ [UN Declaration on the Rights of Indigenous Peoples | Australian Human Rights Commission](https://www.humanrights.gov.au/our-work/indigenous/indigenous-peoples/declaration-on-the-rights-of-indigenous-peoples)

¹² [THE 17 GOALS | Sustainable Development \(un.org\)](https://www.un.org/sustainabledevelopment/goals/)

¹³ [Why are millions of Australians still living in poverty? Experts say it's solvable - ABC News](https://www.abc.net.au/news/2018-08-22/why-are-millions-of-australians-still-living-in-poverty-experts-say-it-s-solvable/10111110)

median after-tax household income. That is, those with an income level of 50% or less of the median household income are said to be living below the poverty line. It is this measure, that the Australian Council of Social Services (ACOSS) and others use when discussing levels of poverty in Australia, however, this measure is not officially recognised by the government. Severe poverty is defined as those living on 30% or less of the median household income. The poverty line (based on 50% of median household after-tax income) currently equates to \$489 per week for a single adult, \$636 for a single person with one child, \$783 for a single person with two children, and \$1027 per week for a couple with two children.¹⁴

According to the most recent data (2019/2020) from the Australian Bureau of Statistics (ABS), one in eight adults (13.4%) and one in six children (16.6%) in Australia live below the poverty line. In total there are 3,319,000 Australians in poverty including 761,000 children.

It is important to note that certain demographic groups are disproportionately more affected by poverty in Australia. As of 2017 being unemployed and of working age remains the greatest poverty risk factor, with two-thirds (66%) of people in households where the main income-earner is unemployed living in poverty. Other groups at higher risk of poverty include children (16.6%), people with disabilities (37%), people in sole-parent families (37%), people who live in rental properties (19%), and those living in social housing (58%). Whilst people of working age are generally at greater risk of poverty, those over the age of 65 who rent experience higher rates of poverty (41%). Individuals and families living outside of capital cities are more likely to experience poverty. Considering the profile of households in poverty the largest group of households in poverty is those relying on social security (51%). However, a significant share (38%) of households in poverty rely mainly on wages which demonstrates that employment doesn't necessarily prevent poverty.

Families with children where the main income earner is female are more than twice as likely to be in poverty compared to families where the main income earner is male (23% compared to 10%). Poverty in sole-parent families is 35.2% overall however there is a clear gender disparity in this demographic too; in female-led sole-parent families, the poverty rate is 37% compared with 18% for male-led sole-parent families. For children living in single-parent families, the poverty rate is 44%.⁸

The ABS survey on which the above data is based on does not identify Aboriginal and Torres Strait Islander people. However, a separate study conducted in 2018 shows that the poverty rate for Aboriginal and Torres Strait Islander people is 31%, while poverty is twice as high in very remote communities (54%) as in major cities (24%). These rates are likely to be an underrepresentation given that the study measured poverty before housing costs '*which usually results in poverty rates a few percentage points lower*'.¹⁵ Complex family structures and income-sharing arrangements within Aboriginal and Torres Strait Islander communities mean that equivalence scales used in poverty research are unlikely to be appropriate and may further contribute to an underrepresentation of poverty rates.⁹

Poverty trends since 1999.

Poverty in Australia between 1999 and 2017 fluctuated between 11.5 and 16%. It declined from 13.1% in 1999 to 11.5% in 2003. During Australia's 'boom years' the rate of poverty rose sharply reaching 14.4% in 2007. Following the global financial crisis in 2008 and a pension

¹⁴ Davidson, P., Bradbury, B., & Wong, M. (2022). Poverty in Australia 2022: A snapshot. Australian Council of Social Service (ACOSS) and UNSW Sydney.

¹⁵ Markhan F & Biddle N., (2018). Income, poverty and inequality - Census Paper 2. Centre for Aboriginal Economic Policy Research, Australian National University.

increase in 2009, poverty fell to 13.1% and remained relatively stable until September 2019.¹⁶

The impact of the Covid-19 pandemic on poverty levels can be seen in the sharp rise from 13.2% in the September 2019 quarter to 14.6% in March 2020. Following swift intervention by the government via the introduction of additional government support payments during the early stages of the pandemic poverty fell to a seventeen-year low of 12% in the June quarter of 2020.⁹

An estimated 2,613,000 people were in poverty in June 2020, significantly less than the 3,018,000 who were in poverty in 2019. An estimated 5,772,000 people would have been in poverty in June 2020 had Covid-19 support income support payments not been introduced. During the period that these additional payments were available poverty among people in households on JobSeeker fell from 76% in 2019 to 15% in June 2020. Additionally, poverty among people in sole-parent families (both adults and children) was reduced almost by half, from 34% to 19%.¹⁷

However, the additional supports offered by the government during the early stages of the pandemic were temporary and the overall poverty rate is now greater than pre-pandemic levels at 13.4%.

Drivers of poverty.

As discussed above, attitudes towards poverty are a key driver of poverty (or poverty reduction). It's clear that when poverty is viewed as an individual rather than collective responsibility that this leads to the introduction of policies that contribute to increased poverty leading to entrenched disadvantaged. Conversely, when people who need support are given adequate levels of support poverty is reduced as demonstrated during the early stages of the pandemic in Australia. Similarly, when governments commit to prioritising the reduction of poverty then poverty can be reduced. For example, in Australia, Hawke's government reduced child poverty by 30% in three years. There are international examples too. Canada has a strategy to halve poverty by 2030 and it's working. In 2022 the percentage of people living in poverty in Canada was 6.4%, down from 10.3% in 2019 and 14.5% in 2015.¹⁸ Similarly in New Zealand, a strong and clear commitment by the government to reduce child poverty is working with all child poverty measures trending downwards over the last three years.¹⁹

Other drivers of poverty in Australia include housing stress, illness, disability, the inadequacy of social security payments (particularly for sole parents and unemployed people), high costs of living, underemployment, unemployment, and inadequate access to affordable healthcare.^{20 21} The intersection between domestic violence and poverty is an important consideration too with a 2022 report 'The Choice: Violence or Poverty'²² highlighting that domestic violence is a common experience for single mothers and their children. In this report, Anne Hollonds, National Children's Commissioner says, *"In my consultations with children, young people and families on 'Keeping kids safe and well', I have been staggered at how many homeless young mothers I am meeting who are couch-surfing or cycling through caravan parks and short-term refuges with babies and toddlers in tow. Typically, they have*

¹⁶ Davidson, P., Bradbury, B., Hill, T. and Wong, M. (2020), Poverty in Australia 2020: Part 1, Overview. ACOSS/UNSW Poverty and Inequality Partnership Report No. 3, Sydney: ACOSS

¹⁷ Davidson, P., (2022) A tale of two pandemics: COVID, inequality and poverty in 2020 and 2021 ACOSS/UNSW Sydney Poverty and Inequality Partnership, Build Back Fairer Series, Report No. 3, Sydney

¹⁸ [Government of Canada releases 2022 Annual Report from the National Advisory Council on Poverty - Canada.ca](#)

¹⁹ [Child poverty statistics show all measures trending downwards over the last three years | Stats NZ](#)

²⁰ Duncan A, 'Behind the Line: Poverty and disadvantage in Australia 2022', Bankwest Curtin Economics Centre Focus on the States Series, #9, March 2022.

²¹ Davidson, P., Saunders, P., Bradbury, B. and Wong, M. (2020), Poverty in Australia 2020: Part 1, Overview. ACOSS/UNSW Poverty and Inequality Partnership Report No. 3, Sydney: ACOSS.

²² Summers, A. (2022). The Choice: Violence or Poverty. University of Technology Sydney. 7

left violent relationships and end up homeless.”

The poverty experienced in childhood is a key driver of poverty because children who grow up in poor households are 3.3 times more likely to live in poverty as adults resulting in intergenerational cycles of poverty for some families.²³

(C) THE IMPACT OF POVERTY ON INDIVIDUALS REGARDING EMPLOYMENT OUTCOMES, HOUSING SECURITY, HEALTH OUTCOMES, AND EDUCATIONS OUTCOMES.

(Please note, whilst not requested in the TOR, additional comments have been made about ‘loneliness and social isolation’ as people in poverty experience significant adverse health and social outcomes related to loneliness and isolation.)

It is well established that poverty negatively affects individuals across multiple domains. Experts agree that addressing poverty is a crucial challenge for Australia. Professor Glynn Davis said, *“Poverty and inequality are at the core of poor intergenerational mobility. They shape access to opportunities in education, employment and society more generally”*²⁴

Growing up in a family with little or no wealth is an important predictor of lower educational attainment, poorer labour market performance, worse health, and lower overall life satisfaction. Further, poverty during childhood is associated with *‘dramatically reduced financial sufficiency and dramatically higher chances of being poor as an adult, confirming the notion that poverty begets poverty’*.²⁵

Employment outcomes.

Research from the Melbourne Institute shows young adults who did **not** grow up poor are 1.8 times more likely to be in full-time work, and 1.3 times more likely to have permanent and ongoing jobs. They also earn more – the hourly wages of young adults who were never poor are 23 percent higher than those who experience poverty as children.

The likelihood of employment for young adults who come from a background of child poverty is around 11 percentage points lower than employment rates for those who didn’t experience poverty in the family home.¹²

Housing security.

Access to affordable housing makes an enormous difference in people’s lives. In the past ten years house prices in Australia have increased by 70%²⁶ and in the last few years there has been a steep increase in rents across Australia resulting and historically low vacancy rates.²⁷ Almost a quarter (23.6%) of renters fell below the poverty line in 2020.¹³ Almost one million low-income Australians are in housing stress, paying more than 30% of their income on housing costs.

Anglicare Australia’s most recent (2022) annual ‘Rental Affordability Snapshot’ looked at more than 45,000 rental listings across the country. It found only five rentals were affordable for a single person on JobSeeker and just one listing was affordable for a person on Youth Allowance. All were rooms in share houses. The report notes that couples out of work, single parents on Centrelink payments, people on the Disability Support Pension, and a single person receiving the Age Pension all face a market where 0.1 percent of rentals are affordable. Additionally, only two percent of listings were affordable for a person earning a full-

²³ [Poverty in childhood leads to poverty in adulthood | Pursuit by The University of Melbourne \(unimelb.edu.au\)](#)

²⁴ [Children who experience poverty more than three times likely to be poor as adults \(unimelb.edu.au\)](#)

²⁵ Esperanza Vera-Toscano and Roger Wilkins (2020) Does poverty in childhood beget poverty in adulthood in Australia? Melbourne Institute: Applied Economic & Social Research, University of Melbourne.

²⁶ [House Prices in Australia Over the Last 10 Years](#)

²⁷ [Rent Prices Surge At Fastest Rate In Years – But Worse Is Yet To Come](#)

time minimum wage. The report notes, *'The national vacancy rate has fallen to record lows, halving from two percent in to one percent over the past year. The major drop in rental listings, and the halving of the vacancy rate, means that there is even more pressure on renters on low incomes. They need to find an affordable home in a tight market, while competing with record numbers of people who can no longer afford to buy. This has led to a market that has never been less affordable. Renters on low incomes are bearing the brunt of the tightening of the market because they are forced to compete with people on higher incomes and more stable jobs for the scarce supply of new rental homes that become available'*²⁸

It is important to note that access to affordable housing impacts people's lives beyond financial security. Stable and affordable housing improves people's overall well-being and their ability to participate fully in education and employment. Further, stable housing means individuals and families can connect and contribute to their local community.

Health outcomes.

Socioeconomic disadvantage is irrefutably linked to worse health outcomes. Compared with the wealthiest people in Australia, disadvantaged people are twice as likely to have a long-term health condition, will die on average three years earlier, are 2.1 times as likely to die of something that could have been avoided, and are 70% more likely to suicide.²⁹

A comprehensive report released by the Life Course Centre in August 2022 confirms there is significant mortality inequality in Australia, across virtually all age and gender groups. That is, richer people tend to live longer than poor people. Whilst the level of mortality inequality has remained relatively stable over the period from 2001-2018 the research shows increased mortality inequality for middle-aged people. Additionally, the report notes there are inequalities in access to healthcare across different regions in Australia which is likely to contribute to mortality inequality. The following key recommendation is made, *"since diabetes and suicide death rates for the poor have stagnated (and in some cases increased) over recent years, policies which target the treatment of and contributing factors for diabetes and mental health may also prove promising in reducing mortality inequalities."*³⁰

Food insecurity, which is closely linked to poverty can have a major impact on both short-term and long-term physical and mental health. Food insecurity increases the risk of several chronic diseases including obesity, diabetes, and cardiovascular disease for all age groups. Further, food insecurity can lead to stress, cycles of fasting and bingeing, and the substitution of relatively higher cost, higher nutrition food with lower cost, higher energy food, resulting in nutrient deficiencies, metabolic changes, weight loss, and obesity.³¹

People who face persistent poverty are more likely to experience psychological distress, and the longer the time in poverty, the worse the implications are for mental health. Those who are in poverty for at least five of the last ten years are three times more likely to suffer acute mental stress compared to people who are never in poverty.³² An additional barrier to good health faced by people living in poverty is the cost of medications, a decrease in the number of medical practices that offer bulk billing, and a lack of availability of medical providers in certain parts of Australia.³³ These barriers are particularly relevant to people living in poverty

²⁸ [Rental-Affordability-Snapshot-National-report.pdf \(anglicare.asn.au\)](#)

²⁹ [ACOSS Cohealth health-inequality-infographic.pdf](#)

³⁰ Atalay, K., Edwards, R. & Georgiakakis, F. (2022). 'Mortality Inequality: New Evidence from Australia', Life Course Centre Working Paper Series, 2022-20. Institute for Social Science Research, The University of Queensland.

³¹ Seivwright, Ami N et al. "Food Insecurity and Socioeconomic Disadvantage in Australia." *International journal of environmental research and public health* vol. 17,2 559. 15 Jan. 2020

³² Duncan A, 'Behind the Line: Poverty and disadvantage in Australia 2022', Bankwest Curtin Economics Centre Focus on the States Series, #9, March 2022.

³³ [Bulk-billing GP rates fall to 83 per cent, but doctors say reality of 'broken' Medicare system is worse - ABC News](#)

with a disability or chronic health conditions.

Education.

Educational attainment is an important predictor of future employment, welfare, and health prospects. When families are experiencing financial disadvantage children can fall behind in their learning. Research shows that children living at disadvantage have access to fewer books and learning materials in the home, including access to the internet. A 2020 report shows large gaps in educational opportunities from early childhood through to adulthood. Student postcodes and their family resources are consistently linked to success on key indicators.

Compared to the most advantaged areas, children living in the fifty areas at the greatest educational disadvantage are, on average half as likely to be enrolled in preschool at age four and a half as likely to attend preschool for fifteen hours or more. These students are seven times more likely to be vulnerable in two or more developmental domains in the first year of schooling. Additionally, non-attendance rates are nearly five times a high, at 22%.

An estimated 21.7% of 5-year-olds are not developmentally ready when they start school and growing up in poverty is a strong predictor of a child being developmentally vulnerable by the time they start school.³⁴ The educational gap widens as students continue their school journey. In year 7, 24.8% of students nationally do not have the desired literacy and numeracy skills for their year group. Among senior students, 27.8% do not meet benchmark standards in mathematics, reading, and science. Low SES students are less likely to complete year 12 (66.8% for low SES compared to 91.8% for high SES). The impact continues into adult life with low SES young adults less likely to engage fully in education, training, or work (48.6% for low SES compared to 82% for high SES) or to gain post-school qualifications (52.9% for low SES and 86% for high SES)

The report notes, *‘The gaps exist across all domains, across all skill areas, and are even larger at later stages of school and into adulthood. The results are consistent with research that has demonstrated that social background is too often a key predictor of educational and future success; and that these gaps are unusually wide in Australia (OECD, 2018). Moreover, the performance gaps by SES manifest in the earliest years of children’s lives and are difficult to bridge in the years that follow, such that children who start behind too often stay behind’*³⁵

Loneliness and social isolation.

In 2010 a meta-analysis review of more than 150 studies exploring the relationship between social relationships and mortality underlines the impact of loneliness on health, or more specifically, lack of social integration and social support.³⁶ It found loneliness increases the risk of death more than such things as poor diet, obesity, alcohol consumption, and lack of exercise, and that it is as harmful as heavy smoking. A risk factor for loneliness is poverty.³⁷ The Australia Talks³⁸ survey found that people who earn less than \$600 per week feel lonely “frequently” or “always”. This finding is supported by a 2021 report which found, *‘Individuals in the lowest income decile are more than twice as likely to report being very lonely most of the time compared to those in the highest poverty decile.’* The same report states, *‘...deprivation in and of itself creates feelings of loneliness. The way it restricts activity, reduces freedom and choice, limits our capacity to escape and engenders a lack of control all*

³⁴ [Australian Early Development Census, 2022.](#)

³⁵ Lamb, S., Huo, S., Walstab, A., Wade, A., Maire, Q., Doecke, E., Jackson, J. & Endekov, Z. (2020). Educational opportunity in Australia 2020: Who succeeds and who misses out. Centre for International Research on Education Systems, Victoria University, for the Mitchell Institute: Melbourne.

³⁶ Holt-Lunstad J, Smith TB, Layton JB (2010) Social Relationships and Mortality Risk: A Meta-analytic Review.

³⁷ Mance, P. (2018) Is Australia Experiencing an epidemic of loneliness? Relationships Australia. Working paper

³⁸ [Australia Talks - Find out where you fit, and how you compare to other Australians in 2021 - ABC](#)

act to undermine our sense of belonging and self-worth. In Australia, poverty begets isolation.'

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(D) THE IMPACTS OF POVERTY AMONGST DIFFERENT DEMOGRAPHICS AND COMMUNITIES.

Poverty negatively affects everyone who experiences it. However, as noted earlier particular demographic groups are more likely to experience poverty and as such it is important to understand the impact poverty has on specific cohorts.

Children.

The negative impact of poverty on children is well established. This is concisely expressed by Life Course Centre Director, Professor Janeen Baxter who said, "*The playing field is not level for all Australian children. Those growing up in poverty are less likely to complete high school, find a good job and have stable housing. They often suffer from poor mental and physical health and social isolation. Devastatingly, we will compromise their life chances if we fail to disrupt the cycle of disadvantage.*"⁴⁰

The percentage of children living in poverty in Australia (16.6%) is substantially higher than the percentage of adults living in poverty (12.7%). The higher rate of child poverty, compared to adult poverty, has persisted for the past twenty years despite an increased understanding of the harm that poverty causes children in both the short and long term. There is a large body of evidence that demonstrates the significant harm poverty causes children in a range of domains and across the life course. Special consideration should be given to children when considering the issue of poverty for the following reasons (a) children have no choice about the circumstances of their birth or childhood, (b) children have little to no ability to influence their situation, (c) children are never responsible for their poverty; they are always victims of poverty and as such there is a clear moral and ethical case to lift children out of poverty (d) children rely on adults for their wellbeing, (e) experiencing poverty in childhood has lifelong effects – the effects of poverty cannot simply be overcome when children reach adulthood and have more agency (f) addressing child poverty makes economic sense – failing to address poverty in childhood places burden on health, education and justice systems (g) a failure to address child poverty violates children's rights under the United Nations Convention on the Rights of the Child of which Australia is a signatory.

Poverty is a strong predictor of developmental vulnerability in young children. That is, children from poor families are less likely to be developmentally ready for school when they commence education. Many of these children will never catch up and as more time passes, they fall further behind educationally. Children who experience persistent poverty in childhood (three or more years) are two to three times less likely to complete school or university.⁴¹ Additionally, children in monetary poverty are more likely to miss out on learning at home, 1.7 times more likely to face food insecurity, and nearly twice as likely to lack good relationships with friends.

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Experiencing a single year of poverty in childhood is associated with poorer educational achievement, labour market performance, and even overall life satisfaction in early adulthood. As previously noted, children from poor households are 3.3 times more likely to suffer from poverty in adulthood. Given the intergenerational nature of poverty, the importance of

³⁹ Duncan A, Kiely D, Mavisakalyan A, Peters A, Seymour R, Twomey C and Vu L (2021), 'Stronger Together: Loneliness and social connectedness in Australia', Bankwest Curtin Economics Centre Focus on the States Series, #8, November 2021.

⁴⁰ Life Course Centre Director Professor Janeen Baxter, September 2021.

⁴¹ [HILDA Statistical Report \(unimelb.edu.au\)](https://www.unimelb.edu.au/hilda)

⁴² Sollis, K. (2019). Measuring Child Deprivation and Opportunity in Australia: Applying the Nest framework to develop a measure of deprivation and opportunity for children using the Longitudinal Study of Australian Children. Canberra: ARACY.

addressing child poverty cannot be overstated if we are to successfully reduce overall poverty rates in Australia. Adding to the case to focus on children is research that demonstrates that children are more vulnerable to adverse experiences in the first 1000 days and that significant adversity in the early years can have lifelong impacts. Also, preventative action or early intervention during these 1000 days is much more effective than intervening later in life.⁴³ *'The money you invest at age zero gives you infinite returns. The money you invest at age 28, when you've already got someone who is self-harming, homeless and unable to hold down a job, is very high cost, much smaller return.'*⁴⁴

It's important to note that many children are aware that they are poor, and they experience shame and worry related to their family's financial circumstances. Commenting on this, Professor Sharon Bessell said, *"We know that children who experience poverty are also acutely aware of its impact on their lives and the stress on their parents – children wake up hungry, go to school hungry, and go to bed hungry. And ... they will be reluctant to tell anyone, because of a sense of shame and a desire not to further worry their parents."*⁴⁵ Children themselves tell us that poverty causes them great stress as illustrated in the below quotes.⁴⁶

"It worries me because nearly three times a week I've heard my mum crying at night or afternoon and sometimes we've been running out of money and food." (10-year-old)

and

"I have nothing else to say. Except that my family is low on money. And I'm suffering from not eating or sleeping much. And I'm extremely stressed about schoolwork." (13-year-old)

It is important to listen to the voices of adults who experienced poverty as children too. Dilvan Yasa, a writer who was born into a loving *but "broke with a capital B household"* notes *"my childhood impacts me every day in ways that many researchers may struggle to understand"*. She provides several examples of how childhood poverty impacts her adult life in ways not typically considered in research including, *"Childhood poverty for me has meant saying no to playtime to my girls, because I'm so sure that if I don't continue to pump out stories, my career will end tomorrow and we will soon be starving on the streets. There's no logic to my thinking and I know my girls are sad whenever I shut the office door, but it takes all of my resolve to put away the laptop and go out and enjoy their childhoods. I'm getting better at saying no to work, but I'm still convinced the dole queue is only two stories away. I'm always preparing for the nuclear winter and it's a mindset that leaves you exhausted."*⁴⁷

Disabled people.

According to a 2020 report from ACOSS, 37% of all people living in poverty have a disability although this figure is likely to be an underestimation given that the *'poverty line doesn't take into account the extra costs of disability which many people experience: adjustments to the home, personal support and care, medical and pharmaceutical expenses and additional transport costs such as taxis.'* Additionally, people with disability are more likely to experience entrenched poverty (continuous poverty for at least the last four years). It's worth noting that disability is common. An estimated 4.4 million people in Australia have some form of disability

⁴³ Moore, T.G., Arefadib, N., Deery, A., Keyes, M. & West, S. (2017). The First Thousand Days: An Evidence Paper – Summary. Parkville, Victoria: Centre for Community Child Health, Murdoch Children's Research Institute.

⁴⁴ Sollis, K. (2019). Measuring Child Deprivation and Opportunity in Australia: Applying the Nest framework to develop a measure of deprivation and opportunity for children using the Longitudinal Study of Australian Children. Canberra: ARACY.

⁴⁵ ANU Children's Policy Centre Director Professor Sharon Bessell, 20/4/21

⁴⁶ Commissioner for Children and Young People 2021, Speaking Out Survey 2021. The views of WA children and young people on their wellbeing – a summary report, Commissioner for Children and Young People WA 2021.

⁴⁷ [How childhood poverty affected me as an adult | SBS Life](#)

and 35.9% of Australian households include a person with a disability. The high rates of poverty amongst people with disability and their families are at odds with Australia's commitment to disabled people under the Convention on the Rights of Persons with Disabilities (CRPD).

Negative attitudes, physical barriers, and difficulties accessing necessary supports limit the opportunities for people with disabilities to find work, study, socialise, and be included in community life. A key reason disabled people are more likely to experience poverty is related to employment status/barriers to employment. Working-aged people with disability have a lower employment rate (48%) than those without disabilities (80%) and people with disability who are employed are more likely to be in part-time employment (41%) than people without disabilities (32%).⁴⁸

Poverty for people with disability is compounded by additional living costs not incurred by people without disabilities. The first Australian study to apply the 'Standard of Living approach' where households with a member with a disability are matched to households with similar characteristics but with no member with a disability estimated that the extra costs of living for households with an adult with profound or severe disability as \$173 on average over their and above their net 2015-16 income and \$87 per week for households with an adult with mild or moderate disability.⁴⁹

Children with a disability, while generally engaged and included in the family and home environment, are more likely to experience significant social exclusion both at school and in the community. They are also more likely to experience deprivation across all dimensions including being up to three times more likely to lack relationships with friends, and around two times more likely to have mental health concerns.³⁶ Therefore, experiencing both poverty and disability in childhood is particularly harmful to children.

People living with disability and in poverty are less likely to be able to access appropriate medical care which can lead to impossible choices for some as illustrated by this quote from a 29-year-old Queensland woman, "*I was stuck living in my car for 5 months so that I could afford one medical treatment a fortnight, but I could not afford rent.*"⁵⁰ Additionally, people who live in poverty experience higher levels of stress and anxiety resulting in poorer health outcomes. As such, disability can be both a cause and a consequence of poverty.

Aboriginal and Torres Strait Islander people.

Aboriginal and Torres Strait Islander people are significantly more likely to live in poverty with an overall poverty rate of 31%. This figure jumps to 54% for Indigenous people living in remote communities. As previously noted, there are complexities related to measuring Indigenous poverty which may lead to an underreporting of the true extent of poverty for this demographic. In addition to experiencing higher rates of poverty overall, Indigenous people are more likely to experience entrenched poverty.

As noted by Markham and Biddle in 2018, '*Indigenous people were systematically and violently deprived of access to economic resources, especially land, a process that continued until well into the second half of the 20th century.*'⁴⁹ The impacts of violence, dispossession, and colonialism on Indigenous people are undeniable and ongoing. These impacts are, for the most part, now accepted by the Australian Government and significant investment has been made to improve outcomes for Indigenous people. For example, the National Agreement on Closing the Gap describes states its objective is '*to enable First Nations peoples and*

⁴⁸ Australian Institute of Health and Welfare. (2022). *People with disability in Australia*.

⁴⁹ Li, J., Brown, L., La. H.N., Miranti, R., and Vidyattama, Y. (2019). *Inequalities in Standards of Living: Evidence for Improved Income Support for People with Disability*. NATSEM, Institute for Governance and Policy Analysis, University of Canberra. Report commissioned by the Australia Federation of Disability Organisations. September 2019

⁵⁰ [Poverty and Disability – Fast Facts | Australian Federation of Disability Organisations \(afdo.org.au\)](https://afdo.org.au)

governments to work together to overcome the inequality experienced by First Nations peoples and achieve life outcomes equal to all Australians. However, after more than 15 years of investment to ‘close the gap,’ we have failed to see adequate progress.⁵¹ Whilst Closing the Gap does not specifically include the reduction of poverty as a target many of the targets measured can be linked to poverty as many relate directly to the socio-economic well-being of Aboriginal and Torres Strait Islander people. This includes targets related to health (for both children and adults), education, employment, and housing. As with previous reports, 2022 Closing the Gap annual report showed limited progress on key targets with only four of nineteen targets considered to be ‘on track’. Further, the report showed that four key targets are worsening, including school readiness, incarceration rates, suicide rates, and child-removal rates. The results reported in 2022 Closing the Gap report are not surprising when considering the issue of poverty. The links between poor health outcomes, reduced educational achievement, access to appropriate education and training, insecure housing and unemployment/underemployment, and poverty are well established. Therefore, if efforts to ‘close the gap’ between Indigenous and non-Indigenous Australians are the areas of health, employment, housing, and education are failing then disparity in poverty levels is inevitable too.

It’s worth noting that while being Aboriginal or Torres Strait Islander increases the risk of poverty in and of itself, many Indigenous people are at significantly higher risk because they are also part of other ‘at-risk’ demographic groups. For example, Indigenous Australians are 1.8 times more likely to have a disability. More than 40% of Indigenous households with a family member receiving a Disability Support Pension ran out of money for basic living expenses in the past year.⁴¹ Indigenous people are more likely to suffer from chronic health conditions and housing instability. They also experience higher rates of unemployment and lower earnings. Additionally, around 20% of Indigenous people live in remote or very remote areas compared to 2% of non-Indigenous people. Indigenous people are significantly overrepresented in the child protection and justice systems which can be linked to poverty because education and employment outcomes are often poorer for people who have encountered these systems.⁵² Further, as noted earlier, children experience higher rates of poverty compared to adults and the harm to children is significant. In Australia overall, children aged 0-14 make up 19% of the population. However, the Indigenous population has a much younger age structure than the non-Indigenous population; 34% of all Indigenous people in Australia are children.⁵³

For Indigenous Australians, racism and discrimination compounds poverty in a range of ways including race discrimination when accessing primary health care, seeking housing and employment, and contact with the police. Racism also causes great emotional harm to people and has also been shown to cause physical health problems. The total effect on Indigenous Australians is that many feel excluded from society. Commenting on this, former Race Discrimination Commissioner Dr. Helen Szoke said, *“We know that Aboriginal and Torres Strait Islander peoples continue to experience high levels of racism, across multiple settings... To ensure social inclusion, individuals need the opportunity to secure a job; access services; connect with family, friends, work, personal interests, and the local community; deal with personal crisis; and have their voices heard. Racism towards any individual or community undermines the achievement of each of these goals.”*⁵⁴

When considering the high rates of poverty amongst Indigenous Australians it is important for

⁵¹ Commonwealth of Australia, Commonwealth Closing the Gap Annual Report 2022

⁵² Australian Institute of Health and Welfare. (2017). *Australia's welfare 2017: in brief*. Canberra: AIHW.

⁵³ Australian Institute of Health and Welfare. (2022). *Australia's children*. Retrieved from <https://www.aihw.gov.au/reports/children-youth/australias-children>

⁵⁴ [Racism exists in Australia – are we doing enough to address it? | Australian Human Rights Commission](#)

current and future governments to reflect on why previous efforts to reduce inequality have failed and to learn from these failures. Lack of engagement and/or meaningful inclusion of Indigenous people when designing and delivering interventions is recognised as a key problem. Senator Pat Dodson referred to this when he said, *“The track behind us is littered with the relics of policies, programs and projects that failed... mainly because they did not include Indigenous people in making the decisions.”*⁴²

Centrecare contributes to a collaborative research project called 100 Families⁵⁵ which is exploring entrenched disadvantages in Western Australia. The story of an Indigenous woman named Renna, a 100 Families participant, highlights how easy it is to fall into poverty and how difficult it can be to overcome. Following the death of her partner in 2014, Renna said, *“I lost my job. Once I lost my housing, I also lost my children, they were taken into care and eventually I lost my mind”*. She is grateful to have received social housing in 2017 as this allowed her to stabilise her life; she is now caring for her youngest daughter, studying social work, and actively contributing to the community by regularly sharing her lived experience. However, to retain her social housing Renna’s income cannot exceed \$28,000 per year and despite her contribution to, and good standing in the Western Australian community, Renna knows she is not an attractive tenant in a highly competitive rental market. She said, *“For every rental there are how many dozens and dozens of applications? A single woman who has previously lost her house, who doesn’t have full time employment – how am I an attractive tenant to anybody?”* She added, *“I’m barely keeping ends meeting, but I’m really stuck where I can’t afford to take on any of the work that’s being offered to me because then I go over my cap and I lose my security (housing). Every other stress is huge. Can I afford my medication? Is there enough food in the cupboard? Will I run out of petrol? I live in a constant state of stress.”* Renna said she and many others are *“stuck in a cycle of poverty”*.⁵⁶

Rural and remote communities.

The experience of poverty is closely connected to where people live and the resources which are collectively available in a particular locality. People living in regional and remote areas of Australia are more likely to experience poverty than people living in metropolitan areas. A key reason for this is that people living in regional and remote Australia have lower incomes and net worth compared to their metropolitan counterparts. Additionally, people living in regional and remote locations often face higher living costs, reduced access to services such as health, education, and transport, and fewer employment opportunities. These factors are compounded by the problems of distance and isolation.

On average, Australians living in regional and remote areas have shorter lives, higher levels of disease and injury, and poorer access to, and use of, health services, compared with people living in metropolitan areas. They are also less likely to have completed high school or have a university degree and are more likely to be unemployed compared to people living in metropolitan areas. People living in regional and remote areas also generally have lower incomes but pay higher prices for goods and services. In 2017–18, Australians living outside capital cities had, on average, 19% less household income per week compared with those living in capital cities, and 30% less mean household net worth.⁵⁷

As previously noted, people living in poverty commonly suffer greater levels of physical and mental illness. There is a strong association between socioeconomic status and death by

⁵⁵ [100 Families WA – 100 Families WA Official Website](#)

⁵⁶ [Housing rental 'crisis' entrenching West Australian tenants in 'cycle of poverty' - ABC News](#)

⁵⁷ Australian Institute of Health and Welfare. (2022). *Rural and remote health*. Retrieved from <https://www.aihw.gov.au/reports/rural-remote-australians/rural-and-remote-health>

suicide⁵⁸ which may help to explain why suicide rates are significantly higher in remote and regional areas. In remote areas of Australia, the suicide rate is 21.2 deaths per 100,000 people compared to 9.5 deaths in major cities, 15.9 in inner regional areas, and 18.5 in outer regional areas.⁵⁹

The high stress associated with living in poverty can also contribute to behaviour that increases health risks, such as smoking, poor diet, and excessive alcohol use and it has been established that people living in regional and remote areas are more likely to engage in these types of risky behaviours contributing to poorer overall health outcomes.

Additionally, people living in regional and remote Australia are more likely to face barriers to accessing healthcare. The cost of healthcare (including associated travel and accommodation) increases with remoteness. The combination of lower incomes and higher pressures on those incomes means that people in regional and remote areas are more likely to skip or delay medical appointments, treatments, tests, and medications because of cost. This, in turn further contributes to poorer health outcomes.⁶⁰

As noted previously, Indigenous Australians living in regional and remote areas are a particularly vulnerable cohort with more than 50% of Indigenous people living in very remote communities experiencing poverty. The high cost of food contributes substantially to the poverty experienced by Indigenous Australians in remote communities. A study into price differences between foods and beverages in remote Indigenous community stores and capital city supermarkets in the Northern Territory and South Australia found, *'Remote products were, on average, 60% (food) and 68% (beverages) more expensive than advertised prices for Darwin and Adelaide supermarkets, respectively'*. The same study notes, *'Indigenous people living in remote communities experience the poorest health and economic outcomes of any population group in Australia. Improving health and education outcomes are two government priorities aimed at addressing this inequality. Poor quality diet contributes importantly to the burden of disease and must be addressed if health and education targets are to be met'*⁶¹

Dr. Francis Markham from the Centre for Aboriginal Economic Policy Research said in remote areas food insecurity is becoming more prevalent and links this directly with poverty. He said, *"The greatest barrier facing residents in remote communities from having reliable access to affordable fresh and healthy food, groceries and other essential supplies is poverty. It is not a lack of food in communities which is the primary cause of food insecurity; it is a lack of money."*⁶²

(E) THE RELATIONSHIP BETWEEN INCOME SUPPORT PAYMENTS AND POVERTY.

As of June 2021, 5.4 million Australians over the age of 16 received income support payments.⁶³ The poverty line currently equates to \$978 per week for a single adult, \$1468 couple with no children, \$1272 for a single person with one child, \$1566 for a single person with two children, \$1762 for a couple with one child and \$2054 per fortnight for a couple with two children. As illustrated in the table below income support payments in all categories are below the poverty line. People in receipt of the Aged Pension and single people receiving Disability Support Pension are close to the poverty line, and when additional government supplements (pharmaceutical allowance, utility allowance, rent assistance, etc.) are added to the basic rates these people may sit on the poverty line. However, people in receipt of other government

⁵⁸ [Suicide by socioeconomic areas - Australian Institute of Health and Welfare \(aihw.gov.au\)](https://www.aihw.gov.au/reports/mental-conditions/suicide-by-socioeconomic-areas)

⁵⁹ [Suicide by remoteness areas - Australian Institute of Health and Welfare \(aihw.gov.au\)](https://www.aihw.gov.au/reports/mental-conditions/suicide-by-remoteness-areas)

⁶⁰ [nrha-factsheet-poverty-nov2017.pdf \(ruralhealth.org.au\)](https://www.rurhalhealth.org.au/nrha-factsheet-poverty-nov2017.pdf)

⁶¹ Ferguson, O'Dea, Chatfield, Moodle, Altman, Brimblecombe (2016) The comparative cost of food and beverages at remote Indigenous Communities. Australian and New Zealand Journal of Public Health, vol.40

⁶² ['Lack of money': 43% of Aboriginal people in remote communities have gone without food in past year | Indigenous Australians | The Guardian](https://www.theguardian.com/australia-news/indigenous-people/2021/jun/02/lack-of-money-43-of-aboriginal-people-in-remote-communities-have-gone-without-food-in-past-year)

⁶³ [Australia's welfare 2021 - Australian Institute of Health and Welfare \(aihw.gov.au\)](https://www.aihw.gov.au/reports/welfare/australia-welfare-2021)

payments are significantly below the poverty line, most notably young people under the age of 21 and students under the age of 25. Most parents who are unemployed or studying are also well below the poverty line even when Family Tax Benefit is taken into account. For example, a single parent of one child in receipt of JobSeeker and FTB Part A will receive \$866.36 per fortnight placing that family \$405.64 below the poverty line. Please note, the table below includes the 'basic' fortnightly rate for each government benefit and also the 'typical' rate. The 'typical' rate is inclusive of commonly paid additional benefits for each category.

Youth Allowance (under 21 or student under 25)				
Allowance	Single Basic \$562.80 Typical \$569.80	Single with child/ren Basic \$720.40 Typical \$729.60 *Also eligible for FTB	Couple Basic \$562.80 Typical \$569.80	Couple with child/ren Basic \$612.60 Typical 620.30 *One person eligible for FTB
Poverty Line	\$415.20 below	\$551.60 below (one child) \$845.60 below (two children)	\$905.20 below	\$659.40 below (one child) \$953.40 (two children)
Austudy (25 years and over)				
Allowance	Single Basic \$562.80 Typical \$569.80	Single with child/ren Basic \$720.40 Typical \$729.60 *Also eligible for FTB	Couple Basic \$562.80 Typical \$569.80	Couple with child/ren Basic \$612.60 Typical \$620.30 *One person eligible for FTB
Poverty Line	\$415.20 below	\$551.60 below (one child) \$845.60 below (two children)	\$905.20 below	\$659.40 below (one child) \$953.40 (two children)
Carer's Allowance				
Allowance	Single Basic \$936.80 Typical \$1026	Couple Basic \$773.80 Typical \$773.80		
Poverty Line	\$41.20 below	\$695 below		
Parenting Payment				
Allowance	Single Basic \$915.40 Typical \$934 *Also eligible for FTB	Couple Only one parent can claim. Other eligible for JobSeeker		
Poverty Line	\$356 below (one child before FTB)			
JobSeeker				
Allowance	Single Basic \$668.40 Typical \$677.20	Single with child/ren Basic \$718.60 Typical \$728.10 *Also eligible for FTB	Couple Basic \$608 Typical \$616.60 *One person eligible for FTB	Couple with child/ren Not specified
Poverty Line	\$310 below	\$553.40 below (one child) \$847.40 (two children)	\$860 below	
Disability Support Pension				
Allowance	Single (over 21) Basic \$936.80 Typical \$1026	Single (independent under 21) Basic \$562.80 Typical \$723.30	Couple (over 21) Basic \$706.20 Typical \$733.8	Couple (under 21) Basic \$562.80 Typical \$720
Poverty Line	\$41.20 below	\$415.20 below	\$761.80 below	\$905.20 below
Aged Pension				
Allowance	Single \$936.80	Couple \$1412.40		
Poverty Line	\$41.80 below	\$55.20 below		

The level of income a person receives is the *most significant factor* when it comes to poverty. Some working people are living in poverty, for example, people who receive low wages or who have insufficient hours of employment are at risk of poverty. However, people who rely primarily or entirely on government support payments are very likely to experience poverty. The above table demonstrates that all people in receipt of government support payments are living below or very close to the poverty line. With millions in our society relying on these payments, it is unsurprising that Australia has such a high rate of poverty.

The discrepancy between payment levels for different groups of people is hard to account for. A person aged under 21 living independently needs to pay for food and rent just as a person aged over 21 does. Similarly, living costs for an independent student under 25 or an independent person with a disability under 21 are no different for students aged over 25 or a person with a disability aged over 21 yet they are paid different rates.

Commenting on the situation for students, the National Union of Students said, "*Students are paying tax and held accountable under the law as adults. At the same time, they are not being paid the same rate or able to access (equitable) social security payments until they turn 22 (JobSeeker) or 25 (Austudy)*".⁶⁵ It is noted that Youth Allowance is indexed once a year while other "allowances" (not pensions) are indexed twice a year. This is a key reason for the discrepancy between Youth Allowance and JobSeeker. So, while the recent increase of \$32.40 to Youth Allowance is important, young people (unemployed and disabled under 21 and students under 25) are still paid significantly less than those in receipt of Austudy, JobSeeker or the 'adult' rate for Disability Support Pension.

The role of government in addressing, or failing to address, poverty is clear. For example, the Howard government benchmarked pensions to average weekly earnings in 1997, but kept other payments pegged to increases in inflation. For decades, there has been no real increase in unemployment benefits, while aged and disability pensions have been better able to keep up with average living standards. A decision made by the Rudd government in 2009 to increase the aged pension by \$32 per week resulted in a significant drop in poverty in people over 65, particularly single people⁴ but people in receipt of other government payments were left behind as exemplified by Pat, who said, "*I was homeless at 15. Youth Allowance meant that I didn't starve to death, but it did mean that on top of the challenge of finishing high school while essentially couch surfing and moving 11 times in my senior years, I was hungry. I didn't get any help to manage the allowance I received and I would often run out of food well before my next payment and drink water to try and fill up enough just to get to sleep. It also meant that I entered adulthood with a terrible credit history, as the allowance I had didn't stretch to cover electricity, rent and other bills. I spent hours each month in distressing phone calls begging for extensions from power companies etc. It just didn't stretch that far. It was time I could have been studying like my peers and doing better at school and university.*"¹⁶

The link between government support payments is undeniable. Dr. Peter Davidson, principal advisor at ACOSS said, "*The one single thing that could be done to lift millions of people out of poverty tomorrow, if the government was of that mind, is to lift the lowest income support payments. It's not that complicated*"⁸

This was demonstrated clearly when the government boosted income support during the early stages of the pandemic. A fact confirmed in ACOSS's 2022 report which states,

'Boosted income support pushed weekly social security payments for single adults with no private income from \$134 below the poverty line to \$146 above it. Single

⁶⁵ [Youth Allowance payments are going up. Here's why it's not all good news - ABC News](#)

parents with two children went from \$119 below to \$176 above the poverty line. Couples with no children went from being \$152 below to \$411 above the poverty line while couples with two children went from being \$187 below the poverty line to \$361 above it.’¹⁴

Whilst temporary, the increase to income support during this period made an enormous difference to the lives of many Australians including Kim, a participant in the 100 Families research project. Kim explained the additional money helped with her children’s education and assisted her to enter the workforce. Kim said,

“It made a big difference in my life, in my kids’ lives. I bought the kids a computer...I put money towards buying a car for myself. Eventually I got my licence. When things were going good, I was starting to get confidence in myself so got out there and got a job. Having that car helped me get a job.”

During the period of boosted income supports Centrecare, and other service providers observed a dramatic drop in the number of people seeking financial counselling services. At Centrecare there was almost no demand for financial counselling during this period. This suggests that many people seeking financial counselling do not have trouble managing their money, they simply do not have enough of it.

(F) MECHANISMS TO ADDRESS AND REDUCE POVERTY.

Political will.

Poverty is a complex and multifaceted issue that requires a collective and broad response. However, clear political will is fundamental to addressing and reducing poverty; without political will efforts to address poverty are likely to be fragmented and ultimately unsuccessful. That is, to successfully reduce poverty, the government must agree that poverty is a significant national concern and prioritise the issue accordingly. As such, an important first step for any government is to formally agree upon a definition of poverty, and then, to regularly measure poverty levels against this definition. From there a commitment to reviewing and revising policies related to poverty and disadvantage is required to ensure that policies are effective and efficient. Australian governments have not formally agreed on a definition of poverty. This may be due to a concern that doing so would result in increased accountability to reduce poverty. Not since the Hawke government has we seen a clear focus on the reduction of poverty as a political priority. This suggests that successive governments have not had the political will required to meaningfully address this issue. Centrecare is hopeful that the current inquiry is an indicator that the political will necessary to reduce poverty exists and that this will lead the current government to meaningfully address the issue.

Given that governments can shape public views and attitudes about complex issues, the language of poverty is closely tied to political will. As such, an important mechanism available to the government is to reframe the narrative surrounding poverty in Australia so that more people understand its complexities. The shame and stigma currently attached to poverty compounds the experience of people living in poverty and can be linked to the prevailing narrative that individuals are responsible for their situation. This narrative is unfair given the systemic underpinnings of poverty and the fact that many people live in poverty for reasons outside of their control. The government has an important role to play in shifting the prevailing narrative around poverty and the resultant negative attitudes toward the poor.

Recommendations.

- Federal Government to formally agree on a definition of poverty in Australia and thereafter commit to measuring and reporting poverty rates on an annual basis.
- Review and revise all policies related to poverty.

- When discussing poverty and related issues, acknowledge the complexities including the systemic underpinnings of poverty which can only be addressed by the government.

Income support.

Given the inadequacy of government support payments to keep recipients above or on the poverty line the most effective way to have an immediate impact on poverty is to raise the rate of income support, particularly JobKeeper, Youth Allowance, and Austudy. Additionally, benchmarking all government payments (not just pensions) against average weekly wages would result in a more equitable social security system moving forward. It's clear that payments that are benchmarked against CPI do not keep up with the cost of living and people in receipt of these payments are very likely to live in poverty.

Recommendations.

- Centrecare supports the call from ACOSS and the numerous organisations who support the 'Raise the Rate' campaign to permanently raise the rate of JobSeeker, Youth Allowance, Austudy, and other payments to be in line with the pension rate. For JobSeeker this means raising the rate from approximately \$48 per day (inclusive of the Energy Supplement) to \$73 per day.⁶⁶ Centrecare recommends all government support payments be benchmarked against averaged weekly earnings.

Housing.

Access to stable and affordable housing is key to reducing poverty. As discussed, housing costs in Australia have increased significantly in recent years and high housing costs are linked to poverty for many people. Policies that expand access to affordable housing will help to reduce poverty by reducing the burden of housing costs on low-income individuals and households. This includes increased social housing, increased support for people in private rentals, and targeted policies that recognise that housing availability and costs vary substantially by location. It is noted that the October 2022/2023 Federal Budget includes significant housing reform to deliver more social and affordable housing.⁶⁷ This includes a commitment to work closely with the states and territories but does not include a national strategy. It is noted that the states and territories are considered responsible for housing and homelessness, however, there is a need for a national approach. Centrecare acknowledges the commitments made by the government as both important and necessary although considers the number of social housing properties available to those in need presently as inadequate. Immediate access to social housing is necessary for people experiencing, or at risk of homelessness. This includes women and children who experience homelessness because of domestic violence. Whilst the government has committed to a range of measures aimed at making housing more accessible and affordable the measures do not include an increase to rent assistance for people in receipt of government support payments. Given the high cost of rental accommodation and the fact that renters are significantly more likely to experience poverty, there is a clear case for raising rent assistance (currently set at a maximum rate of \$70 per week for a single person).

Recommendations.

- Housing Accord (an agreement between federal, state, territory, and local governments) is welcomed however, a national housing and homelessness strategy is recommended. A national strategy would lead to better coordination, and more

⁶⁶ [FAQs - Raise The Rate](#)

⁶⁷ [National Shelter 2022-23 Federal Budget Analysis](#)

accountability and encourage investment in social and affordable housing. Additionally, Centrecare recommends raising the rate of rent assistance.

Cost of living.

Inflation rates in Australia hit 7.8% in December 2022, the highest rate since the 1990s.⁶⁸ In basic terms, this means the cost of living in Australia has gone up. The increased cost of essential items like food, housing, and utilities disproportionately affects people on low and fixed incomes as they are less able to absorb cost increases. Therefore, any measures the Federal Government can take to reduce living pressure costs for people on low and fixed incomes will help to reduce poverty.

Recommendations.

- The importance of raising the rate of government support payments and increasing rent assistance must be considered in the context of Australia's high (and increasing) living costs. Similarly, a review of minimum wages should be considered in this context.
- Centrecare recommended the government consider other policies and interventions that mitigate the cost of living pressures for people living on low and fixed incomes. For example, targeted 'cost of living payments to vulnerable people and families.

Education and childcare.

Policies that ensure equitable access to quality education for all will help to reduce poverty. It's important to note that education and educational disparity needs to be considered from the beginning of a person's life because children who start school developmentally are vulnerable and often never catch up. These individuals may never reach their full potential and as adults are more likely to be unemployed or work in low-paying jobs. The early years are critical for lifelong learning and well-being with rapid change occurring in children's brains in the first five years of life. As such, high-quality early learning and support, including childcare and targeted prevention and early intervention programs for at-risk young children and their families, is essential to addressing poverty. Centrecare acknowledges the government's commitment to early education reform, however, there are still barriers for poor families in accessing affordable early education.

As it stands, adults are actively discouraged from accessing higher education because the rate of Austudy (available to people over 25) is less than the rate of JobSeeker. The disincentive is even greater for independent young people under 21 who wish to study full-time as they are paid Youth Allowance which has a lower rate than both Austudy and JobSeeker.

Recommendations.

- Prioritise and increase funding for prevention and early intervention programs for educationally at-risk young children and their families. For example, the federally funded Communities for Children currently funds a range of programs including *Bringing Up Great Kids* playgroups which is an example of a successful early intervention program.
- Consider policies that remove barriers to early education for children from poor families including those reliant on government payments.

⁶⁸ [Australia's inflation hits 7.3%, the highest level since 1990, with interest rates now likely higher for longer | Australian economy | The Guardian](#)

- Raise the rate of Austudy to be at least as high as JobSeeker (and preferably bring the rate of JobSeeker in line with pensions). Make Austudy available to independent young people under 21. Additional incentives to encourage further education, particularly amongst disadvantaged individuals who would otherwise not consider further education could also be explored.

Health.

As discussed, people living in poverty experience a range of adverse health outcomes, and poverty itself can lead to poor health. Policies and services that expand access to quality healthcare, particularly for at-risk groups will help to reduce poverty by improving the health and well-being of low-income individuals and families. This includes ensuring all people have access to healthy and affordable food and can access appropriate and affordable medical care. Whilst Medicare is intended to ensure universal health care to all Australians, many doctors report that it is financially unviable for them to bulk-bill patients which means accessing affordable healthcare is not possible for everyone and is particularly problematic for people living with a disability or chronic illness. A shortage of doctors in some parts of Australia exacerbates health inequality, particularly among people living in regional and remote areas.

Recommendations.

- Subsidised food for people living in regional and remote Australia.
- Review bulk-billing availability for people on low incomes and implement policies and strategies to increase the number of doctors who bulk-bill.
- Reduce health inequality by increasing the availability of doctors in regional and remote Australia.

Child Poverty Reduction Act.

Children are disproportionately impacted by poverty compared to other population groups. Poverty harms children not just in childhood but across their lifespan and children are more likely than adults to be living in poverty in Australia. Experiencing poverty in childhood significantly increases the risk of adult poverty. Given the above, if the government is serious about addressing and reducing poverty, it makes sense to focus specifically on reducing child poverty.

Following bi-partisan support for the Bill, New Zealand introduced a Child Poverty Reduction Act in 2018 and the most recent data (2020/2021) shows a downward trend on all child poverty measures compared to the 2018/19 baseline data. Other countries have introduced legislation with a similar focus on children.

Recommendation.

- Centrecare recommends the introduction of a Child Poverty Reduction Act.

End.