



Anti-Poverty Week Submission to Senate Community Affairs Committee re Social Services and Other Legislation Amendment (Strengthening the Safety Net) Bill 2023, 03/07/23

Dear Committee Members

Thank you for the opportunity to provide a submission to the Inquiry into this important legislation. ***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.

Anti-Poverty Week accepts the invitation to walk with our First Nations brothers and sisters in seeking a Voice to Parliament enshrined in the Constitution. Long overdue, it's simply the right thing to do. It's also the smart thing to do, as we can't work together to tackle their poverty without their voice. As Catherine Liddle, CEO of the Aboriginal and Torres Strait Islander children's peak, SNAICC, has said "*When you look at all the investigations ... as a result of the despair that we see in our communities, they all point to poverty - and that poverty absolutely is rooted in a lack of self-determination.*"

We welcome key elements of the legislation, especially increasing the age of eligibility for Parenting Payment Single to 14 (from 8), and the increases in Commonwealth Rent Assistance and JobSeeker and some related working age payments. In particular, we have called for an increase in JobSeeker and related payments since we refreshed our strategy in [early 2019](#). In 2023, our key actions to reduce poverty are summarised in our submission to the Senate Inquiry into Poverty [here](#). As we said in evidence to that Inquiry: "*The pandemic and associated lockdowns shone a light on what is important for us as a society. It was a time when millions of Australians experienced the pain of having our health, income, freedom, our connection to others, maybe even our hope for a better future, diminished and constrained. Poverty does all of that. Living in poverty is like living in a permanent lockdown.*"

While not contained in this legislation we also welcome the abolition of Parent's Next and its replacement with a voluntary co-designed program. We advocated for this approach in Ministerial and backbench meetings ahead of the Budget.

However, we are extremely concerned that the legislation does not do enough to reduce poverty in Australia, especially child poverty. The payment increases of \$40 a week and a 15% increase in Commonwealth Rent Assistance are far too small to unlock poverty for the millions of individuals and families affected. In particular, we do not understand why the Federal Government has chosen to exclude Parenting Payment Single from the \$40 a

fortnight increase which will be provided to all other Working Age Payments. This means 453,000 children living in 218,000 single parent families will miss outⁱ. This is nearly four times the number of families (57,000) who benefit from the increase in eligibility until the youngest child turns 14.

The Parenting Payment Single has been categorised as a Working Age Payment since the Rudd Government decoupled it from the pension when it excluded the payment from the \$30 a week pension increase in 2009. (While the Howard Government replaced the Sole Parent Pension with the Parenting Payment Single in 1998, the payment remained at pension levels until 2009). The Morrison Government ensured that all Parenting Payment Single recipients received the Coronavirus Supplement and the permanent increase of \$50 per fortnight which replaced it in April 2021. The very welcome and overdue eligibility for Parenting Payment Single change which increases the age of the youngest child from 8 to 14 should not be a reason to exclude them (and those with younger children) from this small but still important increase. Nor should the fact that Parenting Payment Single is already set at a higher rate than single JobSeeker. This is necessary due to the cost of children which are not adequately covered by family benefit payments. Single parents also have higher costs than single or couples without children due to the need to obtain housing with at least two bedrooms. The latest ACOSS/UNSW [Poverty in Australia 2023: Who is affected](#), found in 2019-20, 72% of people relying on parenting payments were at risk of poverty, higher than the rate for Jobseeker Payment (60% of people) and Youth Allowance (34%).

We note that the ACOSS/UNSW report also found poverty was more than 3 times higher for children living in **single parent families** than couple families (39% compared with 12%). Analysis of the Household, Income and Labour Dynamics in Australia ([HILDA](#)) Survey by Professor Roger Wilkins (“[The declining wellbeing of Single Parents in Australia in the 21st century](#),” UNSW Seminar 10 May 2022) found that

- Single parents are twice as likely to be caring for a child with disability – 16% compared with 8% of partnered parents. Bringing up a child with disability can be incredibly rewarding but also incredibly challenging – it can lead to relationship breakdown.
- Single parents also had poorer health and increased prevalence of disability themselves.
- Melbourne Institute survey *Taking the Pulse September 2022* confirmed that among single-parent households with children...almost 64% have sought out cheaper food options, compared with 56% of all Australians. Almost 34% deferred bills or negotiated payment plans, a quarter have borrowed from friends or relatives, 24% have cancelled or deferred medical appointments and 15% have pawned or sold possessions. “*Although these strategies are also present among partnered households with children, the prevalence is much lower in comparison to single-parent households with children.*”

And we know that poverty, like violence is gendered

- In Anti-Poverty Week 2022, our partners the [Life Course Centre](#) found the risk of financial hardship for **single mothers is at least double** that of partnered mothers. This has been the case for the past **20 years**. The proportion of single mothers in financial hardship has not dropped below approximately **30% in the past 10 years**, (2010-2020), except for a brief period when the Coronavirus Supplement was paid.

(see Anti-Poverty Week, [Still Too Much Child Poverty in the 'Lucky' Country](#), October 2022.)

- Anti-Poverty Week has also found that while 80% of all Australian single parent families are female, more than 95% of the poorest single parent families, those who rely on Parenting Payment Single, are headed by women.
- See also [New data confirms that poverty and homelessness, like violence, is gendered - Anti-Poverty Week \(antipovertyweek.org.au\)](#); [Women's Ministers Must Address Poverty and Homelessness - Anti-Poverty Week \(antipovertyweek.org.au\)](#) [New evidence shows stark link between financial hardship and violence for women – prompts calls for increased payments - Anti-Poverty Week \(antipovertyweek.org.au\)](#)

As we said in The Canberra Times on 12 May: “*Single parents sacrifice their own needs every day to ensure the best for their children. Investing in single parents means investing in our children.*”

Too many families relying on payments cannot afford to live in rental housing, and there is still not enough social housing available, so they are increasingly at risk of homelessness.

Being able to grow up in a stable secure home is crucial for all children to thrive and do well, but the latest census data from 2021 shows that we have an increasing number of children experiencing homelessness. A quarter of people without homes are now children aged under 18 years and 68%, or nearly 83,000 homeless people, are women and children under 18 years.

Family payments have been raided by successive governments and they don't make up for the extra costs of raising children. The child support scheme is also a major problem contributing to high rates of child poverty. Cutting Parenting Payment Single recipients out of the Budget's very modest increase is a mean and unnecessary decision.”

Why focus 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. (see Appendix A for more data on the extent and impact of child poverty in Australia).

We urged our parliament to pass legislation to halve child poverty by 2030, with measurable targets and actions to achieve this goal. In 2023 remain committed to ending child poverty in Australia.

As we stated in our submission to the Early Years Strategy: “To treat all of Australia's children fairly, we need to ensure every family has what they need. The Federal Government and Parliament needs to reduce child poverty through its Early Years Strategy, its Measuring What Matters/Australian Wellbeing Framework and in its forthcoming May Budget.

Actions the Parliament could take immediately include:

- Increasing the adequacy of JobSeeker 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 familyⁱⁱ. Restoring access to Parenting Payment Single until the youngest child turns 16 would also immediately reduce the number of our children living in poverty.
- We also strongly urge the Early Years Strategy to examine and include family payments, child support, homelessness and family violence as critical aspects of government policy affecting child poverty.

See also these relevant Anti-Poverty Week briefings, submissions and Fast Facts

- [Measuring Child Wellbeing Matters - Treasury Submission - Anti-Poverty Week \(antipovertyweek.org.au\)](https://antipovertyweek.org.au), February 2023
- [Senate Inquiry into Poverty Hearing 27 February - Anti-Poverty Week \(antipovertyweek.org.au\)](https://antipovertyweek.org.au), February 2023
- Anti-Poverty Week, [Still Too Much Child Poverty in the 'Lucky' Country](https://antipovertyweek.org.au), October 2022
- [New Zealand Tackles Child Poverty - Anti-Poverty Week \(antipovertyweek.org.au\)](https://antipovertyweek.org.au), October 2022
- Fast Facts: [Child & Family Poverty](https://antipovertyweek.org.au), August 2022
- See also www.antipovertyweek.org.au

More about Anti-Poverty Week

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](#).

See also www.antipovertyweek.org.au

Yours sincerely

Toni Wren, Executive Director

On behalf of **Anti-Poverty Week**

For more information contact Toni at ed@antipovertyweek.org.au

Appendix A: Extent and impact of child poverty in Australia

[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](#) 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. There was no improvement in the 2022 report.

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.

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.”

Specific evidence that money matters for children’s outcomes

We note The Centre for Community Child Health’s submission (#10) to the [Senate Inquiry into the Nature and Extent of Poverty](#). The Centre for Community Child Health is one of Australia’s leading research and policy centres focused on understanding and redressing childhood inequities. As they state, *“the early years are the time when investment into prevention and early intervention is most effective and cost-effective.*

*“While the mechanisms are complex, **increased household income benefits children directly through better food, stable housing, and healthcare (the ‘investment’ model), and indirectly through improved parent mental health and capacity (the ‘family stress’ model).**”*

***If early disadvantage including poverty is redressed, half of child health and developmental problems in middle childhood can be reduced** (Goldfeld et al., 2018). This includes a 59% reduction in socio emotional problems, a 55% reduction in learning problems and a 49% reduction in physical functioning.*

They cite recent experimental research from the [Baby’s First Years](#) study in the United States has shown that financial supplements promote babies’ brain activity. Infants of mothers in low-income households receiving \$333 in monthly cash support were more likely to show faster brain activity after one year, in a pattern associated with learning and development at later ages. Released on 24/1/23, this is some of the first evidence to demonstrate the direct impact that income supplements can have on child brain development. *Because of the randomized controlled trial design, the authors were able to distinguish correlation from causation, concluding that **giving money directly to mothers living in poverty can translate to changes in their infants’ brain activity.***

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**. They concluded *“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.”ⁱⁱⁱ*

In Australia we conducted our own experiment into increased income for families via the Coronavirus Supplement in 2020. The [ABS Household Survey conducted in September 2020](#) showed over 70% used the Supplement to pay household bills. A [survey](#) of over 600 recipients conducted by the National Council of Single Mothers and Their Children as part of their [550 Reasons to Smile](#) campaign found the Supplement provided hope, health and improved mental health. Nearly 9 in 10 mothers said it reduced stress and anxiety as they could pay their household bills; 7 in 10 said their family was healthier due to having enough food to eat and healthier options and nearly 2 in 3 said they were sleeping better, not waking up due to money stress. *“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](#).

The **ACOSS/UNSW Sydney Poverty and Inequality Partnership** [report-Covid, inequality and poverty in 2020 & 2021](#) found that during the first ‘Alpha’ wave of the COVID-19 pandemic in 2020, Australia halved poverty and significantly reduced income inequality, thanks to a raft of Commonwealth Government crisis support payments introduced to help people survive the first lockdown. Among sole parent families (both adults and children) poverty was **reduced by almost half**, from 34% to 19%.

“The period during the Covid-19 pandemic when income support payments were lifted was hugely beneficial to children and their families. We saw less anxiety about whether families could meet their basic needs such as food, heating, and shelter. We saw reduced suicides as a result. Income support payments should be set at a level that supports individuals and families to live with dignity and meet their basic needs.”

[Child Health Statement by AMA, ACOSS, ACAH, ARACY, MCRI, RACP](#), 22/2/22

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 from poverty. Government remains the most significant player in addressing disadvantage.”* (Glyn Davis, *On Life’s Lottery*, Hachette Australia, 2021)

ⁱ Data from [DSS Demographics](#), March 2023.

ⁱⁱ 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.