

CHAPTER 11

CHILDREN IN POVERTY

The long-term effect and cost of the rising incidence of child poverty is substantial on the individual and the community, and we must address it if we are to provide and sustain a healthy and vibrant and economical and viable society and break the cycle of poverty for all Australians.¹

11.1 Those experiencing child poverty suffer both short and long-term effects. In the short term there may be stress, hardship and deprivation from insecure housing conditions, lack of food and basic amenities. There is often social isolation and exclusion through lack of funds for school excursions, sporting activities and what many Australians regard as normal social activities enjoyed by families. In the long-term, poor educational achievements limit employment opportunities and may sentence those who have suffered child poverty to a life long struggle to just survive. This has significant economic impacts for government, undermines social cohesion and reduces our overall national capabilities.

11.2 This chapter looks at the extent of child poverty in Australia, the reasons for child poverty and its impact on individuals and society.

Children in poverty – an overview

11.3 As discussed already in this report, there is considerable debate over how to measure poverty. This applies equally to the measurement of child poverty.² Research using three different income poverty lines, estimated the number of children in poverty in 2000 as: 479,000 (half median income poverty line); 743,000 (half average income poverty line); and 1,037,000 (Henderson poverty line).³ The costs of housing also impact on the number of children in poverty, with poverty rates rising when housing costs are taken into account (see Table 11.1)

11.4 . Child poverty varied across jurisdictions with children in New South Wales and Victoria having the highest risk of poverty (39.4 per cent and 38.5 per cent respectively) and Western Australia the lowest (23.3 per cent).⁴

1 *Committee Hansard* 1.5.03, p.136 (Knox City Council).

2 See Bradbury B, 'Child Poverty: A review', Social Policy Research Centre, Report No 3/03, November 2003 for a discussion of the measurement of child poverty.

3 NATSEM expressed reservations about the updating of the Henderson poverty line over time and that there are grounds for believing that the line is set too high.

4 *Submission* 163, p.67 (ACOSS).

Table 11.1: Extent of child poverty in Australia in 2000, NATSEM/Smith family estimates

Poverty line	Henderson Poverty Line (traditional approach)	50% average income	50% median income
<i>Extent of poverty (not accounting for housing costs)</i>			
Children in poverty	1,037,000	743,000	479,000
% of children	20.8%	14.9%	9.6%
<i>Extent of poverty (accounting for housing costs)</i>			
Children in poverty	1,316,000	1,142,000	848,000
% of children	26.4%	22.9%	17.0%

Source: Submission 163, p.66 (ACOSS).

11.5 On average in 1997-98, poor children lived in families whose income was 28 per cent below the poverty line, an improvement from both the 31 per cent recorded in 1982 and the 30 per cent recorded in 1995-96 (using the half average income poverty line).⁵

11.6 Between 1982 and 1997-98, child poverty rose using the Henderson poverty line but declined using the half median and half average income poverty lines:

- Henderson poverty line: the poverty rate among dependent children rose from 19.5 per cent in 1982 to 22.7 per cent in 1997-98;
- half median income poverty line: indicated that poverty fell from 13.1 per cent in 1982 to 8.8 per cent in 1997-98 which translated to a one-third fall in child poverty rates; and
- half average income poverty line: indicated that 14.2 per cent of dependent children were in poverty in 1997-98, down from 17.4 per cent in 1982.⁶

11.7 Harding and Szukalska noted that improvements in government programs were an important reason for the decrease in the proportion of children in poverty during the 1980s and the beginning of the 1990s. These programs included:

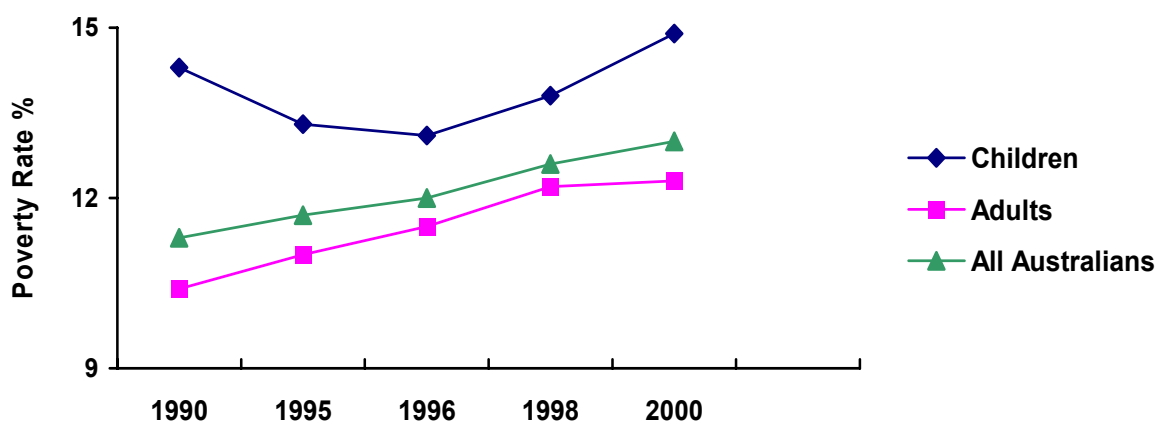
5 Harding A & Szukalska A, 'Social Policy Matters: The Changing Face of Child Poverty in Australia, 1982 to 1997-98', Paper presented at the 7th Australian Institute of Family Studies Conference, July 2000, p.27.

6 Harding & Szukalska 2000, pp.7-8; Harding A, Lloyd R & Greenwell H, *Financial Disadvantage in Australia 1990-2000: The persistence of poverty in a decade of growth*, Smith Family, 2000, p.5.

- greater generosity to assist low income working families with children such as family income supplements;
- increases in social security pensions;
- increases in allowances for example, rent assistance and the extension of rent assistance to a wide-range of low income families with children who rented privately; and
- the introduction of the Child Support Scheme.

11.8 However, it was found that there appeared to be an increase in child poverty in the late 1990s (see Figure 1).⁷

Figure 1: Estimated poverty rates, 1990 to 2000, using before housing half average income poverty line



Source: Harding, Lloyd & Greenwell, *Financial Disadvantage in Australia 1990-2000*, p.4.

11.9 Comparing the poverty lines for child poverty between 1990 and 2000, this apparent increase was stronger when the poverty line was set at half average income rather than half median income (see Table 11.2). This outcome appears to be partly due to average income increasing more rapidly than the median income. The growth in average incomes appears to have been primarily driven by increases in higher incomes. The incomes of unemployed families with children fully dependent on social security increased by much less, thus creating a wider gap between the incomes of the poor and the incomes of the very affluent. It was concluded that 'it is the rising incomes of the affluent that are generating much of the growth in the half average income poverty line, and thus the increase in poverty rates apparent in the 1990s'.⁸

7 Harding & Szukalska, 2000, p.26.

8 Harding, Lloyd & Greenwell, p.6.

Table 11.2: Estimated rates of child poverty, 1990 to 2000, before housing costs

Poverty rates	1990	1995	1996	1998	2000
Half average income poverty line	14.3	13.3	13.1	13.8	14.9
Half median income poverty line	9.0	8.4	8.7	8.5	9.6
Henderson poverty line (comparable to above including all families)	16.8	23.7	26.2	24.1	25.3

Source: Harding, Lloyd & Greenwell, pp.5, 35.

11.10 A further matter explored by Harding and Szukalska was the impact of housing costs on child poverty as housing is a very significant component of most families' budgets and a necessity of life. Their research has shown that using an after-housing measure of poverty is likely to make an important difference to child poverty estimates as couples with children have higher than average housing costs and sole parents have lower than average housing costs.⁹

11.11 It was found that when using half average before-housing income as a poverty line, child poverty fell some three percentage points from 1982 to 1997-98. But using half average after-housing income as the poverty line, child poverty changed little – from 22 per cent in 1982 to 21 per cent in 1995-96. This is due to a change in the characteristics of children in poor families, with some social security dependent families with relatively low housing costs being lifted above the poverty line and being replaced by working poor families with relatively high housing costs brought about by costs of purchasing a home.¹⁰

11.12 A number of other studies have also shed light on child poverty in Australia. Some of these are outlined in a study by the Brotherhood of St Laurence which found that income for 15 to 18 year olds who were not classified as dependents had declined over time. An OECD study published in 1999 indicated a decline in the relative position of families with children in Australia, while a UNICEF study concluded that children are at greater risk of poverty than adults in Australia. However, most studies found that there were fewer families with children living substantially below the poverty line.¹¹

11.13 It appears that while some families move in and out of poverty over time, a large majority experience long-term financial hardship. The Brotherhood of St Laurence's Life Chances Study found that 74 per cent of the children in the study

9 Harding & Szukalska, 2000, p.24.

10 Harding & Szukalska, 2000, pp.24-25.

11 McClelland, A, 'No child...' *Child poverty in Australia*, April Brotherhood of St Laurence 2000, pp.21-25.

whose families were on low incomes when they were babies in 1990 were still living on low incomes when they were aged 11 and 12.¹²

11.14 Evidence received by the Committee also provides other indicators of the extent of child poverty. For example, the Australian Federation of Homelessness Organisations (AFHO) noted that SAAP data identified 50,800 children (of which 90 per cent were under the age of 12) accessing homelessness services in Australia in 2001-02. AFHO stated 'this is a damning statistic and underlies the necessity for the Commonwealth to fully and actively address the experience of poverty and homelessness by children'.¹³

11.15 Anglicare Tasmania, using the definitions of unemployed head of the family, sole parent head of family and eligibility for the Low Income Card, calculated that in Tasmania 24,730 children are dependent on parents who fall into the categories identified by Harding and Szukalska. This is around 25 per cent of the 0-15 year olds in Tasmania. It does not include those children whose parents or carers are dependent on a range of other Centrelink benefits.¹⁴

11.16 While it has been acknowledged that government programs have improved the lives of many children, it was noted by Harding, Lloyd and Greenwell that 'irrespective of the poverty line used...results indicate that Australia has not been successful in reducing poverty in the 1990s, despite falling unemployment'.¹⁵ UnitingCare Burnside went further, stating that 'the numbers of children in Australia living in poverty are significant and unacceptably high'.¹⁶

Characteristics of children in poverty

11.17 Harding and Szukalska provided a snapshot of the average dependent child living in poverty in Australia:

- lives with both of their parents, both of whom have no educational qualifications;
- is aged less than 13 years;
- lives with one or two brothers or sisters;

12 *Submission 98*, p.5 (BSL).

13 *Submission 57*, p.16 (AFHO).

14 *Submission 92*, p.7 (Anglicare Tasmania).

15 Harding, Lloyd & Greenwell, p.6.

16 UnitingCare Burnside, *Because Children Matter: Making a case for addressing child poverty in Australia*, June 2003, p.14.

- has Australian born parents who have bought or are buying their own home;
- has at least one parent who is earning income, but with earnings being low due to (primarily) self-employment or (less often) low wages; and
- lives in a family whose principal income source is government cash benefits.

11.18 Harding and Szukalska also commented that 'the impact of the labour force and sole parent status of the parents of poor children is critical.' Using employment and family characteristics the researchers were able to group all poor children into one of four categories:

- the head of their family is unemployed;
- the head of the family is a sole parent;
- one or both of their parents is self-employed; or
- one or both of their parents earns wages and salaries but is part of the 'working poor'. Two-thirds of those belonging to this group have a parent who is a 'low wage earner'.¹⁷

11.19 Other characteristics of poor children include:

- children where the prime source of income is government income support;
- children in public or private rental accommodation;
- one or more members of the family are employed in part-time work;
- parents have not attained some level of post-secondary education;
- Indigenous children; and
- children with parents from certain non-English speaking backgrounds.¹⁸

Sole parent families and couples with children

11.20 The impact of more generous provisions for sole parent families can be seen in the decline in the rate of poverty of children living in sole parent families. In 1982, children living in a family headed by a female were three times as likely to be in

17 Harding A & Szukalska A, 'A portrait of child poverty in Australia in 1995-96', Paper presented at the 6th AIFS Conference, Melbourne, 26 November 1998, pp.25-26.

18 McClelland, p.2.

poverty as children living in families headed by a male. By 1997-98, they were about twice as likely to be in poverty. Similarly, the poverty risk of children living in families where their parent was 'separated and divorced' fell from 42 to 20 per cent between 1982 and 1997-98.

11.21 The improvement in the number of children at risk of poverty in families headed by a female was not only due to increases in social security payments but also changes in child support arrangements. The proportion of all children living in sole parent families who benefited from child support payments rose from only 12 per cent in 1982 to 31 per cent in 1997-98. Harding and Szukalska estimated that had the scheme not existed, child poverty could have been 1.2 per cent higher, representing 58,000 children.¹⁹

11.22 However, while government initiatives have improved the position of sole parents over the last decade, sole parent families still face the greatest risk of poverty. While the poverty rate of sole parent families fell from 28.0 per cent in 1990 to 21.8 per cent in 2000, it still means that more than one in every five Australians living in sole parent families is in poverty. Children in intact families face about half the risk of being in poverty of children in sole parent families.²⁰

11.23 Evidence to the Committee pointed to a number of factors which contribute to the poverty rate in sole parent families. First, sole parents face greater barriers in finding employment. These include low educational attainment and, for women who have been out of the workforce, lack of up-to-date skills. Sole parents often work in part-time or casual jobs in order to meet parenting responsibilities. Sole parent may also face problems with accessing suitable and affordable child care as they do not have a partner to share child care and must rely much more on paid child care.

11.24 Secondly, it was argued that income support payments are inadequate to meet the needs of sole parent families, particularly those with older children, and did not recognise the higher costs of separated households. The Brotherhood of St Laurence, while noting that the introduction of the Child Support Scheme has helped to share the cost of raising children between custodial and non-custodial parents, stated that the costs are still higher for separated families than for those living together.²¹

11.25 Thirdly, a number of submissions argued that child poverty had increased because of changes to family payments. The National Council of Single Mothers and their Children (NCSMC) stated that the risk of poverty for single parent households had increased over the past few years due to:

19 Harding & Szukalska, 2000, pp.16-17.

20 This estimate is based on the before-housing half average income poverty line. Harding, Lloyd & Greenwell, p.7; Harding & Szukalska, 1998, p.17.

21 *Submission 98*, p.14 (BSL).

- the introduction, in July 2000, of splitting family payments between separated parents on a proportionate hours basis thereby reducing the level of financial support to primary carer households for every hour the other parent has contact with the children;
- the 1999 reduction in the ceiling of payee disregarded income before child support obligations of payers are reduced;
- the 1999 increase in exempt child support income for payers and for payers sharing care of a child; and
- the rise in child support debts to payees following the dismantling of compulsory collection practices and the introduction of 'endless flexibility' without consequences for recalcitrant payers.²²

11.26 Sole parents and poverty is discussed further in chapter 10.

11.27 Couples with children had a poverty rate of 12.2 per cent in 2000. The risk of poverty for families increases as the number of children in a family increases. For example, those with three or more dependent children families are about twice as likely to be in poverty as those with only one child – 19 per cent versus 8.6 per cent. The poverty risk among couples with children has risen by about one fifth during the 1990s.²³

Unemployment and low wages

11.28 A key factor influencing the likelihood of a child being in poverty in Australia is the labour force status of their parents. The growth in employment between 1992 and 2002 benefited families with dependent children. The number of couple families with dependent children aged 14 years and under and both parents employed increased by 89,900. The number of employed sole parents with children 14 years and under employed increased by 97,500.

11.29 During the same period the number of sole parent families with no parent employed grew by 73,600. In contrast, there was a decrease of 44,800 in the number of couple families in which neither partner was employed.²⁴

11.30 Mission Australia stated that in 1993, 18.8 per cent of all children aged under 15 were in families where no one worked. This figure dropped slightly in 2001 to 17.9 per cent. In 1993, 10.8 per cent of children living in couple families had neither parent employed. By 2001 this figure had dropped to 7.5 per cent which means that

22 *Submission 101*, p.1 (NCSMC).

23 Harding, Lloyd & Greenwell, pp.7-8.

24 AIHW, *Australia's Welfare 2003*, p.220.

about 704,000 children aged 15 and under are growing up in families where no one worked.²⁵

11.31 Harding and Szukalska showed that using the half average poverty line, in 1995-96, children living in a family where there was no parents earning an income faced a one in three chance of living in poverty (36 per cent of children). The risk of living in poverty fell once one or both parents were working: 9 per cent where there was one parental earner and 7 per cent where there were two parental earners. After taking housing costs into account the figures increased to 53 per cent, 18 per cent and 12 per cent respectively.²⁶

11.32 While the risk of poverty was higher in those families where there was no parent earning an income, the majority of children living in poverty had one or two parental earners in their family. Children whose parents were self-employed faced a poverty rate of 17 per cent while those whose principal income was wages and salaries faced a poverty rate of 5 per cent. However, only a relatively few children live in self-employed families. In addition, Harding and Szukalska stated that while many self-employed parents do experience great financial hardship, there was also some concern that the income of such families may not always accurately reflect their standard of living.²⁷

11.33 The poverty rate of 5 per cent for children in families earning wages and salaries represented an estimated 163,000 children in working poor families. This was an increase of 46,000 children in working poor families between 1995-96 and 1997-98, an almost 40 per cent increase. As a result of these trends, children living in working poor families represented almost one-quarter of all dependent children in poverty by 1997-98.²⁸ The 'working poor' is discussed more extensively in Chapter 4.

Families receiving government benefits

11.34 Since the 1980s, there have been a number of major reforms which have assisted families with children. In the early 1980s rent assistance and additional payments for children were available only to social security beneficiaries and longer term sickness beneficiaries. Low income families received only a relatively small family allowance payment.

11.35 The family income supplement was introduced in May 1983 to provide extra assistance for low income working families with children. In 1987, a single family

25 Mission Australia, *Building resilient families*, Snapshot, 2002, p.1.

26 Harding A & Szukalska A, 'Trends in Child Poverty in Australia: 1982 to 1995-96', Discussion Paper no.42, April 1999, pp.32-35.

27 Harding & Szukalska, 1999, p.21.

28 Harding and Szukalska, 2000, p.22.

allowance supplement was introduced for all low income families with children, which substantially increased payment levels. This was followed by further policy changes including the extension of rent assistance to all recipients of sickness allowances, to most unemployed people and to low income working families with children in private rental accommodation.

11.36 Family Tax Initiatives have been introduced since 1996. Family Tax Benefit A is paid to low and middle-income families with dependent children under 21 years of age and/or dependent full-time students aged 21 to 24. The payment is subject to an income and assets test. Family Tax Benefit B provides assistance to single-income families including single parents. Parenting Payment is an income support payment for one parent with responsibility for caring for a child under 16 years of age. In 2002 there were 620,300 recipients (1,168,500 children) receiving the maximum rate of FTB A and 570,700 sole parents (965,200 children) and 300,400 couple families (638,800 children) receiving the maximum rate of FTB B.²⁹

11.37 While these government initiatives reduced the risk of child poverty, particularly for children in sole parent families and large families, children living in families reliant on government income support still have a high probability of being poor. In 1997-98, children living in families whose principal income source was government cash benefits accounted for 63 per cent of all dependent children living in poverty. This represented a total of 442,000 children.³⁰ NATSEM research estimates that for all families, the poverty rate for those receiving government cash benefits in 2000 was 31.1 per cent, an increase from 23.9 per cent in 1990. AFHO stated 'the proportion of families on government benefits in poverty highlights the absolute inadequacy of payment levels to families'.³¹

Children with parents from non-English speaking backgrounds

11.38 Research suggests that the children of migrants from Asia generally face a poverty risk which is about one-third to one-half greater than that for children with Australian-born parents. The highest child poverty rates are among migrants of South and Central America, Middle Eastern and Northern Africa backgrounds, with rates reaching as high as 25 per cent. The highest poverty rates among children of migrant parents were among families who arrived in Australia before 1981, possibly reflecting 'the changing balance in Australia's immigration policy since 1980 between domestic, humanitarian and international, and economic criteria leading to growing numbers of "skilled" immigrants who have a higher likelihood of success in the Australian labour market'.³²

29 *Australia's Welfare 2003*, p.224.

30 Harding & Szukalska, 2000, p.22.

31 *Submission 57*, p.16 (AFHO)

32 Harding & Szukalska, 1998, p.24.

Children living in poverty

Until recently I had no clear picture of just what that phrase [child poverty] meant. What it means is that my children and many more besides are unlikely to reach their full potential due to the increasing inequality in Australian society. This is not due to lack of parental effort but the reality is that income support payments are below the poverty line to begin with. Intelligence and diligence will not change the reality that:

- My children have fewer sporting and cultural opportunities.
- My children are discriminated against due to our family status.
- My children are disadvantaged in life simply because I cannot afford to provide the same opportunities that other families can.
- The level of education I can afford for my children will differ from those who do not live in a Sole Parent family.
- Due to the reality that income payments are already below the poverty line our government in effect keeps my children in poverty.
- The Child Support Agency is not always effective and contributes to higher levels of poverty due to their inability to collect financial support from the children's father.

Submission 38, p.9 (Ms J Maynard).

11.39 The Committee received much evidence on the experiences of children growing up in poverty. First and foremost inadequate income means that families have great difficulty in meeting the basic costs of living.

It certainly is about income. To give you an example, one of our families living in the northern suburbs has an income level of \$27,000 per year and four children. Education costs in February of this year were \$8,000 to send their children back to school. You cannot tell me that that is financial hardship; that is poverty. A family on \$27,000 a year cannot afford \$8,000 to send four kids back to school at the beginning of the year. That is not a choice decision; that is the reality.

Committee Hansard 30.4.03, p.39 (Anglicare Victoria).

They talk about the painful decisions that people on low incomes have to make: the choice between a carton of milk and paying for a school excursion; the sense of failure that families face in having to tell their children that they cannot have a pair of shoes, they cannot go on excursion, they cannot participate in normal activities. The stress is a huge factor, leading to poor health, breakdown in relationships and family instability.

Committee Hansard 2.5.03, p.212 (TASCOSS).

11.40 For those living in poverty, there is constant juggling of money just to pay for the things that families need: food, accommodation, clothing, education, transport, health care and recreation. Unexpected expenses such as repair bills or health costs can be a major disaster for low income families who more often than not have no

savings. The constant struggle impacts on families causing extra stress and sometimes conflict.

My mum makes \$194 a week and she's got four kids to feed. It's just not enough. She's got enough to put food in the kids but then she's got nothing left and when the electricity bill comes in they have to eat less food...

Submission 133, p.4 (UnitingCare).

All those negative thoughts you have because you have no money – the kids pick up on it. They say things like: 'Why can't we have a tin of Milo?' How do you say, 'This is all I've got'?

Submission 32, p.12 (Tasmanian Catholic Justice and Peace Commission).

11.41 Children in poverty find their quality of life eroded. They often suffer from great material hardship and have very few possessions, very little clothing and very few educational toys or books. Children living in poverty often miss out on experiences that many other Australian children enjoy – entertainment, participating in sport or clubs, taking music and dance lessons. Treats or little luxuries that provide much needed enjoyment or relief for a family under pressure are not an option for a family choosing what bill to pay and what food they can afford to purchase.

They just do not send their children on the days when there are excursions. They just stay home. I have spoken to mothers. I used to live in Port Willunga...and we had one primary school there. About 10 kilometres away there was another primary school in Willunga. Some parents did not send their children to our local school. For whatever reason, there was no school bus, there was not really public transport that was going from one village to the other so the parents had to drive their children. If there was no petrol, the kids would stay home. That would happen regularly at the end of the fortnight. That is where the \$200 was missing when the budget came in. You save petrol money if you do not take them to school.

Committee Hansard 29.5.03, p.29 (Australian National Organisation of the Unemployed).

My daughter goes to Ogilvie High [publicly-run girls' high school] – that's our choice. But the uniform breaks us. You have to have special socks, pants, blazer. We buy it all second hand and sell it as soon as she's grown out of it but it still costs a fortune and she's growing fast. My daughter is very musical but we don't have any money for music lessons. There's no money for school trips or singing lessons. She'd love to be in the school choir but if you are, you have to travel. We can't set aside the \$1-2000 they ask for. It makes me feel really guilty as a father. My daughter is very confident because we've worked hard to help her be like that. She could do these things. Having to say no is heartbreaking for her and us.

Submission 32, p.8 (Tasmanian Catholic Justice and Peace Commission).

11.42 Children in poverty often feel different from their peers. Isolation and exclusion reinforce poor social skills as there is no money for activities which other

children take for granted. The Tasmanian Commissioner for Children provided a graphic example of the way in which poverty extends beyond even poor social skills:

The most impoverished section of the community are children because they are the most invisible...their parents are least able to articulate that huge disadvantage they have because their poverty boils down even to the language. They are not able to articulate. For example, when I went to talk to a young person in a juvenile justice centre I asked him his date of birth. He looked at me blankly till one of his friends jabbed him in the ribs and said, 'When is your birthday, mate?' He had not heard the term 'date of birth'. That was not part of his vocabulary. That kind of entrenched poverty is even in language and they cannot articulate it.³³

11.43 Many submissions expressed concern that the life potential for children growing up in situations of poverty is diminished as a direct result of being poor.³⁴ Children in poverty lack choice and have fewer options.

11.44 Poor families must live in areas where housing is more affordable, and families may move to a different area to find cheaper housing. In doing so, they may find accommodation but have to move away from friends and their support networks. Areas of cheaper housing also have less developed community and health services, few job opportunities and poorer public transport. Lower-income areas are more likely to experience high rates of crime and more poorly resourced schools. This increases the sense of isolation that many low-income families feel and reinforces the lack of life choices for parents and their children.

Whilst experiencing a reasonable level of poverty myself, I am also acutely aware of the issues faced by those who are in the community of Bidwill...Up to 69% of residents live in Public Housing and a high percentage rely on Centrelink benefits.

There is extreme socio-economic disadvantage in Bidwill, which has a high concentration of Sole Parents, low incomes, high unemployment and low levels of education and qualifications. There is a large population of ATSI backgrounds and there is a growing number of Pacific Islanders in the community. There are high rates of crime in this area and many in the community live in fear. Due to the fact that these people must rely on Public Housing and Centrelink benefits they are trapped and unlikely to improve their lives or the lives of their children. The cycle of alcohol and drug abuse will pass from generation to generation because in effect, they live in slum conditions. This is not the only public housing estate of its kind in Sydney and NSW.

Submission 38, pp.2-3 (Ms J Maynard).

33 *Committee Hansard 2.5.03, p.266 (Tasmanian Commissioner for Children).*

34 See for example, *Submission 133, p.5 (UnitingCare Australia).*

11.45 Of most concern are the poor educational achievements and diminished opportunities suffered by children in poverty. UnitingCare Burnside stated 'much has been made in recent years about the importance of parental choice in education. Poverty makes a mockery of such statements'.³⁵ Low income families do not have a choice of school: their children must rely on the public education system and because of transport costs, must rely on the closest public school rather than the one best suited to the needs of their child. This can lead to lifelong disadvantage with early school leavers often unable to find employment, thus perpetuating the cycle of poverty.

11.46 Poverty contributes to isolation and exclusion. Isolation arises through housing choice: as already noted, poor families are restricted to low cost areas where poor transport makes getting around difficult. If families have moved away from family and friends, they have fewer support networks and their sense of isolation increases. In the private rental market, housing is less secure and families may move frequently, thus making it extremely difficult to build networks. As UnitingCare Burnside noted 'at the most extreme end, child and family homelessness makes it extremely difficult to maintain any stable connections with people or place'.³⁶

11.47 The discussion in Chapter 7 on school education noted that children living in poverty often feel isolated and excluded within the school environment: their families lack money for books, uniforms, computers, participation in sports or excursions.

11.48 Children from poorer families are less able to afford to go out with friends or keep up regular social contacts. They have less pocket money than other children and don't have the same toys or games. Children living in poverty may feel unable to invite friends home because they live differently to their friends. One parent described this situation:

Like my daughter, she has friends who come from fairly well off homes and I find that after a while the friendship cools off. The others can do this and do that but she can't and it affects the relationships.³⁷

11.49 UnitingCare Burnside concluded that 'as poverty isolates it robs people of their sense of connection to others and diminishes their motivation, energy and capacity to contribute to the wider community'.³⁸

11.50 Children in poverty are also exposed to greater risks than other Australian children, ranging from insecure accommodation and the threat of homelessness to poor physical and mental health. Families suffering hardship are placed under

35 UnitingCare Burnside, p.18.

36 UnitingCare Burnside, p.19.

37 *Submission* 133, p.5 (UnitingCare Australia).

38 UnitingCare Burnside, p.19.

enormous stress which may lead to violence, to marriage breakdown and mental health problems. Children in poverty may live in families where drug and alcohol abuse are present, and where there is criminal and anti-social behaviour. The impact of these risks on children, as the most vulnerable members of the family, is often profound leading to life long disadvantage and hardship for themselves.

The impact of poverty on children

Children are vulnerable and dependent, and the effects and impacts of poverty can so easily stultify and distort their future lives by robbing them of opportunities to develop their potential.³⁹

11.51 There have been numerous studies on the impact of poverty on children and a range of adverse outcomes have been identified.

11.52 In the area of learning and educational attainment studies both in Australia and overseas indicate that child poverty has a detrimental impact on achievement. The research indicated that children living in poverty have reduced cognitive development and score lower IQs, the latter being particularly apparent for children exposed to poverty early in life. There are problems in adjustment and lower school achievement. Children who experience poverty are more likely to experience learning difficulties and developmental delays. Poor families do not always have access to educational resources such as books and computers. Parents are less likely to read to their children and to foster an expectation of educational achievement and life-long learning.⁴⁰

11.53 Other research cited by UnitingCare Burnside identified children's situations that magnify the negative education impacts of poverty, including:

- children whose parents have chronic psychiatric illness or a drug and/or alcohol problem;
- children where English is not spoken at home and where parents have little education themselves and may be illiterate in their native language;
- children living in multi-problem families (violence, drug abuse, mental illness) where parents are overwhelmed and not coping; and
- Indigenous families and communities where poverty is entrenched and pervasive.⁴¹

39 McClelland, p.7.

40 UnitingCare Burnside, pp.22-23; McClelland, pp.16-17; *Submission* 98, p.24 (BSL).

41 UnitingCare Burnside, p.23.

11.54 Children living in poverty have poor overall health and grow into adults who have a greater risk of poor health. Disadvantaged children have:

- higher rates of prematurity and low birth weight;
- higher rates of infant mortality;
- increased rates of sudden infant death syndrome;
- increased rates of accidental and non-accidental injury and death;
- lower rates of immunisation;
- lower prevalence and duration of breast feeding;
- increased rates of developmental delay; and
- increased rates of hospitalisation.⁴²

11.55 Children with the highest burden of oral disease are more likely to be from a lower socioeconomic background, reside in rural areas or be of Indigenous origin. Nationally, boys aged 0 to 14 years from poorer areas are 20 per cent less likely to have gone to the dentist in the previous 12 months than boys in richer areas, girls were 40 per cent less likely.⁴³

11.56 UnitingCare Burnside also reported that children in poverty are at significantly greater risk of developing mental health and behavioural problems such as delinquency, depressive and anxiety disorders, substance abuse etc. A West Australian study found that as parental income fell, the incidence of mental health problems increased: an average of 15 per cent of the children in the upper three quintiles of income suffered mental health problems, the proportion increased in the lowest two quintiles to 19 per cent and 25 per cent respectively.⁴⁴

11.57 There is evidence that poverty and associated disadvantage are significant factors in youth suicide. Studies have shown that those in low paid jobs - where there is low job autonomy and lower promotional prospects, tend to have higher suicide rates. It was also found that youth suicide is related to unemployment, greater dependency and poverty. Burnside concluded that 'while it needs to be remembered that there are significant other influences on suicide, notably mental health concerns,

42 UnitingCare Burnside, p.25.

43 *Submission* 185, p.20 (Tasmanian Government).

44 UnitingCare Burnside, p.24.

the significance of poverty including the vulnerability it creates to other problems, should not be discounted'.⁴⁵

The impact of poverty on children's health – A service providers perspective

Within the last two weeks on a local housing estate we have experienced an epidemic of impetigo and scabies in children, from babies to teenagers. There were small babies covered in weeping sores which were aggravated by an underlying scabies infection which made them scratch and was extremely painful. There were babies who had lived with this condition for months. These children were living in households of up to 15 on a high-density housing estate. Many of their parents had poor English and had not accessed health care cards as they were unaware of their entitlements, or language and cultural barriers had prevented them from attending Centrelink...

Public transport to get to medical attention is expensive, as the only accident and emergency services are located in areas such as Wollongong or Shellharbour, which require an expensive private bus trip, one which parents could not afford. Even if they accessed their local doctor, many did not have Medicare cards for bulk-billing, and anyway they could not afford the medication. So children went untreated. Barnardos, when it became aware of this situation, approached the public health system to attempt to address the problem. They had no services which could meet these children's needs. There was no public health response, due to lack of resources, so no assistance was given.

We managed to convince a local general practitioner to visit our community centre on the estate in his lunchtime, see the 15 children who attended on that day, and issue scripts. Luckily, the department of community services very generously agreed to pay for the \$500 worth of scripts that were required for these 15 children and treatment could then progress. We had workers supervising the initial treatment for families to make sure it worked. The average cost per script was \$40 for three medications necessary to treat the illness, a charge which was way beyond affordability for these families.

Our concern is what happens next time. This was a response to a crisis which worked this time for the 15 children involved. It worked because of the personal networks staff had in the area to pull services together at short notice...On this same estate we have experienced long periods of head lice outbreaks, leading to disruption in children's education, as do the impetigo and scabies. We have searched for dollars to purchase head lice treatment, to no avail. In the end, because parents cannot afford the treatment, they shave their kid's heads. Children who attend the schools are then taunted and teased because they are bald and dirty. The consequence is that they do not attend school. Untreated childhood diseases which are a direct result of family poverty affect children's education. Simple childhood diseases should not disable our children.

Committee Hansard 2.7.03, pp.918-99, Barnardos Australia - South Coast NSW.

The impact of poverty on children's health – A GPs experience

If I had to give a kind of stereotyped chronology of what I see happens with my patients and I look at just an 18-year cycle, what I can see is a patient who might have sporadic antenatal care because their mother does not get proper antenatal care, they are not breast fed or are only breast fed for a week or two, they are put onto cow's milk too early and are then put onto solids and given largely a sugar and trans-saturated fat diet. Then by preschool and when I see them—when they are four or five or younger—they have terrible teeth, which are like a window to their health. They have dental caries, recurrent upper respiratory tract infections, otitis media and a kind of obesity we are seeing now among the poor...

There is no one-on-one language development for many of these kids and no books. There is an environment of violence at home, late nights, no sleep and sporadic attendance at school, with them leaving school at grade 8 or 9 or 10 virtually illiterate and virtually innumerate...

As GPs we see that on a daily basis, and there are some points to take from that. We tend to be brought up with the notion that people get obese because they eat too much good food, whereas what is being evidenced now in the literature is that people are eating too much junk food and getting fat but they are malnourished. Despite the fact that they are overweight, they are malnourished because of a large diet of sugar in various forms—soft drinks and so forth—and transsaturated fat intakes. There is a lot of evidence to suggest that peri-natal nutrition—nutrition during the first few months of life—is vitally important to long-term health care.

Committee Hansard 4.8.03, p.1220, Dr Theo van Lieshout (an Ipswich GP).

11.58 Poverty places great strains on family relationships and children may be living in households suffering from dysfunctional relationships. Poverty also undermines parenting with studies finding that economic and social stress leads to parents being less nurturing and more rejecting of their children.⁴⁶

11.59 Children living in poverty have a higher incidence of child abuse and neglect and their parents have poorer parenting skills.⁴⁷ As noted by the Child and Family Welfare Association of Australia (CAFWAA), 'while most poor families do not abuse or neglect their children...research collectively identifies poverty as the single most significant condition connected to child abuse and neglect'. For example, in the United States a survey of child abuse reports made to central registries found that nearly 60 per cent of families involved in abuse incidents had been on welfare during or prior to the study year.⁴⁸ Barnardos also pointed to studies that confirm a marked relationship between the rates of abuse and neglect and socio-economic group: children from the

46 UnitingCare Burnside, p.25.

47 *Submission 70*, (Barnados Australia); *Submission 109* (Child & Family Welfare Association of Australia Inc).

48 *Submission 109*, p.6 (CAFWAA); see also *Submission 129*, p.35 (Qld Government).

lowest socioeconomic groups suffering a greater incidence of abuse and neglect. This finding was confirmed by Barnardos own analysis of its abuse prevention programs which revealed that over 70 per cent of clients were dependent on pensions or benefits.⁴⁹

11.60 Other evidence supported these findings. CAFWAA noted that a South Australian study of abused children in sole parent families found that in 54 per cent of cases involving the mother and 44 per cent of cases involving the father, the parent was receiving a pension. In Victoria a study found that most parents of children in care of the Department of Human Services were receiving a pension or benefit.⁵⁰ In NSW, a study found that rates of physical abuse were two and a half times higher in the bottom 4 per cent of post code areas (identified in terms of socioeconomic variables) than the 6 per cent of postcodes immediately above.⁵¹

11.61 While noting that parenthood can at times be stressful, Barnardos stated that 'financial resources can make the difference as to whether or not behaviour towards children remains socially acceptable'. Poverty affects parents' relationship with their children because of social isolation, lack of access to information about parenting and conditions of the parent-child interaction (attitudes in childrearing, which includes a sense of hopelessness and predisposition to violence). Social isolation leaves children vulnerable as parents get little relief through emergency support; there is a lack of social policing; and there is a lack of emotional and practical support. Poverty also means that parents can not afford babysitting, quality child care or social or sports activities. Parents in poverty are also more likely to suffer from ill health and to have children who are ill. UnitingCare Burnside concluded that:

Under these circumstances it is understandable that some parents have a less informed or unrealistic understanding of parenting and children's behaviour. When these obstacles are compounded by significant additional burdens such as substance abuse or mental illness the tasks of parenting can seem insurmountable and family life becomes a landscape of unrelenting trouble.⁵²

Social and economic costs of child poverty

11.62 UnitingCare Burnside identified many of the social and economic costs of child poverty:

49 *Submission 70, Attachment Child Poverty and Social Exclusion, and its impact on the welfare of Children and Young People in Australia*, updated Feb 2003, p.4 (Barnardos Australia).

50 *Submission 109*, p.7 (CAFWAA).

51 UnitingCare Burnside, p.26.

52 UnitingCare Burnside, p.26.

- learning difficulties and delayed cognitive development increases costs of special education and remedial education services in pre-schools. In later life there are substantial costs associated with school failure, reduced school retention rates, lower employment, productivity and taxation revenue and increased income support payments and other costs associated with unemployment;
- costs associated with mental health problems and behavioural difficulties include provision of specialist teachers for students with behavioural problems, costs of community mental health services, GP services, and in-patient and out-patient mental health and psychiatric services;
- lower health status results in higher utilisation of many health services including GPs, community health services and hospitals;
- ineffective parenting results in increased direct and indirect costs across a broad spectrum of services; and
- child abuse and neglect carries an enormous financial cost. Costs include expenditure on government agencies having statutory responsibility for child protection and investigation of child abuse and neglect. There are also costs for police, courts and very significant costs related to the provision of out-of-home care.

11.63 The South Australian Government estimated that in 1995-96 \$355 million was expended because of child abuse and neglect. This included \$2 million by welfare, health, education and justice agencies in responding to known incidence of child abuse and neglect; \$10 million in responding to child abuse and neglect not reported to child protection agencies; and \$303 million in further costs including disability, injury and the subsequent effects on the future parenting ability of the child.⁵³

11.64 Witnesses also pointed to the broader economic and social costs of child poverty. They argued that children who live in poverty and who do not reach their full potential as a result of privation, lack of educational attainment and motivation represent a lost opportunity for economic growth. In particular, leaving school early adversely impacts on the human resources available to the economy. The 'human-capital' potential of the children may never be realised to benefit the economy. The Tasmanian Commissioner for Children for example, pointed to Taiwan, Korea and Singapore where there has been significant investment in education resulting in expanding economies.⁵⁴

53 *Submission* 187, p.8 (South Australian Government).

54 *Submission* 106, p.12 (Office of the Commissioner for Children).

11.65 In addition, lost opportunity costs caused by child poverty may have a greater impact in the future with the growth of 'knowledge economies' where the capacity for creativity and innovation will be key ingredients. These ingredients are dependent on human and intellectual resources. Unitingcare Burnside concluded:

[We] would like to emphasise that providing resources will be most important where children's developmental opportunities are most compromised, ie for children and families in poverty. To maximise our nation's capacity for growth and innovation we need a healthy, competent population across all socio-economic levels.⁵⁵

11.66 There is also a social cost in child poverty. Isolation and dislocation in childhood through poverty undermines connections with community and institutions in that community. The social fabric of society is undermined. The SDA argued that the well-being of families is crucial to the well-being of the nation. As such, 'there is an overwhelming need for government to put in place strategies to support families. Such strategies must be designed to build social capital by promoting families and extending their capacity to function effectively'.⁵⁶

11.67 Witnesses also pointed to the cost of intergenerational poverty where there is a cycle of deprivation.⁵⁷ Children living in poverty are more likely to experience adult poverty with a huge cost to society generally. There was evidence from welfare agencies that two and even three generations of families were being assisted by agencies.

Responding to child poverty

National approach

11.68 The process of child poverty is complex and the solutions are also complex, going far beyond simply increasing government income support. It was argued that a fundamental step in alleviating child poverty (and poverty generally) is the development of a long-term comprehensive plan to address child poverty. Such a plan would enable a national approach to be taken and encompass both the Commonwealth and State and Territory Governments in consultations with key stakeholders. It would require commitment and the development of long-term, comprehensive goals. CAFWAA proposed that:

...in terms of a national strategy, we put to the inquiry that there is a glaring need for a national approach to reducing levels of child poverty. The costs are far too high for the individuals concerned and for society at large. In

55 UnitingCare Burnside, p.30.

56 *Submission 50*, p.33 (SDA).

57 Saunders quoted in *Submission 117*, p.24 (Catholic Social Services Victoria).

saying that, obviously we are not suggesting that that is simply or easily done, but it does require a national approach, a holistic approach, and it will require leadership from the Commonwealth to develop and implement that strategy.

CAFWAA stated that a national plan must address simultaneously the structural systemic issues as well as the particular personal obstacles that a lot of families are facing.

So it is about a strategy that addresses clearly matters of low family income. Low family incomes need to be lifted in absolute and in relative terms. The access to services for poor families, particularly access to affordable housing, is critical as well as access to health and education. As well as those systemic issues, we have to inevitably put in place targeted programs for poor families...to address some of the major personal barriers that they experience, that have often come from their impoverished circumstances: issues to do with family violence, issues to do with mental health, difficulties in their role as parents and parenting effectively and so on.⁵⁸

11.69 UnitingCare Burnside also recommended that consideration be given to positioning aspects of a national plan to address child poverty within a broader national early childhood development strategy. The impact of poverty in early childhood is discussed further in Chapter 7. UnitingCare Burnside also recommended that consideration should be given to the instigation of a Children's Futures levy (similar to the Medicare levy) in order to raise funds for the enhancement of all Australian children's developmental opportunities including children living in poverty.⁵⁹

11.70 National child anti-poverty plans have been developed overseas. In both the United Kingdom and Ireland the commitment to the eradication of child poverty has been at the forefront of the political agenda. In Britain, between 1979 and 1997, child poverty rose significantly: from 14 per cent to 33 per cent (defined as children living in households with equivalised incomes below 60 per cent of the median after housing costs). There was also evidence that living standards were not being maintained and international comparisons demonstrated that the UK was not faring well compared to Europe and the OECD.⁶⁰

11.71 In 1999, the UK Government announced that it was on a twenty year mission to 'end child poverty forever'. Child poverty would be reduced by 25 per cent by 2004

58 *Committee Hansard* 26.5.03, pp.342-43 (CAFWAA).

59 UnitingCare Burnside, p.31.

60 Adelman, L, 'Role Reversal: Child Poverty in Australia and Britain', *SPRC Newsletter*, No.84, October 2003.

and 50 per cent by 2010, and to eradicate it by 2020. The first phase of the program would see 1 million children removed from poverty.⁶¹

11.72 Child poverty is not being tackled in isolation; young people, working age people, older people and communities are also being targeted. To do so, the UK Government is developing benchmarks and indicators to monitor progress in the achievement of its anti-poverty objective and has established government bodies and consultative mechanisms that are tasked with developing policy to that end. Specific strategies for different groups have been identified, including:

- investing in the crucial early years and education to break the cycle of deprivation;
- building a proactive welfare system which helps people into work;
- tackling the problems of low income and social exclusion among pensioners; and
- ensuring core public services address the special needs of deprived areas.⁶²

11.73 One program targeted to children, the SureStart program, works to deliver the best start in life for every child. It brings together early childhood education, health and family support.⁶³

11.74 Government benefits for children have been increased substantially in real terms, with rates for children aged under 11 rising by 80 per cent. In April 2003, the Child Tax Credit (a means tested allowance paid to persons who are responsible for at least one child or qualifying young person) was introduced. The Child Tax Credit is made up by two different elements, the family element and the child element. The rate of child element for each child depends on the circumstances of each child in the family with extra amounts for children who are disabled.

11.75 Since the introduction of anti-poverty programs in the UK, poverty has declined, with child poverty reduced to 30 per cent. This is the lowest level in the UK since 1991. However, the Government has been warned that the rate of decrease in child poverty will have to increase in order to meet the 2004 target. This is partly due to the increasing national income which impacts on the measure of poverty used – the contemporary median income poverty line. This poverty line increased by 15 per cent in real terms between 1998 and 2002.⁶⁴ The UK Government has responded by

61 Timmins, N, *Child tax credit 'needs to rise'*, Financial Times, 1 November 2003.

62 *Submission 163*, p.26 (ACOSS).

63 Mission Australia, 2003, p.4.

64 Adelman, p.4.

seeking consultations on the measurement of child poverty to establish a poverty measure that 'commands widespread support'.

11.76 In 1997, the Irish Government adopted through their National Anti Poverty Strategy explicit targets for the reduction of poverty in the areas of educational disadvantage, unemployment, adequacy of social transfers, disadvantaged urban areas and rural poverty. The Irish NAPS is discussed further in Chapter 18 on future directions where the Committee has also made recommendations on a national strategy to alleviate poverty in Australia.

Initiatives to reduce the incidence and impact of child poverty

11.77 Submissions contained many specific recommendations directed at alleviating child poverty. It was noted that those measures which impact generally on poverty will aid children: reducing unemployment rates and improving wages. Many witnesses pointed to the need to ensure that government income support was adequate to the needs of families with children. It was argued that inadequate income is a key feature of the experience of poverty. As so many families receiving income support are in poverty it was recommended that the level of income support be lifted. UnitingCare Burnside recommended that all benefits should have parity with the base aged pension rate.⁶⁵

11.78 Witnesses also pointed to the role of education in overcoming child poverty. Improved levels of educational attainment not only ensure that parents are less likely to be unemployed, higher levels of educational attainment by children now living in poverty will help them into employment and ensure a higher quality of life in adulthood. The Committee considers education is one of the fundamental issues in breaking the cycle of poverty and it is discussed in detail in chapter 7.

11.79 The Committee also received much evidence on the benefit of integrated programs which aim to provide integrated support for children and their families. Many of these programs are delivered by welfare and community organisations. They target specific communities and provide a continuum of care and support. Their aim is to ameliorate the impact of poverty on many levels.

11.80 Three services initiatives were recommended by UnitingCare Burnside:

- development of a system of multi-component early parenting support and education programs for families at risk;
- quality children's services (long-day care and pre-school) must be made more accessible to disadvantaged families; and
- expansion of intensive family services for families with more entrenched and complex problems.

65 UnitingCare Burnside, p.32.

11.81 Multi-component parenting support and early education programs are aimed at at-risk families. UnitingCare Burnside stated that such a system does not currently exist in Australia and pointed to the Head Start Program in the United States and SureStart in the UK as examples of programs instigated overseas. For those beginning in infancy, outcomes of these programs have produced some substantial improvements including better school attendance; improved behaviour for children and for parents improved nurturing attitudes to children; greater confidence as parents; and adoption of less punitive approaches to discipline.

11.82 SureStart is part of the UK Government's drive to tackle child poverty and social exclusion, by improving the health and well being of families and children before and after birth, so children are ready to flourish when they get to school. By 2004, 500 SureStart programs were established in neighbourhoods with the highest level of poverty focussing on improving social and emotional development, improving the ability to learn, improving health and providing nurturing advice. The Government committed £898 million for programs in England between 2002 and 2004.

11.83 SureStart services bring together universal, free, early education and more and better child care with greater support where there is a greater need through children's tax credit, children's centres and SureStart local programs. Local programs are as varied as the areas and communities that they serve and each is unique and develops services and facilities that parents of under fours have identified as being needed. Some examples of programs include:

- employment, training and confidence building through support and resources to encourage and enable employment, for example, providing IT training with childcare facilities;
- post natal support projects to support children under four and their families in the target area; and
- book and toy bus project that provides a service that welcomes and encourages the youngest reader.

11.84 Over the past decade, welfare agencies have sought to go beyond providing just immediate assistance to children in poverty and have established family support and early intervention programs to reduce the impact of poverty. Mission Australia stated that there are more than 10,000 such programs. At the State and Commonwealth level there has also been a move toward early intervention. Examples include the Victorian Government's *Best Start Strategy*, the *Families First Strategy* in New South Wales, Tasmania's *Together* strategy, Queensland's *Families: Future Directions* and the Commonwealth's *Stronger Families and Communities Strategy*.

11.85 Community agencies provide many programs. For example, UnitingCare Burnside pointed to its Intensive Family Based Service where each staff member works with two families with a high number of contact hours per week. It was stated this service are very positive with one study indicating that the risk to children

participating had been decreased by 81 per cent. However, this is one of the few programs of this type available to families with complex needs.⁶⁶

11.86 UnitingCare Burnside argued that there was a need for an intensive program to provide services in disadvantaged areas with a high incidence of child abuse and neglect and a high rate of entry of children and young people into care. Such a program would be of great benefit to Indigenous communities where there are high rates of entry of children and young people into care.

11.87 Mission Australia's *Pathways to Prevention Project* targets preschool age children, their families, schools and community with early intervention programs designed to help children make a successful transition from home to school. A suite of early intervention programs have been developed and implemented within a community development framework.⁶⁷ Mission Australia commented:

Mission Australia is convinced that the development of adequate early intervention and prevention strategies available at the known steps of social and economic disadvantage and at significant life transition points would significantly reduce the impact of poverty for many Australians...

Mission Australia are also aware that the responsibility for addressing the issue of poverty is not solely with governments. Our experience with the Pathways to Prevention Project and other joint ventures is that the best solutions are based on effective partnerships between government, non-government, universities and the private sector. Involvement of non-government and other sectors should not be seen as an alternative to government initiatives but as a means by which government can add value to their programs.⁶⁸

Conclusion

11.88 Child poverty remains a critical issue in Australia. While progress in reducing child poverty was made from the mid 1980s to the mid 1990s, it now appears that child poverty is again on the increase. The Family Tax Initiatives have failed to maintain the downward trend of child poverty rates. Research shows that using the half average income poverty line, child poverty fell from 14.3 per cent in 1990 to 13.1 per cent in 1996 and rose to 14.9 per cent in 2000. This means that some 743,000 children were living in poverty in 2000.

11.89 Of particular concern to the Committee is the level of child poverty in families termed the 'working poor'. In 1997-98 there were 163,000 children in working poor families. This is a much larger number than previously estimated.

66 UnitingCare Burnside, p.45.

67 *Committee Hansard* 4.8.03, pp.1210-15.

68 *Committee Hansard* 4.8.03, p.1215 (Mission Australia).

11.90 The Committee endorses the calls for addressing child poverty as a national priority. The cost of not doing so is too great. First, to have 15 per cent of all Australian children living in poverty is far too high. This means that nearly one in seven children are going without those things that other Australian children take for granted: adequate food, shelter and clothing; access to books, computer facilities and family outings; the opportunity to undertake activities outside school such as sport and music lessons; and to have an optimistic outlook that as an adult in Australia they will have a job that provides them with economic security and a family that does not just survive but flourishes.

11.91 Secondly, the cost of child poverty is far too high for children in poverty, their families and the Australian economy and society. Children suffer through poor health, from dysfunctional families and often abuse and neglect. Poverty is associated with behavioural difficulties, low educational attainment and juvenile offending. Isolation and lack of opportunity compound these problems. There are direct costs to the economy of larger health, social welfare, education and criminal justice expenditure. Indirectly, there are lost opportunity costs to the economy as children do not meet their full potential and costs to society through inequality and the erosion of social cohesion and the overall diminished capabilities of the population.

11.92 The Committee considers that child poverty must be addressed as a national priority. While it is important to address the inadequacy of family incomes through greater employment and adequate income support, the problem of child poverty is more complex. There also needs to be a co-ordinated approach to providing services and programs to disadvantaged areas. These services and programs need to cover intensive services for children and families at risk; the provision of adequate housing; early intervention programs; early childhood programs and improving educational opportunities.

11.93 Longer term preventative and early intervention programs are important to breaking the cycle of intergenerational poverty. Targeting children and young people at risk to improve their long term outcomes through family support, early childhood education and prevention are a significant key to lasting improvements.

Recommendation 43

11.94 That the Commonwealth, in cooperation with the States and Territories, develop a comprehensive system of community-based early childhood and parenting support for all families.

Recommendation 44

11.95 That the Commonwealth and State and Territory Governments cooperate to ensure that additional intensive services are funded for disadvantaged families experiencing multiple and complex problems which impact on the care of children. Further, that the provision of such services in Indigenous communities be given a high priority.

Recommendation 45

11.96 That the Commonwealth conduct an audit of existing rules relating to parents receiving income support payments to ensure these do not place children at risk of hardship.

Recommendation 46

11.97 That the Commonwealth develop and implement a community education campaign for new parents aimed at improving the nutrition of children.