

Committee Secretary  
Senate Standing Committees on Community Affairs  
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Canberra ACT 2600

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21 February 2023

To the Committee Secretary,

Please find enclosed the Antipoverty Centre submission to the Senate Community Affairs References Committee inquiry into the extent and nature of poverty.

It is frustrating and exhausting to be constantly called upon by government to do the labour of explaining that which is simple and unchanging.

This submission is not comprehensive, and focuses on a summary of recommendations with a selection of supporting research and statistics. We refer the committee to the following attachments, which are a selection of our past contributions to parliamentary and government processes about policies that cause poverty, and cause harm to those of us who live it:

- A. Our letter of 10 December 2022 to Ministers Chalmers and Rishworth regarding the Economic Inclusion Committee
- B. Submission to the 2022 Treasury consultation on the Employment White Paper
- C. Submission to the Select Committee on Work and Care 2022 inquiry
- D. Submission to the *Fair Work Amendment (Equal Pay for Equal Work) Bill 2022*
- E. Submission to the *Social Services Legislation Amendment (Enhancing Pensioner and Veteran Workforce Participation) Bill 2022*
- F. Submission to the 2022 Department of Social Services review of Disability Employment Services, prepared on behalf of People with Disability Australia
- G. Submission to the 2021 senate inquiry into the purpose, intent and adequacy of the



Disability Support Pension, prepared on behalf of People with Disability Australia

- H. Submission to the bill inquiry for the *Social Services Legislation Amendment (Strengthening Income Support) Bill 2021*, prepared on behalf of the Australian Unemployed Workers' Union
- I. Submission to the bill inquiry for the *Social Services and Other Legislation Amendment (Extension of Coronavirus Support) Bill 2020*, prepared on behalf of the Australian Unemployed Workers' Union

We urge the committee to consider this body of work as a whole, and treat the information, stories and recommendations in these documents as equally significant for the purposes of this inquiry.

It is also our intention to table additional documents when we appear at the inquiry hearing in Canberra on 27 February and to make a supplementary submission containing contributions from the hundreds of people we work with in our community of antipoverty activists and advocates.

For enquiries related to this submission please contact [team@antipovertycentre.org](mailto:team@antipovertycentre.org).

A handwritten signature in black ink, appearing to read 'Jay Coonan', written in a cursive style.

Regards,

Jay Coonan  
Research and policy  
Antipoverty Centre

# Not left behind, but held back

Antipoverty Centre submission to the submission to the Senate Community Affairs  
References Committee inquiry into the extent and nature of poverty | February 2023

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## Acknowledgement of Country

The Antipoverty Centre acknowledges the First Peoples of this unceded continent, who have been custodians of Country for thousands of generations, as its rightful owners. First Peoples have connections to place, land, waters and community that have been unbroken for 120,000 years.<sup>1</sup> We recognise Indigenous sovereignty and the cultural significance inherent in these connections; historical and contemporary.

We pay respect to Elders past and present and stand with all First Peoples in the quest for land back, self-determination, justice and truth-telling in the face of ongoing colonial violence, including that inflicted through racism in the welfare system, carceral system and labour market.

## About the Antipoverty Centre

The Antipoverty Centre was established in May 2021 to counter problems with academics, think tanks, charities, bureaucrats and others in the political class making harmful decisions on behalf of people they purport to represent. We are a collective of activists, advocates and researchers with direct, contemporary experience of poverty and unemployment.

We have deep expertise in poverty because we live it. We defend and fight for the rights of people like ourselves who experience violence at the hands of an economic system designed to oppress us. It is our mission to shift how people speak about and respond to poverty and unemployment in this colony.

We work closely with peer support groups, activists and grassroots civil society organisations to complement their work. Our goal is to help ensure the voices and rights of people on the lowest incomes are at the centre of social policy development and discourse. We believe there should be no decision made about us without us.

## Submission prepared by

Jay Coonan and Kristin O'Connell

We extend our thanks to the hundreds of people in poverty who have contributed their expertise to conversations and processes that culminate in this submission and associated documents.

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<sup>1</sup> Bowler J, Price D, Sherwood J and Carey S (2019) 'The Moyjil Site, South-West Victoria, Australia: Fire and Environment in a 120,000-Year Coastal Midden — Nature or People?', *Proceedings of the Royal Society of Victoria*, 130(2):71–93, [publish.csiro.au/rs/rs18007](https://publish.csiro.au/rs/rs18007).



## **Introduction**

This submission is not comprehensive but it addresses a range of issues facing people on the lowest incomes, whether in or out of paid work.

It's been half a century since the Henderson poverty inquiry, and were he alive today he would be disturbed to see the devastating results of government's failure to heed his work.

Poor people in this country are not being left behind. We are being actively held back by the same politicians who do little more for us than spew empty rhetoric.

Decades of making budget savings off the backs of the poorest people in the community and ratcheting up punishment for those who dare to seek help have left us trapped in a carefully calibrated poverty machine. For many of us there is little hope of escape.

Persistent poverty is more prevalent among First Nations people, women, single-parent families, disabled people, older people, those with lower educational qualifications and people living in more disadvantaged regions.<sup>2</sup> Trans people are also dramatically over-represented among the population of people who are unemployed.<sup>3</sup>

These are factors beyond our control. We must not be punished for playing the wage-suppressing role policymakers thrust upon us. Conversely, when the choice is made to drive the unemployment rate down, disabled people and others with barriers to employment must not be forced into inappropriate or unsafe jobs to plug gaps in the labour market.

The priorities and decisions of this government and those of the past 30 years make us feel you would rather we were dead. This isn't hyperbole, it's an everyday conversation among those of us who rely on income support to live, or need support and can't get it.

The welfare system is a weapon of social murder and every politician with a role in bringing us to this point should feel shame. Your policies drive people to suicide, fuel incarceration and kill people through myriad other forms of slow death.<sup>4</sup>

The best time for the Albanese government to reverse direction and end these harms was the day it took power. The next best time is now.

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2 See: [melbourneinstitute.unimelb.edu.au/news/news/employment-is-not-the-only-solution-to-ending-persistent-poverty-study2](https://melbourneinstitute.unimelb.edu.au/news/news/employment-is-not-the-only-solution-to-ending-persistent-poverty-study2)

3 See: [liebertpub.com/doi/full/10.1089/lgbt.2020.0178](https://liebertpub.com/doi/full/10.1089/lgbt.2020.0178)

4 See: [policyforum.net/is-newstart-slowly-killing-people](https://policyforum.net/is-newstart-slowly-killing-people)



## Overview of key recommendations

- Immediately increase income support payments to at least the Henderson poverty line until a modern measure of poverty is developed.
- Work with unemployed advocates to develop a sophisticated and responsive measure of poverty fit-for-purpose in the 21st century.
- Immediately remove participation requirements and other forms of conditionality, including income control and forced labour programs like Work for the Dole.
- Adopt our recommendations for the Economic Inclusion Committee in the short-term and transition to an independent process for setting payment rates in accordance with the best available poverty line.

## Driving the poverty machine

We are not in poverty by accident. Every politician, bureaucrat, think tanker, professional advocate, academic and journalist who drives the insipid debate and dictates our lives is responsible to varying degrees.

Poverty is not a small business, it is an industry worth tens of billions of dollars a year. Compulsory, coercive and voluntary services alike make money because we are poor.

The lessons of 2020, when JobSeeker was lifted to the Henderson poverty line practically overnight, demonstrated exactly how effective income support payments can be in alleviating poverty and improving the physical and mental health of people who rely on the social safety net. It helped people become more productive both in and out of paid work, and made long-term unemployed people feel better equipped than ever to find and keep a suitable job.

We're in a poverty crisis and we know what works.

The inquiry has already heard that poverty is an industry.<sup>5</sup> We want to emphasise that it is not people on the ground who provide emergency material support who fuel the poverty machine, it is profiteers and grant-chasers who benefit from the status quo who don't want to substantively challenge the government's choices.

The poverty industrial complex rewards unaccountable private organisations with perverse incentives to either do nothing at all to solve the problem, or to devise and then impose cruel conditionality on behalf of government.

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<sup>5</sup> See: [abc.net.au/news/2023-02-21/lismore-poverty-inquiry-hearing-housing-crisis-welfare-support/102005404](https://www.abc.net.au/news/2023-02-21/lismore-poverty-inquiry-hearing-housing-crisis-welfare-support/102005404)



Unemployment cops are the antithesis of “employment services” and the “mutual” obligations regime on this continent are one of the most egregious examples of state violence against people who rely on welfare. The system has done nothing but transfer billions of dollars to poverty profiteers while trapping unemployed people in the system by making it harder to get a job.<sup>6</sup>

Organisations in the non-profit and “for purpose” sector are rarely better than their corporate counterparts. Those who participate are equally culpable for their role in implementing these violent programs, taking public money to fund bloated operations that do little to change the status quo. There is no such thing as a “good” charity that is willing to cut someone off their poverty payment. They have neither the incentive nor the requirement to meaningfully invest in services that would help people get a job, and it better serves their interests to redirect funds to other “charitable” causes they run. The most pernicious are effectively non-profit conglomerates, prioritising their own survival and diversifying to fill as many outsourced government services as possible.

In recent years we have seen an emergence of vertically integrated human services companies, with private organisations expanding to win government contracts and capture markets at every life stage from birth to death. These organisations play a vital role in enabling the government to abrogate its responsibility to provide equitable social support, exploiting the erosion of public housing, public education and public healthcare for their own gain.

The entrenched ideological commitment to privatisation is based on the premise that delivering human services through the public sector is expensive and inefficient. The neoliberal experiments of the past 30 years have shown the private sector is also expensive and inefficient. The primary distinction is its ability to avoid accountability in the ways the state cannot. And the further responsibility is devolved from government, the more disenfranchised we become.

The system isn’t broken, it’s working as designed. The political and business leaders responsible cannot pretend this well-oiled machine was built by mistake.

## Ending the cycle of poverty as a “wicked problem”

The cycle of poverty is not created by us, it’s a self-perpetuating system imposed on us.

An inordinate amount of work has been done inquiring into and proposing technocratic, paternalistic, individualised non-solutions to entrenched poverty. But poverty is a systemic issue, not a personal failing. We reject the ideological underpinnings and framing of poverty as a “wicked

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<sup>6</sup> See: [theconversation.com/new-finding-jobseekers-subject-to-obligations-take-longer-to-find-work-162093](https://theconversation.com/new-finding-jobseekers-subject-to-obligations-take-longer-to-find-work-162093)





problem” lending itself to intergenerational cycles of disadvantage that cannot be helped by simply giving people money.<sup>7</sup>

This narrative serves the interests of the architects of the poverty machine and those who perpetuate it. It is the reason why, despite endless cycles of consultation, targeted programs, and “place-based” experiments there are more of us in poverty, not less.

Supports and services can never fulfil their aims while trying to counter the effects of having insufficient resources. The idea that people need enough money to live should not be a radical one.

The biggest barrier to escaping the poverty trap isn't inherent human flaws, it's poverty itself.

## Surviving, resisting and dismantling the poverty machine

People in poverty are the most important stakeholders in the policies that affect our lives. We are the victims of flawed economic policies and ideologies.

Politicians may choose to continue inflicting unnecessary suffering on millions of us, or you may do what the community supports and ensure everyone has enough to live. Whatever choice you make now, we will not stop until we break the poverty machine.

Our purpose is to challenge and end harmful rhetoric peddled by politicians and so-called experts who profit from poverty. We fight to shift power and agency back to people experiencing poverty, to use our collective voice and change the unequal dynamics between us and those who determine policy responses to poverty.

The nature of social policy on this continent is that some of us are forced to endure a welfare system rife with cruelty, while others experience treatment so brutal it becomes intolerable to the point of exit. As the Robodebt Royal Commission unfolds, we are presented with more and more examples of people vowing to live on the street or die before they ever seek help from Centrelink again. And they are not alone. Meanwhile, ruthless debt collection continues apace under the Albanese government.<sup>8</sup>

Unemployed people bear the cost of dehumanising macroeconomic policy decisions and the cost of the demonisation that comes with them. Those who are disproportionately harmed as a result of structural unemployment and discrimination are First Nations, trans folks, disabled people, those over 50 and single parents. Policies that inflict poverty and punishment hurt these people the most.

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<sup>7</sup> See: [canberratimes.com.au/story/8065888/the-plan-to-tackle-disadvantage-is-no-answer-to-the-poverty-crisis](https://canberratimes.com.au/story/8065888/the-plan-to-tackle-disadvantage-is-no-answer-to-the-poverty-crisis)

<sup>8</sup> See: [apcentre.substack.com/p/antipoverty-centre-condemns-labors](https://apcentre.substack.com/p/antipoverty-centre-condemns-labors)



We all struggle to do the hard work of surviving while poor, but increasingly more of us are taking up the work of fighting the systems that cause us harm.

During Anti-Poverty Week 2022<sup>9</sup> grassroots activists living in poverty protested our continued punishment at social services minister Amanda Rishworth's office.<sup>10</sup> We drew attention to the abhorrently low rate of income support payments many of us rely on and the harms of being forced to fight the welfare system – without the support of peak bodies or so-called charities. While they hosted expensive events with government money, we were on the streets demanding strong, effective and immediate action.

Time and again organisations run by people in poverty show we can both take action to represent ourselves, to contribute to formal consultation processes and also organise to provide mutual aid and support to each other. Despite demonstrating that we are capable, time and again we are sidelined, downplayed and chastised by so-called professionals who believe they know what is best for us better than we do.

There is no excuse for ignoring us in favour of those who do not understand our lives.

*For further background and details regarding the human cost of forcing low income people to rely on each other see Attachment C. Submission to the Select Committee on Work and Care.*

## **Context**

Poverty and inequality are becoming more pronounced and entrenched in the wake of economic effects triggered by COVID despite rosy headline economic figures. This has only been exacerbated by recent dramatic increases in the cost of living.

Gross income for all households shows that income for the lowest quintile was \$567 per week in April 2021 (latest available data), below the Henderson poverty line of \$581 at the time, implying at least one in five households were in poverty.<sup>11</sup>

There can be no conversation about the effects of or necessary responses to poverty that excludes income support payments. The two are inherently linked.

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<sup>9</sup> Anti-Poverty Week is not affiliated with the Antipoverty Centre.

<sup>10</sup> See: [apcentre.substack.com/p/welfare-recipients-deliver-messages](https://apcentre.substack.com/p/welfare-recipients-deliver-messages)

<sup>11</sup> See: [aihw.gov.au/reports/australias-welfare/income-support](https://aihw.gov.au/reports/australias-welfare/income-support)



The most recent poverty line (September 2022) for a single person is \$611 per week.<sup>12</sup> The poverty gap is \$277 per week for someone on JobSeeker, or 45% below the poverty line.<sup>13</sup> Youth Allowance and Austudy are even lower, and other working age payments are also leaving people in poverty.

We use the Henderson poverty line as the “least bad” measure of poverty currently available. It is higher than the commonly used relative poverty line calculated at 50% of median income, yet even in 2020 when payments were at the HPL, the Australian Council of Social Services found that 33% of people were still regularly skipping meals and 40% were unable to afford medication or adequate healthcare.<sup>14</sup>

The 2020 payment increase and suspension of “mutual” obligations increased engagement in labour market and other economic activities.<sup>15</sup>

Inadequate payment rates have been exacerbated by inadequate indexation. Even the so-called non-discretionary CPI figure accounts for items that people in poverty simply cannot afford, and the cost of basic necessities increases at a dramatically faster rate than optional items, having risen by 61.4% and 38.6% respectively between 2005 and 2020.<sup>16</sup> This has only accelerated since.

Recently, the government has attacked welfare recipients who are grappling with these challenges by increasing aggressive debt collection, further exacerbating poverty.<sup>17</sup>

## Oversimplified poverty measures

Generations have come and gone since the last major inquiry into poverty on this continent.

All existing poverty measures are flawed. Limitations include the reliance on relative poverty measures used internationally that do not account for significantly higher housing costs in Australia.

The Henderson poverty line was developed in the 1960s and 70s with combining the basket of goods and relative approach to poverty lines.<sup>18</sup> It is updated quarterly by the University of Melbourne. One of its problems is that the original baseline figures do not reflect the costs of items considered standard today, such as internet and mobile phones.

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12 See: [melbourneinstitute.unimelb.edu.au/publications/poverty-lines](https://melbourneinstitute.unimelb.edu.au/publications/poverty-lines)

13 See: [servicesaustralia.gov.au/jobseeker-payment](https://servicesaustralia.gov.au/jobseeker-payment)

14 See: [povertyandinequality.acoss.org.au/poverty/poverty-lines-by-family-type-2](https://povertyandinequality.acoss.org.au/poverty/poverty-lines-by-family-type-2) (relative poverty line) and [acoss.org.au/media-releases/?media\\_release=survey-shows-increased-jobseeker-payment-allowing-people-to-eat-regularly-cover-rent-and-pay-bills-2](https://acoss.org.au/media-releases/?media_release=survey-shows-increased-jobseeker-payment-allowing-people-to-eat-regularly-cover-rent-and-pay-bills-2) (2020 survey)

15 See: [cfecfw.asn.au/wp-content/uploads/2021/03/Social-security-and-time-use-during-COVID-19-Report-Treating-Families-Fairly-2021.pdf](https://cfecfw.asn.au/wp-content/uploads/2021/03/Social-security-and-time-use-during-COVID-19-Report-Treating-Families-Fairly-2021.pdf)

16 See: [abc.net.au/news/2021-05-26/cost-of-necessities-rising-faster-than-discretionary-items/100164318](https://abc.net.au/news/2021-05-26/cost-of-necessities-rising-faster-than-discretionary-items/100164318)

17 See: [apcentre.substack.com/p/robodebt-royal-commission-rings-hollow](https://apcentre.substack.com/p/robodebt-royal-commission-rings-hollow)

18 See: [theconversation.com/there-are-lots-of-poverty-lines-and-jobseeker-isnt-above-any-of-them-158068](https://theconversation.com/there-are-lots-of-poverty-lines-and-jobseeker-isnt-above-any-of-them-158068)



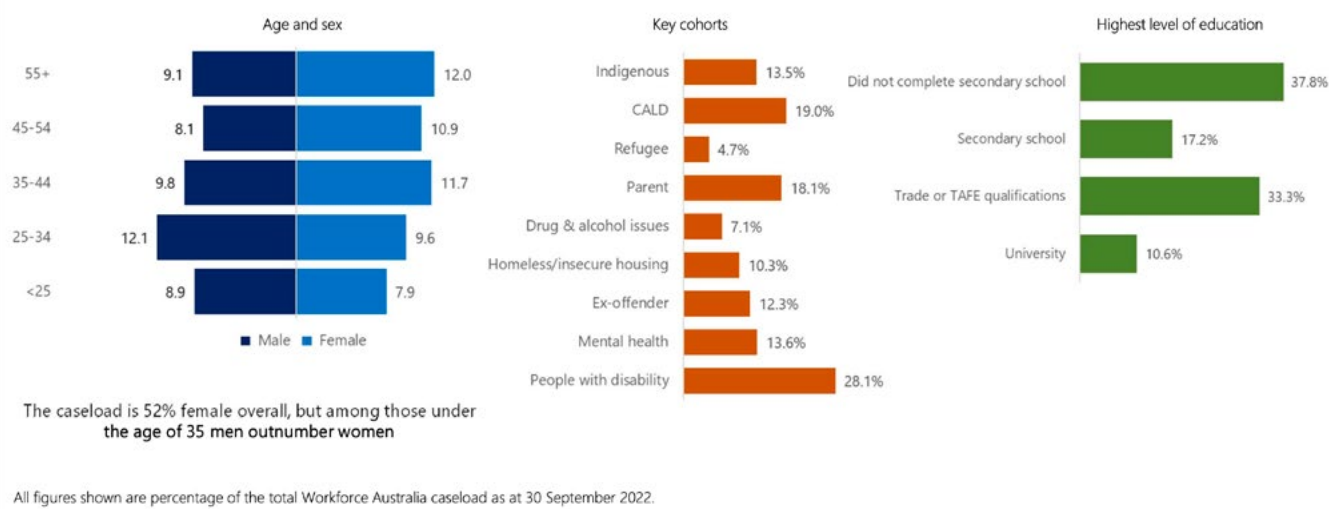
## The myth of the short-term payment

The vast majority of people on unemployment payments are not temporarily out of paid work.

In January 2023 there were 471,560 people – 55% of recipients – on JobSeeker more than 2 years. 28% are over 55 or older and face age discrimination in the labour market on the long road to qualifying for the age pension. 363,575 people are recorded as having a partial capacity to work, the vast majority of whom have a disability or chronic illness that prevents them having a full-time job.<sup>19</sup>

Data presented to Select Committee on Workforce Australia Employment Services shows a breakdown of caseload characteristics showing the extent of labour market discrimination experienced by the 667,341 people in mainstream employment services.<sup>20</sup>

### Workforce Australia caseload composition



In February 2020 there were 66,800 people on Newstart (now JobSeeker), or about 12%, who had employment income. In January 2023 there were 177,785 people on JobSeeker who had paid work, an increase to 21%.<sup>21</sup>

19 See: [data.gov.au/data/dataset/jobseeker-payment-and-youth-allowance-recipients-monthly-profile](https://data.gov.au/data/dataset/jobseeker-payment-and-youth-allowance-recipients-monthly-profile)

20 Caseload presentation slides supplied to the Select Committee on Workforce Australia Employment Services by the Department of Employment and Workplace Relations. See: [aph.gov.au/Parliamentary\\_Business/Committees/House/Workforce\\_Australia\\_Employment\\_Services/WorkforceAustralia/Additional\\_Documents](https://aph.gov.au/Parliamentary_Business/Committees/House/Workforce_Australia_Employment_Services/WorkforceAustralia/Additional_Documents)

21 See: [dss.gov.au/about-the-department/labour-market-and-related-payments-monthly-profile-publications](https://dss.gov.au/about-the-department/labour-market-and-related-payments-monthly-profile-publications) (February 2020) and [data.gov.au/data/dataset/jobseeker-payment-and-youth-allowance-recipients-monthly-profile](https://data.gov.au/data/dataset/jobseeker-payment-and-youth-allowance-recipients-monthly-profile) (January 2023).



## Slow death

### Neglect

According to the Australian Institute of Health and Welfare, people in the lowest socioeconomic areas are 2.2 times as likely to die from potentially avoidable causes.<sup>22</sup>

We have seen the stark consequences of living on a low income throughout the pandemic, with people in the lowest socioeconomic areas dying from COVID at nearly 3 times the rate of those in the highest socioeconomic areas.<sup>23</sup>

During the period of the Coronavirus supplement, when the JobSeeker payment was at the Henderson poverty line, deaths by despair also dropped.<sup>24</sup>

A Menzies School of Health Research population study found lower average birthweights and a higher probability of low birthweights in areas subjected to the BasicsCard income control program, and that the introduction of income control may also have increased the probability of prematurity.<sup>25</sup> These negative health outcomes are the natural result of increased deprivation experienced by people forced into cashless welfare programs and cause lifelong harm.<sup>26</sup> 24,000 people remain subjected to it despite strong and sustained community opposition since its introduction 15 years ago as part of the Northern Territory Intervention.<sup>27</sup>

We are not aware of available research showing the rate of injury that occurs as a result of their participation requirements, however unemployed advocates regularly receive reports of this, and Josh-Park Fing died due to unsafe practices at this Work for the Dole site.<sup>28</sup>

In a survey we conducted of hundreds of people with “mutual” obligations, 34.8% of respondents reported a safety incident or injury while doing unpaid forced labour at their Work for the Dole site. In 59.4% of these cases the respondent had themselves been injured. The remaining respondents observed safety incidents affecting other participants or an employee.

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22 See: [aihw.gov.au/reports/australias-health/health-across-socioeconomic-groups#\\_Toc30611177](https://aihw.gov.au/reports/australias-health/health-across-socioeconomic-groups#_Toc30611177)

23 See: [aihw.gov.au/reports/australias-health/australias-health-2022-data-insights/about](https://aihw.gov.au/reports/australias-health/australias-health-2022-data-insights/about)

24 See: [aihw.gov.au/suicide-self-harm-monitoring/data/behaviours-risk-factors/deaths-of-despair](https://aihw.gov.au/suicide-self-harm-monitoring/data/behaviours-risk-factors/deaths-of-despair)

25 See: <https://lifecoursecentre.org.au/working-papers/do-welfare-restrictions-improve-child-health-estimating-the-causal-impact-of-income-management-in-the-northern-territory/>.

26 See: [lifecoursecentre.org.au/working-papers/do-welfare-restrictions-improve-child-health-estimating-the-causal-impact-of-income-management-in-the-northern-territory](https://lifecoursecentre.org.au/working-papers/do-welfare-restrictions-improve-child-health-estimating-the-causal-impact-of-income-management-in-the-northern-territory)

27 See: [data.gov.au/data/dataset/australian-government-income-management-program](https://data.gov.au/data/dataset/australian-government-income-management-program)

28 See: [theguardian.com/australia-news/2020/jun/04/work-for-the-dole-death-josh-park-fing-employment-provider-neato-failed-to-investigate-incidents-in-the-past-report-says](https://theguardian.com/australia-news/2020/jun/04/work-for-the-dole-death-josh-park-fing-employment-provider-neato-failed-to-investigate-incidents-in-the-past-report-says)



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*I got sick due to unsanitary environment [sorting trash] and ended up hospitalised after tearing my lungs from coughing. Got harassed over the phone for not coming in despite medical certificate. – Work for the Dole participant at the Salvation Army*

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People injured on site can be reluctant to seek a medical exemption for fear of having their payment unfairly cut or retribution from a job agency or activity host organisation.<sup>29</sup>

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*I tripped, fell and cut my forehead near the cool room. I was too agitated and frightened to report the incident to the supervisor for fear of having my payment cut. I still have the deep scar on my forehead. – Work for the Dole participant at Lentil As Anything*

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“Mutual” obligations force people into deeper poverty because they cost money to attend, but also dealing with health issues that arise because of them.

## **Mental health**

Injuries are both physical and psychological, with many being permanent.

We spend an inordinate amount of time supporting people in crisis due to poverty, homelessness or abuse experienced at their job agency or activity host organisation. Many nights are spent supporting people struggling to resist self-harm and suicide. This takes a great toll on all involved.

People on Centrelink payments for longer than 2 years die by suicide at roughly twice the rate of those who are employed.<sup>30</sup>

After steadily increasing since 2010, suicide rates among people in the poorest communities dropped to their lowest point since 2014 while the COVID supplement was in place. They began to rise again in 2021, when supports were pulled away.<sup>31</sup>

Leading mental health researchers have argued “the first and most decisive action the government could take” to address the alarming increase in mental distress is to increase welfare payment levels by the value of the COVID supplement, when JobSeeker was lifted to the poverty line.<sup>32</sup> Suicide Prevention Australia has repeatedly called for a significant increase in welfare payments.<sup>33</sup>

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29 See: [awftd.org/article/we-need-the-labor-party-to-end-work-for-the-dole](http://awftd.org/article/we-need-the-labor-party-to-end-work-for-the-dole)

30 See: [aihw.gov.au/suicide-self-harm-monitoring/data/behaviours-risk-factors/social-factors-suicide](http://aihw.gov.au/suicide-self-harm-monitoring/data/behaviours-risk-factors/social-factors-suicide)

31 See: [aihw.gov.au/suicide-self-harm-monitoring/data/behaviours-risk-factors/suicide-by-socioeconomic-areas](http://aihw.gov.au/suicide-self-harm-monitoring/data/behaviours-risk-factors/suicide-by-socioeconomic-areas)

32 See: [theguardian.com/australia-news/2021/sep/10/experts-urge-higher-income-support-payments-to-stem-youth-mental-health-crisis](http://theguardian.com/australia-news/2021/sep/10/experts-urge-higher-income-support-payments-to-stem-youth-mental-health-crisis)

33 See: [suicidepreventionaustralia.org/our-work/submissions](http://suicidepreventionaustralia.org/our-work/submissions)



## Family violence

Evidence shows women often return to a violent partner for financial reasons. 13% of women who left a violent partner returned because they did not have money or adequate financial support.<sup>34</sup>

Women aged 21-28 years in financial hardship were more than three times as likely to report severe partner abuse in a year, and more than 60,000 women aged 15-24 years who experienced violence in 2019 also experienced moderate to very high levels of financial hardship.<sup>35</sup>

From our work with welfare recipients, we know the low rate of payments has a similar effect in trapping other people in violent homes, particularly those experiencing discrimination and violence from family members on the basis of disability or gender.

## Criminalisation

People in poverty are further harmed by criminalisation, which in turn perpetuates a cycle of poverty. Those of us on the lowest incomes are not preternaturally disposed to commit “crime”, however, acts related to deprivation and survival are criminalised as property offences.

Crime statistics published by the Northern Territory government encapsulate both the problem and a necessary part of the solution: people need enough money to live. Property offences plummeted during the period that the Coronavirus Supplement lifted the JobSeeker payment to the Henderson poverty line and “mutual” obligations were not enforced.

The average figure was 1104 between April and September 2020, and for the corresponding periods in 2018, 2019 and 2021 the average was 1823, 1604 and 1773 respectively.<sup>36</sup>

The below chart uses a colour pattern to demonstrate the extreme harm caused by the deep poverty imposed on people who rely on income support to survive. The highest figures in each offence category are deep red, and the lowest are deep green. Looking at data for the years 2018–2021, across every category the lowest number of offences recorded was during the period of the full COVID supplement.

We are not claiming this effect is wholly attributable to increased social security payments as more investigation is required, however, it is notable that communities in the NT were not subject to strict or extended lockdowns during the relevant period.

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34 See: [abs.gov.au/statistics/people/crime-and-justice/personal-safety-australia/latest-release#about-the-personal-safety-survey](https://abs.gov.au/statistics/people/crime-and-justice/personal-safety-australia/latest-release#about-the-personal-safety-survey)

35 See: [antipovertyweek.org.au/resources/fast-facts](https://antipovertyweek.org.au/resources/fast-facts)

36 Antipoverty Centre analysis of Northern Territory Crime Statistics data published by the Department of the Attorney-General and Justice. The data can be accessed via [pfes.nt.gov.au/police/community-safety/nt-crime-statistics/statistical-publications](https://pfes.nt.gov.au/police/community-safety/nt-crime-statistics/statistical-publications).



		WELFARE PAYMENTS AT THE POVERTY LINE																							
Number of offences	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21
0711 House break-ins	257	348	280	285	145	98	70	73	69	144	197	208	217	273	244	234	191	190	157	152	230	244	260	233	222
0711 Commercial break-ins	160	259	230	220	109	75	62	44	91	114	145	152	149	251	183	187	183	181	128	115	160	160	193	215	201
081 Motor vehicle theft and related offences	125	149	178	180	101	84	53	47	55	107	147	116	123	137	138	139	122	126	128	101	137	144	167	145	149
08* Theft and related offences (other than MV)	639	739	750	753	404	331	317	297	346	415	625	613	584	709	645	785	640	700	557	573	665	683	685	631	620
12 Property damage offences	711	744	782	797	458	421	450	487	528	627	814	761	714	747	600	761	704	656	533	602	748	729	731	775	690
Total property offences	1,892	2,239	2,220	2,235	1,217	1,009	952	948	1,089	1,407	1,928	1,850	1,787	2,117	1,810	2,106	1,840	1,853	1,503	1,543	1,940	1,960	2,036	1,999	1,882

Financial strain creates the conditions that end in criminalisation and incarceration, creating a self-perpetuating cycle of poverty.

## The price of being disabled

A 2021 study found the average cost of disability was higher at 63% of adult-equivalent disposable income, with it ranging from 37% with no work-related limitations to 94% for people with severe limitations. From the study:

*Current poverty measures do not take into account disability, therefore, they fail to consider substantial differences in poverty rates between people with and without a disability... with the same level of income, the living standard is lower in households with people with a disability compared to households without members with a disability.<sup>37</sup>*

Disabled people are faced with a society that actively disables us through everyday and structural discrimination, including government policies that do not reflect the social model of disability or the Convention on the Rights of Persons with Disability.

Disabled people spend more on everything and many are actively locked out of existing supports. Whether it's the National Disability Insurance Scheme or Disability Support Pension, rules are increasingly restrictive and do not account for the reality of our lives. For many, being forced through a discriminatory and harmful bureaucracy disables us further.

<sup>37</sup> See: [doi.org/10.1186/s13561-020-00264-1](https://doi.org/10.1186/s13561-020-00264-1)





In spite of these higher living costs, tens of thousands of people with disability are being exploited in jobs that pay as little as \$2.67 per hour.<sup>38</sup>

It is now clear that the largest cohort of people on unemployment payments are those with a recorded disability or mental health condition.<sup>39</sup> There has been a dramatic increase since the Gillard-era restrictions on DSP eligibility.<sup>40</sup>

As of September 2022 (latest figures) nearly 1 million people were subjected to punishment through compulsory “mutual” obligations, with the vast majority surviving on unemployment payments that are roughly half the poverty line. Of these, 475,000 (50%) have a recorded disability – this figure is essentially unchanged from a year ago, despite the stronger labour market.<sup>41</sup>

One in 13 people with a disability don't go to the GP because of cost, double that of the general population. Three in 10 can't access dental because of cost and wait times for public dental are long and by the time people access it, the cost of treatment has increased because issues have worsened.<sup>42</sup>

These costs are almost entirely unaccounted for by the National Disability Insurance Scheme, which only supports around 12% of disabled people and in almost all cases excludes many essentials, such as housing and medication.<sup>43</sup>

*We have covered issues affecting people with disability in more depth in the following attachments:*

- *C. Submission to the Select Committee on Work and Care 2022 inquiry*
- *D. Submission to the Fair Work Amendment (Equal Pay for Equal Work) Bill 2022*
- *G. Submission to the 2021 senate inquiry into the purpose, intent and adequacy of the Disability Support Pension*

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38 See: [awardviewer.fwo.gov.au/award/show/MA000103#P1035\\_82847](https://awardviewer.fwo.gov.au/award/show/MA000103#P1035_82847)

39 A recent Antipoverty Centre survey found that some people do not disclose their disability to Centrelink or a job agency for the following reasons: they do not think it will help them; they fear additional requirements will be imposed; they do not want to do additional paperwork; the risk of stigmatisation and discrimination.

40 See: [apo.org.au/node/257481](https://apo.org.au/node/257481)

41 There were 287,607 people in Disability Employment Services and 667,341 in Workforce Australia (of whom 187,523 have a recorded disability). From caseload presentation slides supplied to the Select Committee on Workforce Australia Employment Services by DEWR.

42 See: [aihw.gov.au/reports/disability/people-with-disability-in-australia/contents/health/access-to-health-services](https://aihw.gov.au/reports/disability/people-with-disability-in-australia/contents/health/access-to-health-services)

43 There are 502,000 people on the NDIS of the 4.3 million people with disability according to the National Disability Insurance Agency. See: [data.ndis.gov.au](https://data.ndis.gov.au)



## Housing commodification

Over-reliance on the private rental market is hurting renters in all income groups, but it's hurting those in poverty the most.

Since the 1990s – when people relying on income support weren't forced to try and survive in deep and persistent poverty – social housing stock has effectively been cut by more than half when accounting for population growth.<sup>44</sup>

Housing academic Dr Alistair Sisson recently said:

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*We built more than 30,000 public dwellings in every five-year period between 1945 and 1995. [The] population in 1950 was about 8 million and in 1980 around 15 million.* <sup>45</sup>

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The government is throwing money away on subsidies for private landlords when it could be building an asset base by directly investing in public housing. Commonwealth Rent Assistance is costing the government roughly \$5 billion a year<sup>46</sup> while excluding countless people in rental stress or without secure housing.

## In remote areas

The nature of local economies in remote communities means a more targeted and higher level of investment in jobs programs is required to maintain a fair standard of living over time.

For example, in an area with higher population density, access to a public housing property or adequate housing assistance payment is likely to be sufficient to maintain a fair standard of living. By contrast, remote communities may not have resourcing for housing to be maintained. Investment in public sector jobs that provide these services and incorporate skills development would be one way of improving the sustainability of housing over the long-term.

In remote communities, it should be understood that regardless of income support rates, an adequate standard of living can only be maintained with significant levels of direct investment in infrastructure and programs that support longer term needs, and that create the jobs and skills base to support those needs. The needs of specific communities should be determined by those communities and funded by the federal government. In terms of poverty alleviation, this includes housing but also health services, education and food security.

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44 See: [theguardian.com/australia-news/2023/jan/20/from-interest-rates-to-the-race-for-space-what-is-fuelling-australias-rental-nightmare](https://theguardian.com/australia-news/2023/jan/20/from-interest-rates-to-the-race-for-space-what-is-fuelling-australias-rental-nightmare)

45 See: [twitter.com/AlistairSisson/status/1625979691382489088](https://twitter.com/AlistairSisson/status/1625979691382489088)

46 See: [pc.gov.au/ongoing/report-on-government-services/2023/housing-and-homelessness](https://pc.gov.au/ongoing/report-on-government-services/2023/housing-and-homelessness)



## Community support

Political calculus is never an acceptable excuse for inflicting poverty on people. But any such motive is also deeply flawed. The community consistently supports dramatic increases in Centrelink payments – even in the absence of political leaders building support by prosecuting the arguments about the myriad positive effects of lifting payments.

- An Ipsos poll released in August 2021 found 77% of people supported a liveable income guarantee above the poverty line.<sup>47</sup>
- A November 2021 Ipsos poll found 65–74% support for JobSeeker payments to be above the poverty line in Liberal-held marginal electorates. Between 49% and 60% of voters in the five seats said they would consider changing their vote to a party that would lift the rate above \$69 a day.<sup>48</sup>
- A May 2020 Essential poll found 57% support for JobSeeker being at least as high as the age pension, including 51% of Coalition voters.<sup>49</sup>
- An August 2019 Essential poll found 84% believed no one in Australia should go without essentials like food, healthcare and power. Only 30% believed it would be better to spend money on services instead of increasing unemployment payments.<sup>50</sup>

## Recommendations

We have included a wide variety of recommendations in four key areas developed through deep, sustained engagement and collaboration with people who depend on income support payments and others living in poverty.

It's time for the government to take a new approach that prioritises trust and agency for people who rely on Centrelink payments to live. To ensure every person has an equitable opportunity to secure a sustainable job, access to housing, healthcare and education must be truly universal. Every person must be able to meet their needs, particularly through direct financial assistance to ensure that no one lives in poverty. We do not need more infantilising programs, vouchers, complicated subsidies or rebates.

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47 See: [anglicare.asn.au/publications/valuing-every-contribution](https://anglicare.asn.au/publications/valuing-every-contribution)

48 See: [smh.com.au/politics/federal/the-single-greatest-blow-for-fairness-in-australia-push-to-raise-jobseeker-20211118-p59a7h.html](https://smh.com.au/politics/federal/the-single-greatest-blow-for-fairness-in-australia-push-to-raise-jobseeker-20211118-p59a7h.html)

49 See: [essentialvision.com.au/raising-newstart](https://essentialvision.com.au/raising-newstart)

50 See: [essentialvision.com.au/attitudes-towards-newstart](https://essentialvision.com.au/attitudes-towards-newstart)



## Expertise

### 1. Development of policies that affect those on the lowest incomes must be led by us

It is vital that members of this committee and others in power begin to understand that the expertise of people directly experiencing poverty and economic exclusion must carry more weight than those who speak over and for us.

Decision makers must act on advice from real experts – those of us in poverty due to failures of the social security system and structural unemployment. Tokenistic consultation and lip service aren't enough. Unemployed advocates must have a central role in shaping a more equal, inclusive and supportive future for us all. There's no place for those who only profit from poverty and oppression in developing policy.

Adopt our Economic Inclusion Committee recommendations in the short-term and transition to an independent process for setting payment rates in accordance with the best available poverty line.<sup>51</sup>

### 2. Centre the expertise and needs of people who access support for all policies that relate to sector oversight and regulation of service providers

- Ensure government and non-government policymakers prioritise and heavily weight the expertise, views and experiences of people using care services when measuring program quality and outcomes.
- Establish advisory panels comprising at least 80% people who do or need to access the relevant service to monitor program quality and provider performance on an ongoing basis.

## Income support

### Immediately

### 3. Link payment base rates to the Henderson poverty line based on household type

It is vital that work to develop a new measure of poverty is not used to delay the urgently needed increase in welfare payments. That is why our top recommendation is to use the best available measure of poverty we have to set payment rates in the interim.

We saw in 2020 how quickly and easily the government can lift Centrelink payments to the Henderson poverty line and they must do so again, but this time for good.

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<sup>51</sup> For further details regarding our recommendations for this committee see **Attachment A. Letter to Ministers Chalmers and Rishworth.**



While we know this poverty line is inadequate, this is a desperately needed triage measure to alleviate the ongoing poverty crisis while work is done to develop a more sophisticated poverty line.

All social security payments that are intended for someone to be able to rely on as a primary source of income – whether short- or long-term – must be increased to at least the Henderson poverty line.

#### *For households with children*

The Henderson poverty line accounts for a variety of household compositions. The relevant family rate should be the minimum payment to households with children.

#### *For people with disability*

The Disability Support Pension should be set to a minimum of the Henderson poverty line plus 25% to partially account for the higher cost of living with a disability.<sup>52</sup>

For many disabled people the DSP effectively needs to operate as a lifelong wage replacement. People on the DSP have already had to prove their lifelong disability is a significant barrier to earning a sustainable income from paid work and should not be forced to live at a subsistence level. In the longer-term, the DSP should be set at a level that ensures disabled people can live a full life with financial security.

The DSP should not be removed and replaced by a single universal payment with disability supplement.

#### *For people in remote areas*

Immediately increase the remote area allowance from the current \$10 a week to a meaningful level based on input from experts in the absence of recommended food price controls. The cost of living for people outside metropolitan areas is higher than those in the city, particularly those in remote areas.<sup>53</sup> Recent supply chain issues and natural disasters have only exacerbated this.

## **4. Suspend all debt collection activity**

The robodebt royal commission has demonstrated the immense human cost of seeking to recoup funds from people who do not have enough money to live. It's also clear from what we've learned at the royal commission that the culture that has been fostered in the Centrelink debt collection unit means it's not equipped to safely engage with welfare recipients. It's not safe for workers either, who have been traumatised by the effects of the rules they're forced to impose.

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<sup>52</sup> For further details regarding this recommendation see **Attachment G: PWDA and Antipoverty Centre submission to the 2021 DSP inquiry.**

<sup>53</sup> See: [theguardian.com/australia-news/2020/jul/13/lack-of-money-43-of-aboriginal-people-in-remote-communities-have-gone-without-food-in-past-year](https://theguardian.com/australia-news/2020/jul/13/lack-of-money-43-of-aboriginal-people-in-remote-communities-have-gone-without-food-in-past-year)



Centrelink “debts” are overwhelmingly the result of administrative error and confusing rules.

Robodebt is a scandal not because of the method used to unlawfully raise debts, but because of the human toll on people living in poverty being forced to hand over some of their meagre income. We are in a cost of living crisis and rents are spiralling. Welfare recipients are in no position to cope with the distress brought on by receiving a Centrelink debt notice, no matter how small.

The government must immediately suspend debt raising and collection activities to protect people who may have received overpayments from harm. Proceeding with things as they are will only end in more suicides.

## **5. End compulsory income control**

People should have the freedom to exit the BasicsCard immediately, and strong protections put in place to prevent any form of income control, including the new “Smart Card”, being compulsory.

Provide voluntary alternatives to compulsory income control, material resources and other supports that will meaningfully improve people’s lives.

Give communities currently subjected to income control genuine choices without financial or any other form of coercion.

To meaningfully seek and gain consent for new programs the government must view and treat welfare recipients as equal partners in policy development. Community-led and community-controlled processes must mean those affected by a decision about new programs are the ones who get to make it.

The most vocal stakeholders in support of cashless welfare are those who profit – corporations who wield great power and influence over government policy while those affected by these decisions have none. The government should guarantee the opinions of service providers who stand to make a financial gain from policy changes are not given precedence and play a minimal role in decisions.

## **Next steps**

### **6. Expand eligibility**

Restrictive eligibility criteria are undermining people’s agency and independence, trapping people in violent households, leaving people with no income at all and holding others down poverty just as they are on the verge of escaping it.



We do not deny welfare support to wealthy people when it comes to childcare, public education, parental leave or healthcare, and we should not do so with income support either.

Adopting the below proposals would not automatically extend payments to everyone who becomes eligible, it would simply mean those who need support can get it regardless of visa status, family situation or occupation. People who are safe and financially secure are less likely to apply. The first and most important sign that someone needs help is that they ask for it.

### *Abolish couple rates and partner and parental income tests*

Everyone deserves financial independence.

If the government is serious about reducing domestic violence it must remove couple rates, and partner and parental income tests. These restrictions contribute to the conditions that cause stress and family breakdown, and then trap people in unsafe homes.<sup>54</sup>

Regardless of safety, people should not be subject to financial punishment for entering a relationship.

Adults should not be forced to rely on their parents. Younger people are entitled to be treated as individuals and have the freedom to assert themselves. Current arrangements have people jumping through hoops to escape violent homes, with onerous requirements leaving them subject to the control of abusive parents or guardians. The age of independence test must be removed, as well as the parental income test.

### *Increase income free area, lower taper rates and remove illogical restrictions on work*

Income free area and taper rates should be immediately increased, and caps on the number of hours DSP and Carers Payment recipients can work should be removed. These caps do not reflect the reality of fluctuating disability.

Given the growing rate of insecure and precarious work, it is important to keep people on low incomes connected to the social security system, particularly those who are not regularly earning minimum wage. It does not make sense to deny someone who isn't even earning the minimum wage a small top up payment through income support.

The income free area and taper rates applied to welfare payments must be adjusted to ensure the one-in-five people who rely on an unemployment payment even though they are employed don't suffer severe financial penalties. Low paid workers who also rely on social security are taxed at the highest rate in the country, losing 79% on employment earnings between \$350 and \$650 per week.

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<sup>54</sup> See: [doi.org/10.1186/s13561-020-00264-1](https://doi.org/10.1186/s13561-020-00264-1)



More generous income free area and taper rate rules should be introduced and they should be made consistent across all payments.

The interaction between the income free area and taper rates means that if either is changed in isolation, the former would equally benefit every person with paid work of more than \$75 a week, whereas the latter would disproportionately benefit those with more income. The two should be adjusted in tandem.

A first step would be to return to the 2020 income free area, with people able to earn \$300 per fortnight before their income reduces. Above that threshold the taper rate should be lowered to ensure the EMTR has a smaller impact on earnings.

#### *Other eligibility changes*

- Return to 2020 settings by abolishing the liquid assets waiting period and ordinary waiting period. People who are otherwise eligible to receive a payment should not be punished for having had the ability to save a comparatively small amount of money.
- Allow multiple carers to receive Carer Payment for people who have care needs of more than 8 hours per day over and above formal supports.
- Make payments available to everyone living in Australia regardless of visa status.<sup>55</sup> This includes removing discriminatory waiting periods from the Disability Support Pension.

### **7. Permanently end dangerous debt collection practices and improve payment accuracy**

The purpose of the social security system is established in the constitution and in practice it is to operate for a beneficial purpose. The current debt collection regime is completely counter to the income support system's purpose as beneficial legislation.

The government must stop treating minor accounting and administrative errors as cause for punishment and abandon its punitive "debt" recovery approach. It must remove unfair and confusing rules that contribute to payment errors. Many of our proposals, such as removing partner and parental income tests, caps on hours that can be worked by DSP and Carer Payment recipients and changes we recommend will improve this.

Making rules more fair will reduce the number of "overpayments", but not eliminate them. Some occur not because of complicated rules, but simply because Centrelink has failed to properly process information provided by people in the system. This also regularly leads to underpayments.

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<sup>55</sup> People living in Australia includes anyone with a work visa and asylum seekers but not tourists (regardless of the duration of visit as a tourist).





The culture and purpose of Centrelink's debt collection unit must be dismantled and replaced with a model that treats us with humanity. The role of public servants should be to ensure that accurate payments were made, including identifying and rectifying underpayments.

The period over which Centrelink is able to recover debts should be limited, and that limit must be the same for backpaying underpayments.

A recent senate estimates hearing was told that the debt collection division doesn't have a firm limit in place for debt recovery, and theoretically could issue a debt in 2023 for an overpayment made a decade ago. This time limit should be significantly reduced to a period that is consistent with other rules that dictate when a right to pursue the debt in court has expired. This time limit varies but is usually 6 years.

No automated or computer-based decisions should be used to generate debts or be weaponised against welfare recipients in any way, including through the new Workforce Australia employment service, which explicitly delegates some decisions to technology.

When incorrect payments have been made by Centrelink where an amount needs to be repaid, this should operate similar to HECS-HELP where repayments are deferred until a person has a liveable income.

There are provisions in social security law that allow Centrelink to stop debt recovery for people who were overpaid but received the payment in good faith. They have the power to waive debts and should exercise this power for everyone on a low income. By failing to do so the government appears to breach ACCC and ASIC debt collection guidelines, which lists unemployment as an example of reasons not to harass people for debts – of any kind – and provides a case study of deceptive practices used to intimidate a welfare recipient over a Centrelink debt.<sup>56</sup> The government should fully comply with these guidelines. The ATO follows the practice of waive debts that a person cannot reasonably pay and Centrelink should be no different.

## **8. Increase Centrelink staffing**

Income support payments are vital to combatting poverty, and vital to accessing income support payments is being able to get payments quickly and with help where needed. The sustained under-resourcing of Centrelink must be reversed, and the practice of outsourcing for anything other than genuinely short-term demand increase (such as was experienced between March and May in 2020) ended.

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<sup>56</sup> See: [acc.gov.au/publications/debt-collection-guideline-for-collectors-creditors](https://www.accc.gov.au/publications/debt-collection-guideline-for-collectors-creditors)



We learned in a recent senate estimates hearing that the new Smart Card that will replace the Cashless Debit Card is essentially the same program, outsourced to Indue, with the exception that people in the program will contact the overburdened and understaffed Centrelink call centre for help.

- Bring all Centrelink functions back into the public sector, with no more labour hire or outsourced call centres.
- Increase staffing to reduce claim processing times, eliminate backlogs and improve the resolution of problems and complaints.
- Directly employ staff and increase capacity in a dedicated call centre to support people in income control programs so they can resolve questions and problems quickly.
- Remove social engineering prompts designed to block people from accessing direct support from a person in favour of pushing them into online systems. We know we can do things online. If we're calling it's for a reason.
- Increase the number of Centrelink offices for better availability of face-to-face assistance.
- Cease outsourcing Centrelink debt collection and funnelling public money to the same companies that caused immense harm to robodebt victims.

## Longer term

### 9. A new measure of poverty for the 21st century

Indexation is not a substitute for a sophisticated measure of poverty. Neither wage inflation nor CPI account for the fact that essential items have tended to rise in cost much more than those conventional measures of inflation

The opportunity must be taken to develop sophisticated policy infrastructure that can be put in place today to effectively end poverty and endure 50 years from now. This is long overdue.

By developing a transparent method that is better able to assess what is required to maintain a fair standard of living, we will establish a poverty line that is responsive to meaningful changes in living costs that would arise from other public investments, such as housing, health and transport. For example, significant changes in the housing market may see the poverty line reduce.

The government must work with unemployed and low income people on the below.

- Develop a new measure of poverty that is transparent, based on real living costs for people at the low end of the income scale and that ensures a fair standard of living. The purpose of any investigation or inquiry is not just to determine how many people are affected by or living in



poverty, but to determine a new, robust poverty line.

- Undertake specific work tailored to understand and measure living costs and poverty levels for disabled people, to be used to set the Disability Support Pension rate.
- Undertake specific work tailored to understand and measure living costs and poverty levels in remote communities, to be used to set any remote area allowance and guide investments in public infrastructure and labour market programs. A substantial amount of related work has already been done – the process needs to incorporate and be led by the existing knowledge, leadership and recommendations from First Nations-controlled work.

## 10. Establish an independent body to set welfare payment rates

The Fair Work Commission affects the federal budget but it is independent.

The lives of welfare recipients and our ability to survive should not be subject to the political whims of politicians, who have consistently chosen to use us as political footballs and economic levers, rather than see us as human beings who deserve to have our needs met.

After a new measure of poverty is developed, the government should establish an independent body responsible for reviewing and updating the poverty line on a regular basis using transparent methodology developed as part of this process. After the new poverty line is developed, income support payment rates should be tied to this figure rather than other indexation methods. The Economic Inclusion Committee in no way reflects how such a body should be composed or what its powers should be.

## Work

In addition to the recommendations below, a supplementary submission will be provided covering the relationship between poverty and employment, wage subsidies, training, subminimum wages and forced labour programs.<sup>57</sup> This will also include a proposal for worker controlled co-operatives.

“Mutual” obligations are harmful, funnel public money to poverty profiteers and have abysmal outcomes. Compulsory requirements do not get people into sustainable jobs. They should not exist, and our related submission to the Workforce Australia inquiry will include an alternative model.

## 11. Immediately remove penalties for “mutual” obligations making all activities voluntary.

This will compel job agencies to improve standards in the interim while work is done to develop an effective and supportive voluntary employment services system.

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<sup>57</sup> For further details regarding recommendations on subminimum wage labour see **Attachment D: Submission to the to the 2022 equal pay bill.**



## **12. Work with Inclusion Australia on a plan to transition away from closed employment (Australian Disability Enterprises).**

Supplement wages for all workers in sheltered workshops while the work is done to develop pathways to meaningful open employment.

## **13. Adopt our plan to transition away from Work for the Dole and all forced labour programs**

People surviving on half the poverty line are forced to work for 42 cents an hour – the value of a “travel allowance” that has not increased in decades and does not cover the cost of travel. It breaches human rights standards to the extent that the government was forced to create a special provision to redefine “work” to “work-like” to make the program legal.

- Immediately make Work for the Dole voluntary (as was done with the Community Development Program last year)<sup>58</sup> and conduct a safety audit of all participating sites.
- Ensure that participation in the replacement for the Community Development program is not forced or coercive in any way.
- Provide a JobSeeker supplement to people who continue in either program on a voluntary basis that ensures they receive at least the equivalent of minimum wages for their work.
- In consultation with people in Work for the Dole and advocates, develop and implement a program to transition existing Work for the Dole sites out of the program and create sustainable jobs.
- Provide existing Work for the Dole host sites with the option to apply for government funding to support the continuation of jobs being done by WftD participants but paid at award wages. This funding should be provided on the basis that they are sustainable jobs that could be advertised in the open market, but must be reserved for existing Work for the Dole participants. To avoid replicating problems with other wage subsidy programs, there must be a commitment that employment will continue for a minimum period beyond the life of initial funding. A pathway should also exist for host organisations to apply for additional funding or grants at that point in time. All people employed through such a program must be covered by OH&S standards, insurances, etc that apply to any other employee.
- Existing sites that do not have meaningful work available or are unsuccessful in securing funding to pay WftD award wages may continue to provide genuine volunteering options for people on payments who enjoy and want to continue the activities they’re engaged in. All volunteers must be covered by OH&S standards, insurances, etc that apply to any person who is not in the social security system.

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<sup>58</sup> See: [theguardian.com/australia-news/2021/may/13/coalition-scrap-remote-work-for-the-dole-program-for-indigenous-australians](https://www.theguardian.com/australia-news/2021/may/13/coalition-scrap-remote-work-for-the-dole-program-for-indigenous-australians)



## Housing

### Immediate

Politicians know high rates of poverty are compounded by a housing crisis decades in the making. It will take truly ambitious action to recalibrate towards a more equitable system.

Governments have many options, all of which need to work in concert to make a meaningful difference to the exorbitant cost of housing. We have included a range of longer-term proposals below, but they proposals will take time. The crisis is now.

The fastest and most effective thing the government can do to ensure those of us on low incomes are housed is help us make rent by increasing payments to the poverty line. The Commonwealth Rent Assistance payment is deeply flawed and should not be prioritised over base rates.

#### **14. Protect people in the private rental market from losing their home**

Take immediate steps to alleviate the housing crisis while the longer term work of investing in housing is done by working with state and local government to:

- Implement eviction moratoriums for those who can't keep up with rent.
- Ban no grounds evictions.
- Impose rent controls. Landlords who have increased rents above a reasonable rate in the past year should be required to roll them back. It is not our fault that landlords may be experiencing loan servicing costs. If they can't afford to be in the landlord business they should leave it. People in poverty should not be paying the price of irresponsible investment decisions, or building landlords' wealth for them.
- Restrict short stay operators and transition short stay dwellings back to rentals.

#### *Commonwealth Rent Assistance*

Rent assistance is a problematic payment and many people who need it can't get it. Increasing Commonwealth Rent Assistance is not an appropriate response to the housing crisis. A higher base rate of payments will do far more to assist people.

We urgently need an eviction moratorium for those who can't keep up with rent. If the government refuses to provide adequate income support, this will not be enough. If a housing payment is retained, it must be transformed to be truly supportive and inclusive.



The rate of CRA is inadequate payment, but increasing it will not resolve the underlying issues that have led to the systemic failure of the housing market, social security system or resolve cost-of-living issues that many face. If a housing payment is retained, it must address the following problems.

- Expand housing assistance to mortgage holders, capped at the same level as is applied to renters. The cost of failing to do so is that low income people with small mortgages, particularly older single women, are at higher risk of being forced to sell their home. This compounds their poverty and means they require more support from government over the long-term. Existing asset tests restrict access to income support, meaning people with significant wealth or high mortgages would either be unable to access a payment at all, or would not be able to subsidise an expensive home with the payment. This is in contrast to investors, who receive significant government assistance to build their wealth through residential property.
- Tie a housing payment to market rents based on geography and ensure it cover a significant proportion of rent. We support the proposal in Anglicare's recent report on rent assistance to benchmark a housing payment to market rents as an interim approach.<sup>59</sup>
- Allow pre-payments. People need to be able to access a housing payment to assist with securing a property and moving costs. A housing payment should be available to a person who is looking for a private rental from the time they begin looking up to a cap before they secure a property regardless of whether they currently pay rent. All people who do not have a place to live should be paid the full rate of assistance until they are able to secure one.
- Make a housing payment available to all renters, including those paying rent below the current minimum threshold.
- Base a housing payment on rent paid not household makeup, including for a couple. Do not discriminate against people for living in a share house or being in a relationship.
- Adequately fund community housing providers instead of forcing them to rely on a CRA increase to sustain their operations.

If the government ignores the need to make Centrelink payments adequate by lifting them to at least the poverty line, a transformed housing payment should not be relied upon in the long term. This should be a short- to medium-term resolution until the government acts on the perverse nature of investment in the housing sector and gets to work ensuring that there is a greater supply of public and cooperative housing solutions for everyone who wants them.

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<sup>59</sup> See: [anglicare.asn.au/2023/01/24/latest-figures-show-that-its-time-to-fix-commonwealth-rent-assistance](https://anglicare.asn.au/2023/01/24/latest-figures-show-that-its-time-to-fix-commonwealth-rent-assistance)



## Next steps

### 15. Undertake comprehensive and complementary reforms to undo the damage of housing commodification.

Return housing to its primary purpose: ensuring our right to shelter is upheld, not a tool of wealth creation that turbocharges inequality. The government needs to make a serious investment in housing. Not in the stock market – in acquiring and building quality homes at scale.

- Acquire and build quality public homes, and maintain them, at a rate that would return public housing density to previous levels.
- Establish a program to support co-operative housing models, including direct funding to assist people in acquiring or building housing under a co-operative model.
- Allow community housing tenants to access funds through the housing co-operative scheme to convert community housing to supported co-op housing, with tenant-controlled property supported by service providers. These providers may include organisations currently involved in the community housing market however tenants should have the option to select an alternative.
- Cap the number of investment properties a person can own at nine, providing a phase-in period to in which property investors exceeding the limit can divest.
- Create a government buyback guarantee scheme to convert private rentals into public housing, which can be accessed by investors who exceed the cap on investment properties as well as those who are under the cap.
- Abolish negative gearing and capital gains tax concessions. These should be viewed primarily as housing policy measures rather than taxation measures, given their disproportionate effect on the housing market compared to the impact of foregone revenue on the budget.

## Taxation

The government has many tools at its disposal for raising revenue and there is enormous scope to recalibrate the tax system to reduce inequality. We encourage the following steps to close the gap between those on the highest incomes and the rest of us.

- Scrap superannuation tax concessions.
- Repeal the stage three tax cuts.
- Add an additional tax bracket for those on incomes of more than \$350,000 per year.
- Introduce measures to substantially tax the income and wealth of billionaires.
- Increase the tax free threshold.



## **Conclusion**

The welfare system kills people.

Our proposals are bold, designed to provide both significant immediate material relief to people bearing the worst of the poverty crisis, and lay the foundation for the development of welfare policies to maintain a decent quality of life for everyone on this continent into the future.

Some will say these proposals are too expensive, and adequately caring for everyone in the community is fiscally irresponsible. These are lies. The government can afford to implement ambitious, positive changes regardless of whether they are budget neutral. However, it is also entirely within the government's power to make choices that reduce the deficit without extracting savings from those of us who have the least. Treating the human cost of poverty as an externality is a political choice and a morally repugnant one.

There is nothing to fear in keeping a larger proportion of the population connected to the income support system as a result of changes to payments that would see people on modest liveable incomes still receive a small welfare payment. This acts as a protective measure, ensuring that a person is quickly and easily able to receive an adequate income if their employment income drops or work capacity changes. It would also reduce stigma for those of us who rely more heavily on income support.

Work with us to replace the racist, sexist, ableist welfare system with a truly safe safety net.