

Senate Standing Committees on Economics
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9 March 2023

To the Committee Secretary,

Re: Housing Australia Future Fund and National Housing Supply and Affordability Council inquiry

Please find enclosed the Antipoverty Centre submission to the Senate Economics Legislation Committee inquiry into the housing legislative package establishing the Housing Australia Future Fund and National Housing Supply and Affordability Council.

It has been very difficult to write this submission while in the midst of dealing with the personal consequences of this housing crisis, and the prospect that just a few weeks from now I will have no home because my landlord wants to increase their profit.

We are frustrated with the lack of time to prepare a detailed response. Releasing an exposure draft during the holiday period and giving advocates very limited time to address problems with proposals that will transform funding and provision of housing for low income people is deeply inadequate. Many will not have their expertise included because of the decision to rush this process. People in housing stress now and into the future will be worse off as a result.

For enquiries related to this submission please contact team@antipovertycentre.org.

Regards,



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Research and policy at the Antipoverty Centre

Homes not hedge funds

Antipoverty Centre submission to the Senate Economics Legislation Committee inquiry
into the housing legislative package | March 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.¹ 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.

¹ 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.

Context

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 that created the housing crisis.

*"The role the home plays as a fundamental site of care is undermined or denied altogether by the erosion of access to secure housing that has come from extreme marketisation and ruthless cuts to public housing."*²

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, particularly private market rents. Over-reliance on the private rental market is hurting renters in all income groups, but it's hurting those in poverty the most. The Antipoverty Centre estimates that 75% (\$3.9 billion) of payments to the 290,000 people on JobSeeker who receive Commonwealth Rent Assistance is directly transferred to property investors.³ This is roughly the same amount as the total transferred to property investors via negative gearing each year across the entire rental market.⁴

Since the 1990s – when people relying on income support had more adequate payments and 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.⁵ Housing academic Dr Alistair Sisson recently [shared](#) these stark figures from Patrick Troy's *Accommodating Australians: Commonwealth Government Involvement in Housing*:

*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.*⁶

Communities are increasingly being cleansed of people on low incomes. Decades of making budget savings off the backs of the poorest people in the community and boosting perverse incentives for those who have more than they need has left unprecedented numbers in severe housing stress. For many of us there is little hope of escape.

We should not be condemned to housing insecurity and the whims of landlords for the rest of our lives.

² See: [abc.net.au/radionational/programs/philosopherszone/housing-pt-1-care-ethics/14035870](https://www.abc.net.au/radionational/programs/philosopherszone/housing-pt-1-care-ethics/14035870)

³ Analysis of Department of Social Services data. See: data.gov.au/dataset/ds-dga-cff2ae8a-55e4-47db-a66d-e177fe0ac6a0/details

⁴ From the 2022-23 Tax Expenditures and Insights Statement. See: treasury.gov.au/publication

⁵ See: theguardian.com/australia-news/2023/jan/20/from-interest-rates-to-the-race-for-space-what-is-fuelling-australias-rental-nightmare

⁶ See: twitter.com/AlistairSisson/status/1625979691382489088



Of people aged 18 to 34, 72% believe they will never be able to buy a house.⁷ Just 30,000 dwellings in 5 years doesn't go nearly far enough, and this fund does not even promise that, let alone commit to building a single public home.

There is not a housing supply problem, there is a property hoarding problem.⁸ The 2016 census found we had 12% more dwellings than households, up from 10% in 2001.⁹

Every year the government throws away almost as much as this fund is worth on subsidies for private landlords¹⁰ when it could be building an asset base by directly investing in public housing. Rent assistance payments cost the government roughly \$5 billion a year¹¹ while excluding countless people in rental stress, including homeless people and others without secure housing. Funds would be far better spent rebuilding the government's stock of public housing, both through acquiring existing dwellings and new builds.

Less than a year after Labor took power it seems the plan is to turn the government into a hedge fund that outsources its social welfare responsibilities to philanthropists and the private sector.¹²

The Housing Australia Future Fund seems intentionally designed to sound more significant than it is. It is just about as far as you could get from being "ambitious". The fund cannot grow without inequality increasing. It is an inherently regressive way to fund housing for people on lower incomes – both in and out of waged work.

The provision of affordable and social homes should be funded from consolidated revenue – by doing otherwise, the government is creating a false constraint that provides an excuse, albeit a flimsy one, for not investing in housing at the necessary scale.

"...direct government support through publicly owned and managed housing has been a feature of housing policy ... since the early the 20th century. In Australia, public housing gained policy momentum in 1943 with the Commonwealth Government's Housing Commission established to examine and recommend solutions to Australia's housing problems. The report set a national target of 80,000 new public housing dwellings per year... At its inception, public housing in Australia was not means-tested and was designated 'for those who were in need of proper housing ... and who ... did not desire or were unable to purchase their own homes.'"¹³

7 See: theage.com.au/politics/federal/more-than-70-percent-of-young-people-believe-they-ll-never-be-able-to-buy-a-home-20230223-p5cn01

8 See: canberratimes.com.au/story/8046397/how-is-it-that-supply-is-growing-but-housing-remains-unaffordable-for-so-many

9 See: abc.net.au/news/2021-04-14/house-prices-australia-climbing-not-for-the-reason-you-think/100065644

10 See: abc.net.au/news/2022-11-03/negative-gearing-and-capital-gains-tax-budget-cost/101612854

11 See: pc.gov.au/ongoing/report-on-government-services/2023/housing-and-homelessness

12 See: canberratimes.com.au/story/8065888/the-plan-to-tackle-disadvantage-is-no-answer-to-the-poverty-crisis/?cs=14258

13 See: researchbank.swinburne.edu.au/file/6ff9b926-63aa-4282-b6c0-9cf876f25849/1/PDF%20%28Published%20version%29.pdf



The Labor party didn't create this problem but it has enabled it to continue too long. At some point someone has to fix it, and begin to wind back the damaging policies of the past 20+ years.

The most effective way to ensure essential workers can afford to live is to ensure that quality public homes are available for anyone who wants one. Move away from targeting and reverse the residualisation effect of policies that have undermined housing affordability since the 1970s¹⁴ towards universal access.

The housing system needs surgery not a bandaid. We need to decommodify housing. We need to move away from policies like rent assistance that use poor people as a money laundering device to funnel public wealth to private investors.

The government should not waste its opportunity to implement generational reform on housing policy, and we will not waste our opportunity to make clear what is needed to fulfil current and future need.

The experts are those who live it

Capable and motivated people trapped in poverty struggle to find and maintain employment because of our failing welfare system, exacerbated by housing insecurity. The below contribution from PhD student and Disability Support Pension recipient **Mel Powersmith** describes impediments created by lack of access to secure housing and unliveable social security payments.

I'm 32 years old. I'm flat out doing my PhD in sociology as well as working as a casual research assistant. My PhD looks at people's experiences of home and home making living in residualised social housing. Over my life, I've made it from living on Newstart and Youth Allowance to living on the minimum wage, which is better than what some people get, but it was hard to get here.

I come from a disadvantaged background, originally from Tasmania. I've been on Youth allowance, Newstart (now called JobSeeker), and I'm now in receipt of the Disability Support Pension. My life was merely about survival and I felt as if I had no future until I received a payment closer to the poverty line.

Unstable housing has impeded my progress in life.

I don't have any family support and spent time in "the system" aka out of home care. Being on Newstart allowance was a harrowing experience; I barely had enough money for food, and I was

¹⁴ See: ahuri.edu.au/research/brief/understanding-residualisation-social-housing



expected to attend redundant courses that were lower than the qualifications I already had, paid for by taxpayer money. That system instilled in me a sense that I was unemployable and a basket case. I have been pursuing a career of my own accord without the mutual obligations since being on the pension. Honestly, I would like to live on wages, but I defend the right for people to receive such payments. Destitution doesn't need to exist.

I was homeless and couch surfing when I first arrived in Brisbane. In recent years. I have been enrolled in a PhD. On receiving the scholarship, I thought that I would finally be able to move out of community housing, where residualisation was evident and where I was acutely aware of the stigma (a result of governments steering housing provision to the market and neglecting social housing). Unfortunately, this accommodation has been very precarious. In some share houses I have been bullied (due to being in receipt of Centrelink or having a disability) and finally in 2020 I was sexually assaulted by a property owner who I was living with. This perpetrator owns many properties in Brisbane and is a lawyer and took advantage of his power. He no doubt benefits from negative gearing, which is unopposed by the Labor government. I have not yet sought legal advice and had no confidence in taking the matter to the police. After the assault my mental health declined, and I have taken 2 years off my studies. I am now back.

Apart from that, I've also been working as casual research assistant, looking at welfare policies of all things. After \$170 every fortnight, for every dollar I earn I lose 50 cents from the pension, meaning I'm only marginally better off for working, and still cannot afford appropriate accommodation. Meanwhile, your government is proceeding with the stage three tax cuts which largely benefit high income earners. Decreased revenue also precludes the possibility of investing in infrastructure that would change people's lives, such as public housing.

I hope that precarious housing does not jeopardise my PhD again and condemn me to being in poverty for the rest of my life, but that is how it feels. I feel like I've been spending all my life chasing the illusion of social mobility. While I appreciate that the system exists, I believe that it could be more efficient if it fostered social mobility rather than punishing people. People would be able to flourish and contribute to society in different ways.

I've been hearing people have anecdotes about growing up in public housing in the past, but it's a shame that people can't grow up in public housing these days. Anthony Albanese grew up in public housing in a time before the residualisation, systemic underinvestment and demonisation it is subjected to today. Private rents are absolutely crushing people on low wages and now that the NRAS scheme is being phased out, there will be a massive shortfall of affordable housing.

30,000 homes is a token amount. We need more significant investment in public housing, so that people can realise their potential. It needs to be built to help smooth out intergenerational disadvantage, allow people to actually save for deposits, to house people with disabilities,



to provide homes for Aboriginal people, for women escaping domestic violence, and for the elderly who live on meagre pensions and are suffering due to high rents and loneliness. Imagine people having disposable income to spend in the economy, rather than all the money being spent on rent.

Secure housing gives people better life chances, and underinvestment in public housing has negative consequences elsewhere, such as reduced productivity and increased public health costs.

I am not to blame for my situation. Politicians are worried about so-called welfare dependency but when we try to do something, the system crushes us. But I'm in the unique position of having lived experience while also trying to look at solutions, and I'm determined to finish this damn PhD.

Recommendations

The legislative package

The government cannot expect us to believe its housing future fund represents a serious commitment to alleviating the housing crisis. If the fund meets its stated aim of providing 30,000 affordable and social homes, there will still be more people in need of low-cost housing five years from now, not less.¹⁵ However, the bill is unlikely to achieve this aim due to the restrictions on disbursements and anticipated worsening investment conditions. As stated in the Future Fund 2022 annual report: "We expect the policy backdrop to be more difficult for financial markets over coming years."¹⁶

The HAFF is an unsuitable mechanism to deliver the scale of investment needed to ensure everyone's right to a secure and safe home is upheld. **The *Housing Australia Future Fund Bill 2023* should not pass.**

The Antipoverty Centre supports a truly independent statutory advisory body, however the proposed does not achieve this in its current form. **The *National Housing Supply and Affordability Council Bill 2023* must be substantially amended** to enhance its independence, incorporate expertise from people directly affected by housing stress and homelessness and improve transparency.

¹⁵ See: theguardian.com/australia-news/2022/dec/05/jump-in-homelessness-as-australias-rental-crisis-pushes-overwhelmed-system-to-breaking-point and blogs.unsw.edu.au/cityfutures/blog/2021/01/social-housing-production-continues-to-languish-while-demand-is-soaring

¹⁶ See: futurefund.gov.au/about-us/publications



Ameliorate the worst shortcomings with specific and legislated commitments

The HAFF is based on a fundamentally problematic approach and entirely depends on a regressive funding mechanism and the perpetuation of inequality. It outsources responsibility to investment managers, rather than treating housing as a core responsibility of government which can and should be funded from consolidated revenue at whatever level is required to meet the need for low-cost housing.

If this government refuses to take serious action to reset the disastrous course set by those of the past three decades, we urge the following changes to make the HAFF more likely to make a difference to the availability and quality of affordable and social homes. Given that we anticipate the government will ignore our recommendations that would do far more to meet the needs of people in poverty, we recommend these changes to the bill:

- Add a commitment for additional account credits to the HAFF to ensure at least \$500 million is available for grants in each year until its first 5-year review.
- Remove the \$500 million cap on disbursements and guarantee that 100% of investment returns will be directed to housing.
- Insert a robust and specific definition of affordable housing, with affordability linked to median incomes not private market rents.
- Legislate the number of homes to be delivered.

Allocation of funds

A sophisticated approach to funding allocation is needed, that does not prioritise unsustainable and unliveable peri-urban developments. Grants should prioritise funding for acquisition and development of housing in low socioeconomic areas and those with high levels of housing stress among low income renters.

The bill should specify minimum targets for the proportion of grant funds to be allocated for public housing.¹⁷ A dedicated commitment to public housing should be based on a target that would return public housing density to its mid-90s level of 5% in the medium term, with targets to be revised up in the longer-term.¹⁸

Any funds set aside based on Australian Statistical Geography Standard classifications must not conflate regional and remote areas. Communities in remote and very remote areas face different challenges in having their housing needs met and maintaining an appropriate standard of housing.

¹⁷ For the avoidance of doubt, the public housing target should be separate to any target for community housing.

¹⁸ See: researchbank.swinburne.edu.au/file/6ff9b926-63aa-4282-b6c0-9cf876f25849/1/PDF%20%28Published%20version%29.pdf



Community housing providers with a record of mistreating or placing severe restrictions on tenants, providing substandard homes or failing to carry out adequate maintenance should be precluded from receiving grants, with a formal resident consultation structure developed to ensure only suitable providers receive funds.

Grant conditions

All grants provided must be conditional on:

- 100% of public land developed through a funded project being used for public housing, which may be owned by any level of government.
- All new builds being compliant with the Liveable Housing Australia Platinum housing design guidelines.¹⁹

Composition and accountability of the council

The expertise and needs of tenants in social housing and those in housing stress must be centred in all activities related to planning for affordable and social housing, as well as in the oversight and regulation of community housing providers.

The Housing Supply and Affordability Council should comprise at least 25% people who currently live in or need access to affordable, public and community housing, with financial assistance and capacity building support provided where necessary to enable full participation. People who need access to housing includes those who are homeless as well as those experiencing housing stress in the private rental market. People with disability and those from regional and remote areas must be represented by members with direct experience.

The government has already signalled its comfort with funds for affordable and social housing being used to further the interests of property developers. There can be no trust in a body that is led by someone with vested interests in strategies that prioritise profit over people.²⁰

Property developers and prospective landlords should play an advisory role only in relation to the work of the HSAC, and not have the power to participate in its decisions that would financially benefit themselves or the organisations they work for.

Deliberations and decisions of the HSAC should be transparent and made available to the public in a timely manner.

¹⁹ See: livablehousingaustralia.org.au/lha-platinum

²⁰ See: ministers.treasury.gov.au/ministers/julie-collins-2022/media-releases/interim-national-housing-supply-and-affordability



Take the problem seriously and be bold enough to fix it

Given the inadequacy of these measures, the government must prioritise additional policy changes to redress structural asset-based inequity.

It is time to reverse the cuts of the past 30 years, provide meaningful relief and set a new direction to leave a legacy Labor can really be proud of.

An ambitious plan would be one that laid out a pathway to ensuring there are enough public homes available for anyone who wants one, and that they are of a high standard so that people actually want to live in them.

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. This government, as with those before it, can afford to do what's obvious and necessary. Respecting or denying our right to a safe and secure home is a political choice.

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, as with the housing fund, they will take time to implement. The crisis is now.

Ensuring we have enough to survive for the immediate future is urgent. That will buy us breathing room while work is done to permanently solve the deep systemic problems in our housing system.

Immediately increase the base rate of Centrelink payments to at least the Henderson poverty line

While it is not a long-term solution, 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 income support payments to the Henderson poverty line (see additional information in [Appendix A](#)). We saw in 2020 how quickly and easily the government can do this. This position is supported by Anglicare Australia, who recommend “refocusing housing support away from Commonwealth Rent Assistance to working age payments”.

The Commonwealth Rent Assistance payment is deeply flawed and the Antipoverty Centre is strongly opposed to prioritising an increase to CRA over base rate increases to Centrelink payments. CRA excludes many renters and others struggling with housing costs. Any rent increase that attracts a higher CRA payment necessarily increases the recipient's non-CRA costs. No person on income support is better off with an increase to CRA compared to an equivalent increase in payment base rates. Increasing the base rate of Centrelink payments is the fastest, most effective and most inclusive way to support the greatest number people experiencing poverty and housing stress.



Bailout property investors affected by interest rate increases

Urgently establish a government buyback scheme to ensure tenants are not financially penalised for irresponsible investment decisions by their landlord. The government should acquire homes from landlords who won't absorb higher mortgage costs. It's not our fault they have debt – those who can't afford to be in the landlord business should get out of it.

Protect people in the private rental market from losing their home

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

- Urgently implement eviction moratoriums for those who can't keep up with rent, as was done in 2020.
- Ban no grounds evictions.
- Impose rent controls to cap rent increases for all private market rentals and reverse recent above-inflation rent increases. A firm and nationally consistent definition of "reasonable" rent increases must be developed and retrospectively applied to reduce rents that have increased above the determined level. 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 higher 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.
- Introduce robust standards for maintaining properties and resourcing for regular inspections of rental properties to ensure standards are met.
- Protect low-income renters with a rule requiring landlords to cover moving costs for people in housing stress if the tenant is forced to leave within 3 years of taking up a tenancy.
- Restrict short stays with a geographically determined cap using a licensing framework that would generate government income to be used for direct investment in public housing. Caps should be determined in consultation with the relevant local governments and community members to ensure they are appropriate for the conditions in the housing market and role of tourism in the area. Restrictions should not apply to dwellings that have a long-term occupant who is temporarily absent or renting out part of the home while living there.

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 used as 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.

Restrict property hoarding and remove incentives that accelerate wealth transfer from low income people to those with high incomes or wealth.

- Cap the number of investment properties a person can own at four (affecting less than 1% of all households), providing a phase-in period during which property investors exceeding the limit can divest.²¹
- Abolish negative gearing and capital gains tax discounts. These are first and foremost (failed) housing policies rather than taxation measures, given their disproportionate effect on the housing market compared to the impact of foregone revenue on the budget.

Removing handouts to landlords would redirect money to more productive investments and reduce competition for people buying a home to live in.

Ensure everyone who wants an alternative to private rentals or home ownership has options.

By making a significant investment in housing now, the government can over time significantly reduce, or remove entirely, the need for expensive landlord subsidies like Commonwealth Rent Assistance, which currently costs \$5 billion per year.²²

- Acquire and build quality public homes, and maintain them, at a rate that would enable universal access to public housing over the long-term.
- Create a government buyback guarantee scheme to convert private rentals into public housing without disrupting tenants, which can be accessed by investors who exceed the cap on investment properties as well as those who are under the cap.
- Establish a co-investment scheme to enable tenants to buy their home from their landlord.
- Establish a program to support democratically controlled co-operative housing, 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.
- Increase funding for social housing maintenance and retrofitting to a level sufficient to ensure all dwellings comply with Liveable Housing Design Guidelines (LHDG) platinum standard, and ensure all new social housing dwellings comply with the LHDG platinum standard.

²¹ See: abs.gov.au/statistics/people/housing/housing-occupancy-and-costs/latest-release

²² See: dss.gov.au/publications-articles-corporate-publications-budget-and-additional-estimates-statements/portfolio-budget-statements-october-2022-23-social-services



Considerations for remote communities

The nature of local economies in remote communities means a more targeted sophisticated strategy 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 income support 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. An adequate standard of living can only be sustained 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. Investment in public sector jobs that provide these services and incorporate skills development is one way of improving the sustainability of housing over the long-term.

A dedicated First Nations housing program to build and maintain dwellings in remote communities must be coupled with training and employment programs as well as a funded ongoing maintenance that will equip communities with skills and resources to ensure housing remains at a high standard. The government must work with remote communities to 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. The needs of specific communities should be determined by those communities and funded by government.

Appendix A

Excerpt from Antipoverty Centre poverty inquiry submission

Below are related recommendations from our submission to the ongoing Senate Community Affairs References Committee inquiry into the extent and nature of poverty, providing additional context for recommendations to this bill inquiry. The full submission can be accessed here:

drive.google.com/file/d/1mqroqV2OvOuvqD60LUBXKaidsl03uVDd/view?usp=sharing

Recommendation 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.

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.²³

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.

²³ For further details regarding this recommendation see **Attachment G: PWDA and Antipoverty Centre submission to the 2021 DSP inquiry.**



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.²⁴ Recent supply chain issues and natural disasters have only exacerbated this.

Recommendation 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.

²⁴ 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