



SUBMISSION

Prepared by South-East Monash Legal Service Inc. for the
Senate Standing Committees on Community Affairs:
The extent and nature of poverty in Australia
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Our organisation

Established in 1973, South-East Monash Legal Service (**'SMLS'**) is a community legal centre that provides free legal advice, assistance, information and education to people experiencing disadvantage in our community within the City of Greater Dandenong, the City of Casey and the Shire of Cardinia.

SMLS operates a duty lawyer service at various courts in Victoria, including Dandenong Magistrates Court, the Children's Court and provides legal representation at courts and tribunals such as the Victorian Civil and Administrative Tribunal, Fair Work Commission, Federal Circuit Court, Family Court and Victims of Crime Assistance Tribunal.

For most of the 40 years in operation, SMLS has been running a clinical legal education program in conjunction with Monash University's Faculty of Law, whereby law students undertake a practical placement at the legal service as part of their undergraduate degree.

SMLS has an extensive community legal education program that is developed in response to feedback from the range of community engagement and community development activities that we are and have been involved in.

SMLS also has a significant policy, advocacy, and law reform program, contributing to reforms in family violence laws and practices, access to civil procedure reforms, employment law, sexual assault and victims of crime, youth law, gambling and electronic gaming machines and other legal topics relevant to our service delivery and the needs of our community.

Acknowledgement of Country

SMLS wishes to acknowledge the traditional custodians of this lands upon which our office are located, the Wurundjeri and the Boon Wurrung peoples. We pay our respects to the Elders past, present and emerging.

We acknowledge the people, traditions, culture and strength of Aboriginal and Torres Strait Islander peoples, and the fight for survival, justice and country that has taken place across Victoria and Australia.

We sincerely thank the Traditional Custodians for caring for Country for thousands of generations. SMLS recognises the ongoing impact of colonisation, dispossession and racism experienced by Aboriginal peoples. As a Community Legal Centre, we acknowledge the violence of Australian law and its ongoing role in processes of colonisation. We recognise that sovereignty was never ceded, and that this always was and always will be Aboriginal land.

Terms of Reference

The extent and nature of poverty in Australia with reference to:

- a. The rates and drivers of poverty in Australia;
- b. The relationship between economic conditions (including fiscal policy, rising inflation and cost of living pressures) and poverty;
- c. The impact of poverty on individuals in relation to:
 - i. Employment outcomes
 - ii. Housing security
 - iii. Health outcomes
 - iv. Education outcomes
- d. The impacts of poverty amongst different demographics and communities
- e. The relationship between income support payments and poverty
- f. Mechanisms to address and reduce poverty
- g. Any related matters

Scope of submission

We have provided comments on select terms of reference where we were confident that our experience as a community legal service allows us to contribute to the subjects raised.

Acronyms

SMLS	South-East Monash Legal Service Inc.
ABS	Australian Bureau of Statistics
FVIO	Family Violence Intervention Order
ACOSS	Australian Council of Social Service

Introduction

We thank the Senate Standing Committee for the opportunity to provide a submission in relation to the nature and extent of poverty in Australia. As a community legal service, SMLS prioritises clients who are experiencing or at risk of poverty, including clients who have no source of income or those who rely on income support payments. In 2022, SMLS assisted 2792 clients who reported being on a Centrelink payment, with 1857 of these clients having children. 544 clients reported having no source of income. We also have a significant number of clients with no income whatsoever.

Drivers of poverty in Australia

Family Violence

Family violence is a significant driver of poverty in Australia, particularly amongst female victim survivors. An issue that has recently received more attention is what is considered 'the impossible choice' - victim survivors are forced to choose between remaining in violent relationships for financial stability, or living in poverty should they leave.¹

Statistics published by the ABS showed that 275,000 Australian women suffered physical and/or sexual violence at the hands of their current partner in 2016. 81,700 of these women temporarily left the relationship but later returned, with 15% saying they had no money or nowhere else to go. ² Further, of these 275,000 women, 90,000 of them wanted to leave but were not able to do so, with 22,600 saying a lack of money was the main reason.³

¹ A. Summers, 'The Choice: Violence or Poverty', University of Technology Sydney, 2022, <https://www.violenceorpoverty.com/>

² Summers, 'The Choice: Violence or Poverty', pp 9-10.

³ Summers, 'The Choice: Violence or Poverty', p. 10.

The reality of living in poverty after fleeing violence is particularly present for single mothers who are looking after dependent children. 60% of 185,700 single mothers who experienced partner violence were employed but were not earning enough to support themselves or their children, and 50% relied on government benefits.⁴ ABS data shows that 48% of these single mothers' income is \$460 a week or less.⁵ Data also notes that issues with paying utilities, and car registration or insurance on time, is a significant issue for single mothers fleeing violence.⁶

SMLS operates a duty lawyer service at the local Magistrates' Court and provides legal advice to affected family members in police initiated FVIO matters. SMLS' lawyers often work with victim survivors who are unsupportive of an FVIO because of the financial struggles they are subjected to once the alleged perpetrator is excluded from the home, pursuant to an interim or final order.

Our Support Connect Integrated Program provides social work and financial counselling assistance to these clients. Frequently, housing and emergency relief is a major issue facing these clients. The cost-of-living crisis, driven by rising inequality and neoliberal economic policy has meant that rental costs have increased substantially. We cannot keep up with the requests for help with housing - finding rental properties, getting urgent repairs trying to help clients negotiate with landlords who continue to raise rents. There are few affordable rental properties- almost none for single mothers- according to Anglicare- only 0.7 per cent of properties in Victoria are affordable and appropriate across all of Victoria for singles earning minimum wage.

There needs to be greater support for victim survivors fleeing violent relationships, so they are not forced to choose between financial security and abuse. This includes changes to income support, outlined below.

Economic conditions and poverty

Cost of living pressures and impacts of inflation

With inflation growing to 7.8%, the increasing costs of living in Australia is making it harder for individuals and families to afford necessities, resulting in people skirting with, or dipping below, the poverty line.

⁴ Summers, 'The Choice: Violence or Poverty', p. 10.

⁵ Summers, 'The Choice: Violence or Poverty', p.59.

⁶ M. Truu, 'An Impossible Choice between Violence and Poverty: 60 per cent of Single Mothers Report Past Domestic Abuse, Research Finds', *ABC News*, 7 July 2022, <https://www.abc.net.au/news/2022-07-07/60-per-cent-single-mothers-experience-domestic-violence/101214208>

While it is acknowledged that there has been a 6.1% increase in some income support payments due to indexation, this has not been enough to ease cost of living pressures.⁷ For example, rent has risen by 18%, energy bills by 20%, and food by 9%, however rent assistance has remained \$75.80 for a single adult.⁸ A recent study by the Australian Council of Social Services found that even with this increase of income support payments, Youth Allowance increased by \$16.20 to total \$281.40 per week for a single person living out of home, which only equals \$40.20 per day – hardly enough to cover the increasing cost of living when the average rent for a unit is \$484.⁹ Further, this figure is below the \$489 a week poverty line.¹⁰

A fair social security system is fundamental to reducing poverty. It is the foundation necessary to keep adults and children clothed, housed and fed, as well as stability to enable them to plan for the future and engage in their community.

- **Recommendation:** Raise Youth Allowance, Jobseeker, Jobkeeper, Newstart, Study stipends and parenting payments to at least \$73 per day, as previously recommended by ACOSS Raise the Rate to lift allowances above the poverty line.¹¹

It is also concerning that utility costs have seen a sharp increase in recent times. Each state has their own available concessions for low-income households with an eligible pension, however Victoria has introduced a \$250 Power Saving Bonus Program from 1 July 2022 to 30 July 2023 for all households. This was a helpful initiative to ease cost-of-living pressures for those who applied online or got assistance from a community outreach partner. However, those who could not access a computer, are culturally/linguistically diverse or not aware of outreach partners would have been unable to take advantage of this initiative. In addition, one off relief packages are not an ongoing solution to the challenges faced by families. Greater structural reform is essential.

⁷ C. Kelly and M Rachwani, 'ACOSS CEO Says Welfare Payment Increase Inadequate', *The Guardian*, 30 December 2022, <https://www.theguardian.com/australia-news/live/2022/dec/30/australia-news-live-meni-dee-evacuation-floods-darling-murray-arts-tony-burke-woodford-new-years-eve?page=with:block-63ae2d758f08ea86bf10b050#block-63ae2d758f08ea86bf10b050>

⁸ C. Goldie, 'Australia's Income Support Increase is Woefully Inadequate and Barely Dents the Spiraling Cost of Living', *The Guardian*, 31 December 2022, <https://www.theguardian.com/australia-news/commentisfree/2022/dec/31/australias-income-support-increase-is-woefully-inadequate-and-barely-dents-the-spiralling-cost-of-living>

⁹ ACOSS, 'How Job Seeker and Other Income Support Payments are Falling Behind the Cost of Living', ACOSS, 2022, https://www.acoss.org.au/wp-content/uploads/2022/09/ACOSS-cost-of-living-report_web_v02.pdf (accessed 5 Feb 2023).

¹⁰ Poverty and Inequality, *Poverty in Australia*, [website], <https://povertyandinequality.acoss.org.au/poverty/#:~:text=Our%202022%20Poverty%20in%20Australia,a%20couple%20with%20%20children.> (accessed 5 January 2023).

¹¹ ACOSS, 'How Job Seeker and Other Income Support Payments are Falling Behind the Cost of Living', p. 8.

- **Recommendation:** Structural reform is needed to change the way that energy companies are taxed, policy measures to reduce the cost to the consumer as well as ensure a transition to cheaper, renewable energy.

Poverty and the individual

Employment Outcomes

Employment opportunities and the ability to earn an income protect against poverty, however wage stagnation in recent times counteract the benefits of employment. Average wages have not been growing to reflect rising cost-of-living expenses, meaning that people are still struggling to make ends meet.

As noted in our earlier submissions, further reform is also needed to childcare access and costs to encourage women to enter or re-enter the workforce.¹² Growth in wages for women has been stronger than wage growth for men, yet childcare is an impossible expense after the cost of groceries, utilities, rent and other living expenses once deduced from a carer's wages.¹³ Changes need to be made so childcare is more affordable and accessible, and women can go back to work to support themselves and their families.

However, we cannot force people into the paid workforce who have important caring obligations that help create a functional society. Parents with small children, people caring for their elderly relatives, people with serious illnesses and or disabilities should not be forced to work to survive if that is not their choice. We need better social support structures, higher wages and more recognition that caring for people is valuable work that needs to be done, and mothers, fathers, and carers should be able to be present for their families and communities. Wages must cover not only basic subsistence to maintain survival. Families must be able to thrive.

Adverse Health Outcomes

Young people affected by poverty are often unable to engage in extra-curricular activities such as sport or music due to associated costs, impacting their physical and mental health. It is also well documented that sports divert at-risk youth from crime and anti-social

¹² SMLS 'Employment White Paper: Terms of Reference'

¹³ G. Gilfillan, 'The Extent and Causes of the Wage Slowdown in Australia, *Parliament of Australia*, 2019, page 6, https://www.aph.gov.au/About_Parliament/Parliamentary_departments/Parliamentary_Library/pubs/rp/rp1819/WageSlowdown (accessed 5 February 2023).

behaviours, and instead foster resilience and life skills. ¹⁴ Young people who cannot engage in extra-curricular activities are also being denied the opportunity to excel in an activity that their middle-class counterparts are otherwise able to practice and progress in.

For example, at SMLS's *Sporting Change* outreach, a program using sport to educate young people at low socio-economic schools about the justice system, a student, Amy*, was observed by staff for her talent in AFL. When teachers commented that she should continue AFL outside of school, Amy said while she loved playing, there was no way that her family would be able to support her pursuing the sport beyond the school grounds.

Looking abroad, Nordic nations such as Iceland¹⁵ and Sweden¹⁶ have introduced free or subsidised extra-curricular sports and creative activities. This gives young people the opportunity to engage in activities despite financial barriers they face, and the Australian Government should look to these models and consider adopting something similar.

- ***Recommendation:*** *Introduce subsidised fees for participation in select sports or creative activities or provide financial support to low-income households to give children the opportunity to engage in extra-curricular activities.*

Impacts on housing security

Due to increased costs of living, stagnating wages and insufficient income support, there has been a significant demand in housing and homelessness services, in addition to greater rental stress.

For people on a low income or relying on Centrelink as a source of income, finding and remaining in affordable housing is becoming a pipe dream. Recent studies found that across the whole country, only two private rentals were affordable for the 500,000 people who rely on Newstart. ¹⁷ Additionally, access to public housing for low-income Australians is in short supply.¹⁸

¹⁴United Nations Office on Drugs and Crime, *Crime Prevention Through Sports*, [website], <https://www.unodc.org/dohadeclaration/en/topics/crime-prevention-through-sports.html>. (Accessed 5 Feb 2023).

¹⁵Island.is, *Sports and Other Recreational Activities for Youth*, [website], <https://island.is/en/youth-sports-and-rec-act>. (accessed 20 January 2023).

¹⁶Scholar Source, *Education System of Sweden*, Scholar Source, [website] <https://www.scholarsource.org/sweden/education/219>. (accessed 20 January 2023).

¹⁷ L. Henriques-Gomes, Just Two Rentals in Australia Affordable for Single People on Newstart - Report' *The Guardian*, 29 April 2019, <https://www.theguardian.com/australia-news/2019/apr/29/just-two-rentals-in-australia-affordable-for-single-people-on-newstart-report>

¹⁸ Council to Homeless Persons, 'New Data Shows that One in Three Victorians Feel Rental Pinch as New Data Availability of Social Housing Drops' *Council to Homeless Persons*, 2022, <https://chp.org.au/article/one->

Stable housing promotes good public health outcomes, economic stability and greater opportunity. More long-term public and community housing is required so those skirting with the poverty line have the same opportunities as their middle-class counterparts.

The Federal Government has in the past invested in social housing. Yet over the last three decades, governments have withdrawn from this responsibility. Social housing has not kept pace with the growth in population, with demand now far outweighing supply. Housing has become less and less affordable than ever.

- **Recommendation:** *Investing in a long-term program to grow the supply of social and affordable housing by 25,000 dwellings each year.*

Poverty amongst different demographics and communities

Drawing particular attention to new migrants, refugees and asylum seekers, these communities are at increased risk of poverty due to factors including lack of employment opportunities and being mostly ineligible for income support. These job seekers would also be considered disadvantaged due to possible visa restrictions on working in Australia, which impacts the amount of money they can earn to support themselves.

Providing support to disadvantaged workers enables them to enter sustainable employment and relieve the pressures of poverty and disadvantage as a barrier to finding work. There needs to be greater access to the basic safety net for all workers, including increased access to NewStart to allow such job seekers to survive while seeking employment and live above the poverty line, and greater support and education to ease the transition of moving into the workforce.

Income support and poverty

There are multiple limitations with the current income support provisions available in Australia.

Firstly, in addition to the link between family violence and poverty, single mothers who have fled violent relationships often need income support to make ends meet. Many single parents rely on Parenting Payments; however, these are only available until their youngest child is eight before being moved to Jobseeker. The Parenting Payment is approximately \$892.20 per fortnight; however, Jobseeker drops to \$691 per fortnight, resulting in a loss

[in-three-victorians-feel-rental-pinch-as-new-data-availability-of-social-housing-drops/](#) (accessed 5 February 2023).

of \$100 per week for mothers and their dependents. It should also be noted that the Jobseeker payment is the second lowest unemployment benefit in the OECD – 27% of the average wage compared with the OECD average of 58%.¹⁹

It is noted that Service Australia currently offers a Crisis Payment for Family and Domestic Violence circumstances, consisting of \$1500 in cash and \$3500 in direct payments. These payments are paid ‘per incident or circumstance’ and recipients are only entitled to four payments in a twelve-month period.²⁰ However, the Australian Council of Trade Unions estimates that an average woman requires \$18,000 to leave a violent relationship, so the monetary value of these payments alone is a limitation. There are also expedited wait times to access this payment, which is hardly helpful for victim survivors suddenly subjected to poverty.²¹

- **Recommendation:** Review the Parenting Payment policy to allow for single parents to have longer access to the payment rather than being moved over to Jobseeker. This can be done by raising the age of the youngest child from eight to 16.
- **Recommendation:** Change Service Australia’s Crisis Payment from a one-off ‘per incident’ payment to an increased frequency or monetary amount for greater support to people fleeing violent relationships.

Further, most people on temporary visas are ineligible for Centrelink, unless they have a protected Special Category visa. Whether temporary visa holders are trying to flee a violent relationship, or they require other financial assistance, their inability to access income support subjects them to poverty and hardship. Refugees and asylum seekers typically hold temporary visas, so their exclusion from income support not only exacerbates a difficult financial situation but can put strain on other services as they try to find other ways to survive.²²

- **Recommendation:** Change Centrelink eligibility to include temporary visa holders who have lived in Australia for an extended period.

¹⁹ B. Coates and M. Cowgill, ‘The Jobseeker Rise isn’t Enough: Submission to the Senate Standing Committee on Community Affairs’, Grattan Institute 2021, p.4, https://grattan.edu.au/wp-content/uploads/2021/03/housefin_2021_jobseeker_submission.pdf

²⁰ Services Australia, *Crisis Payment for Extreme Circumstances of Family Violence* [website] <https://www.servicesaustralia.gov.au/how-much-crisis-payment-for-extreme-circumstances-family-and-domestic-violence-you-can-get?context=52755>, (accessed 25 January 2022).

²¹ J. Taylor, ‘Women Struggle to get Federal Government’s \$5000 Payment to Escape Domestic Violence’, *The Guardian*, 3 April 2022, <https://www.theguardian.com/australia-news/2022/apr/03/women-struggle-to-get-federal-governments-5000-payment-to-escape-domestic-violence>

²² J. van Kooy, ‘COVID 19 and Humanitarian Migrants on Temporary Visas: Assessing the Public Cost’ *Analysis and Policy Observatory*, 2020, <https://apo.org.au/node/307213> (accessed 5 February 2023).

Mechanisms to reduce poverty – *Transforming Financial Security*

In addition to the abovementioned impacts of family violence and poverty, SMLS supports the implementation of WEstJustice’s “Transforming Financial Security” project, which assists victim survivors subjected to poverty by virtue of their decision to leave an abusive relationship or were victims of economic abuse.

This pilot project involved the collaboration of WEstjustice and McAuley Community Services for Women to provide integrated and holistic services to women who experienced economic abuse, with the aim of improving financial safety and providing resilience and capacity to victim survivors recovering from economic abuse. As part of the project, a lawyer and financial counsellor from WEstjustice worked at McAuley House to provide ongoing financial and legal support to victim survivors residing there, including negotiations with creditors and debt collectors, and provided access to industry hardship programs (such as the Family Violence Scheme at Fines Victoria).

In the few years the program has run, the project supported over a hundred women in removing financial burdens and restoring financial stability through waiving debts and repairing credit records, which both reduces and prevent experiences of poverty in victim survivors. In addition, a flow on effect from financial support from Transforming Financial Security allowed victim survivors to secure ongoing housing and employment. This is likely a result from freeing victim survivors of other debts and hardships, which opens capacity to afford stable housing, and in turn find and keep stable employment – all of which serves as a mechanism to reduce poverty. It should also be noted that as part of the holistic service, victim survivors were given greater support in leaving violent relationships, so they were not left with deciding to go back to a relationship for financial security, as flagged earlier.

Considering the success of this program, greater research into the benefits of these holistic programs needs to be done, and further rollout of the “Transforming Financial Security” or similar integrated services should be seriously considered

- ***Recommendation:*** Further implementation of “Transforming Financial Security” or similar pilot projects across Australia to provide holistic support to victim survivors of family violence and promote financial security.

Other related matters

Intersection of poverty and criminal outcomes

Individuals experiencing extreme poverty may turn to begging, however doing so exposes them to criminal prosecution. Currently, begging is prohibited in Victoria per the *Summary Offences Act* and carries a maximum penalty of 12 months' imprisonment.²³ It is a strict liability offence, with very limited defences available. This law is still being exercised with some frequency - 1259 begging offences were recorded between September 2013 and September 2022, and of the 19 cases between September 2021 and September 2022, 14 resulted in an arrest or summons.²⁴

Should an individual convicted of begging be sentenced by way of a fine, a fine further exacerbates financial hardship for those already living in poverty. Unpaid fines can also result in further punishment. However, over 70% of begging offences are resolved by way of an adjourned undertaking or dismissal, which, in the case of a dismissal, is an arguable waste of the Court's time and resources.²⁵ Laws that criminalize begging are therefore ineffective in achieving criminal justice outcomes and further punish people experiencing hardship and poverty. Other states have de-criminalized begging, and this approach should be uniform across the country.

- ***Recommendation: Repeal s.49A of the Summary Offences Act 1966 (Vic)***

²³ *Summary Offences Act 1966 (Vic)* s 49A

²⁴ Crime Statistics Agency, 'Data Tables Recorded Offences Visualisation Year Ending September 2022, *Crime Statistics Agency*, <https://www.crimestatistics.vic.gov.au/crime-statistics/latest-victorian-crime-data/download-data> (access 30 January 2023).

²⁵ Between 1 July 2018 and 30 June 2021, of 313 people who appeared before a Magistrates' Court in Victoria for a charge of begging per s49A of the Summary Offences Act, 12.8% were sentenced to imprisonment, 12.1% were sentenced to a fine, and 71.6% resulted in an adjourned undertaking or dismissal. - see the Sentencing Council for more information: https://www.sentencingcouncil.vic.gov.au/sacstat/magistrates_court/7405_49A_1.html

