



Australian Government

Australian Government response to the
Senate Community Affairs References Committee report:

Inquiry into the extent and nature of poverty in Australia

April 2026

Introduction

On 7 September 2022, the Senate referred an inquiry into the extent and poverty in Australia to the Senate Community Affairs References Committee (the Committee) for inquiry and report.

The Australian Government (the government) thanks the then Chair, Deputy Chair and Members for conducting the Inquiry and welcomes the Committee's reports.

The government also thanks those individuals and organisations who contributed their views to the Committee through public hearings or via the 253 submissions received by the Committee.

Committee Inquiry reports and government response

The Committee tabled an interim report on 4 May 2023, with one recommendation (Recommendation 1), which the government supports. Also:

- The Australian Greens provided additional comments with two recommendations. The government does not support Recommendation 1 and notes Recommendation 2.
- Coalition Senators provided additional comments, which the government notes.
- Senator David Pocock provided further additional comments with one recommendation (Recommendation 1), which the government notes.

The Committee tabled the final report on 28 February 2024, making 14 recommendations. The government supports four (Recommendations 1, 12, 13 and 14), supports four in principle (2, 5, 6 and 9), and notes six (Recommendations 3, 4, 7, 8, 10 and 11). Also:

- The Chair of the Inquiry, former Senator Janet Rice, made an additional 15 recommendations. The government supports one in principle (Recommendation 26), notes ten (Recommendations 16, 17, 19 to 23 and 27 to 29) and does not support four (Recommendations 15, 18, 24 and 25).
- There were also additional comments from Labor Senators and the dissenting report from the Coalition Senators which the government notes.

The government is committed to addressing poverty and disadvantage and providing opportunities for all Australians to fully participate in society. This includes providing a strong safety net through the social security system as well as investing in a range of areas such as health, education, employment, housing, front line services and communities to support vulnerable Australians at risk of poverty and disadvantage.

Addressing the cost of living

The government is committed to providing responsible and targeted cost-of-living relief to ease pressures on households, while making critical investments to grow the economy's future productive capacity.

In the 2024-25 Budget, the government provided more support for those Australians relying on the social security safety net, including:

- An increase to the maximum rates of Commonwealth Rent Assistance (CRA) by a further 10%.
- An extension of the higher rate of JobSeeker Payment to those with an assessed partial capacity to work of 0-14 hours per week.
- Improvements to Carer Payment participation settings including changing the 25 hours per week work limit to 100 hours over a four-week settlement period and removing current restrictions on study, volunteering and travel for work.

This builds upon the government's 2023-24 Budget measures which resulted in around 1.1 million recipients of JobSeeker Payment and other working age and student payments receiving at least a \$40 increase each fortnight and increased the maximum rates of CRA by 15%. In addition, the government has expanded access to Parenting Payment (Single).

Across the 2023-24 and 2024-25 Budgets, the government has provided an additional \$11.5 billion from 2022-23 to 2027-28 in the social security system.

The basic rate of JobSeeker Payment increases biannually in March and September due to indexation. On 20 March 2026, the typical rate of JobSeeker Payment for a single recipient without dependent children increases to \$817.50 per fortnight.

This means that since the government was elected, the rate of JobSeeker Payment for a single recipient without dependent children will have increased by \$166.00 a fortnight, or 25%, providing over \$4,300 in additional support each year.

The government is providing an additional \$114.8 million to strengthen support for Australians experiencing financial hardship. The additional, ongoing funding, provided through Financial Wellbeing and Capability grant programs, will help address demand for critical frontline services over the next five years, and ensure certainty and stability for a number of organisations including those delivering emergency relief and financial counselling. It will help more Australian households to pay and manage unexpected bills or expenses such as high electricity bills, rent, fuel and medicines.

The government has legislated tax cuts for every Australian taxpayer from 1 July 2026, adding to the first round of tax cuts that commenced on 1 July 2024. Every Australian taxpayer will receive an extra tax cut of up to \$268 from 1 July 2026 and up to \$536 every year from 1 July 2027, compared to 2024-25 tax settings. Combined with the first round of tax cuts, the average annual tax cut is expected to be \$2,548 in 2027-28, around \$50 per week, compared to 2023-24 tax settings. The tax cuts will improve incentives to work, especially for low-income and part-time workers who are predominately women.

In its submission to the Fair Work Commission's 2024-25 Annual Wage Review, the government recommended that the Commission award an economically sustainable real wage increase to Australia's award workers. Relative to all employees, award reliant employees are more likely to be women, work part-time, be under the age of 35 years and employed on a casual basis. On 3 June 2025, the Fair Work Commission subsequently announced a 3.5% increase to all modern award minimum wage rates. Increases to the minimum and award wages are an important tool to help address cost-of-living pressures, particularly for the most vulnerable workers.

The government's \$4.7 billion Cheaper Child Care package announced in the October 2022-23 Budget made child care more affordable for Australian families.

On 8 August 2024, the government committed to support a wage increase for the early childhood education and care (ECEC) workforce through a Worker Retention Payment. The government is delivering a 15% wage increase over two years: a 10% increase on top of the current national award rate in the first year from December 2024, and a further 5% in the second year from December 2025. This will support retention of early childhood educators and teachers and attract new employees to the sector and recognises the essential role this majority female workforce plays in our economy and society (approximately 96% of the workforce are women). The funding is tied to a commitment from ECEC providers to limit fee increases to 4.4% over the 12 months from 8 August 2025. This is an important condition that will keep downward pressure on child care fees for families.

On 11 December 2024, the government announced next steps to building a universal early education and care system through:

- A 3 Day Guarantee that will replace the current Activity Test from January 2026 with guaranteed eligibility for three days a week of subsidised early education for all Child Care Subsidy (CCS) eligible families, or 100 hours per fortnight for families caring for First Nations children.
- Establishing a \$1 billion Building Early Education Fund which will see more centres built and expanded in areas of need, including in the outer suburbs and regional Australia.
- Undertaking the Early Education Service Delivery Prices project to better understand the cost of delivering services around the country and underpin future reform.

These reforms have been informed by the Productivity Commission and the Australian Competition and Consumer Commission's work on early education.

The government's \$3 billion Energy Bill Relief Fund in 2022 provided electricity bill rebates to eligible households, with \$1.5 billion provided by the Commonwealth and matched by states and territories. The Commonwealth has committed an additional \$5.3 billion from 1 July 2024 for households to receive up to \$300 in electricity rebates and \$325 to eligible businesses in 2024-25, and up to an additional \$150 in 2025-26.

In the 2025-26 Budget, the government announced an investment of \$7.9 billion to introduce the new Bulk Billing Practice Incentive Program and expand eligibility for bulk billing incentives to all Australians, enabling more people to access GP services at no cost. This is an expansion of the 2023 initiative that tripled bulk billing incentives for Commonwealth concession card holders and individuals under 16 years. Over nine out of ten GP visits for these cohorts are now bulk billed, reflecting the success of the measure.

The government has delivered cheaper medicines through reforms to the Pharmaceutical Benefits Scheme (PBS). From 1 January 2026, the maximum general co-payment will decrease from \$31.60 to \$25.00 per script. This reduction is expected to result in more than five million Australians saving over \$200 million each year in out-of-pocket costs. This is in addition to the almost 300 medicines now available at part of the government's expansion of maximum dispensing quantities through 60-day prescriptions. The maximum co-payment will remain frozen at \$7.70 for pensioners and other concession holders.

Cost of living pressures are exacerbated for First Nations people living in remote communities, where low incomes and the high cost of food and other essentials, such as household goods and fuel, are major drivers of food insecurity. To support cost of living and food security in remote First Nations communities, the government has committed \$131.5 million to implement the National Strategy for Food Security in Aboriginal and Torres Strait Islander Communities.

A key initiative is the Low-cost Essentials Subsidy Scheme, which is helping to ease cost of living pressure facing many families in remote communities by subsidising the cost of 30 essential product lines in eligible remote stores. The Scheme is resulting in savings of up to 50% for the subsidised items, with prices comparable to urban supermarkets, in more than 113 stores to date.

Additionally, the Stores Efficiency and Resilience Grants Package is improving the reliability and affordability of food and essential items by mitigating against price increases over the high-risk weather season and increasing store capacity to bulk purchase goods, driving costs down.

Targeting entrenched disadvantage

The government has also provided over \$230 million to target entrenched disadvantage as a package with eight integrated initiatives. The package included funding for place-based partnerships to drive better outcomes in education, employment, child and maternal health, youth justice and participation. It also included a government commitment of \$100 million for an Outcomes Fund to deliver projects in partnerships with states and territories and service providers, using outcomes-based contracting and aligning stakeholder efforts, to focus on improving outcomes for children and families, helping those experiencing barriers to employment and supporting people facing homelessness through improved access to services.

Wages and full employment

In *Working Future: The Australian Government's White Paper on Jobs and Opportunities* (Working Future), the government outlined its objective for sustained and inclusive full employment. Working Future provides a roadmap for a dynamic and inclusive labour market, including investment in education and training, reforms to the migration system and better incentivising and expanding opportunities to work.

Since 2022, the government has delivered a range of workplace relations reforms designed to promote job security and gender equality, boost wages, and address systematic loopholes. The government is providing \$94.6 million over four years from 2023-24 to improve the workplace relations framework and close the loopholes that have been used to undercut fairness, pay and conditions and job security in the Australian labour market.

Further, the government is committed to reforming employment services to better meet the needs of individuals, employers and the economy.

In remote communities, where employment outcomes are disproportionately worse, the government has committed approximately \$2.6 billion to reform remote employment through the Remote Jobs and Economic Development (RJED) program and the Remote Australia Employment Service (RAES).

The RJED program is creating 6,000 jobs, with proper wages and conditions, with 1,700 new jobs already rolled out. Remote job seekers are also able to access the new RAES program, replacing the previous Community Development Program, supporting around 40,000 job seekers across 1,200 remote communities to build their skills and address the barriers faced with remote employment.

The government has also committed to delivering 500,000 Fee-Free TAFE places from 2023 to 2026. Enrolments have been prioritised for groups excluded or under-represented in the labour market including people with disability. The government has also legislated to make Free TAFE permanent, supporting 100,000 Free TAFE places per year from 1 January 2027.

Social and affordable housing

The government is making significant new investments to increase the supply of social and affordable homes and is working with state, territory and local governments to improve housing outcomes.

This consists of a number of important initiatives, including the establishment of the \$10 billion Housing Australia Future Fund (HAFF) to support 30,000 new social and affordable rental homes, as well as a range of acute housing needs, including repair and maintenance in remote Indigenous communities, crisis and transitional accommodation for women and children experiencing family and domestic violence and older women at risk of homelessness, and housing support for Veterans who are experiencing or at risk of homelessness.

A total of \$600 million has already been committed for a dedicated First Nations funding stream, with specific support provided to First Nations providers through the application and delivery process. There is also a 10 per cent First Nations tenancy target across all social housing delivered through HAFF.

In the Northern Territory, the Australian and Northern Territory Governments have jointly committed \$4 billion over 10 years to halve overcrowding by delivering up to 2,700 new houses and improve housing quality through the delivery of property, tenancy, and management services. This funding is guided by an overarching Partnership Agreement between the Australian and Northern Territory Governments, Aboriginal Housing Northern Territory, and each Northern Territory Land Council, embedding shared decision making so First Nations people can have a seat at the table on decisions about delivering this significant investment.

Additionally, the government invested a further \$1 billion under the National Housing Infrastructure Fund (NHIF) for crisis and transitional accommodation for women and children experiencing family violence and youth experiencing, or at particular risk of, homelessness (NHIF CT). This is in addition to the \$1 billion already available under the NHIF for housing-enabling critical infrastructure (NHIF CI) and for social and affordable housing (NHIF SAF).

Further, the government provides funding to state and territory governments through the five-year, \$9.3 billion National Agreement on Social Housing and Homelessness to support the effective operation of Australia's social housing and homelessness services sectors.

The government is also contributing \$800 million to the \$1.1 billion Social Housing Energy Performance Initiative (SHEPI). In partnership with the states and territories, SHEPI is supporting social housing tenants in more than 100,000 dwellings to benefit from home energy performance upgrades. Upgrades include solar systems, batteries, efficient electric appliances and insulation. The SHEPI is benefitting tenants through sustained savings on energy bills, and improvements to tenant comfort and health.

Acknowledging the gendered and diverse experiences of poverty

The government acknowledges that some groups of people are more at risk of poverty than others. Factors such as age, gender, family relationships, ability to participate in paid work, sources of income, disability and other characteristics can all have an impact. Gender-based violence, including financial abuse, can also exacerbate experiences of poverty.

Working for women: A Strategy for Gender Equality acknowledges that gender equality cannot be achieved while there is still a high gender pay gap and while women experience higher levels of poverty than men. It notes that women are more likely to live in poverty than men and experience poverty differently and that the gender pay gap can be wider for women who experience other forms of discrimination, such as First Nations women. New government reforms and programs are required to account for these differences through mechanisms such as gender-responsive budgeting, which weaves consideration of gender impact through the budget process and is a keyway the government can identify and fund measures that close gender gaps.

Economic Inclusion

Poverty is a complex issue, and the government is focused on addressing the complicated mix of factors that can push people into disadvantage. This is not something that will be comprehensively solved with quick fixes, but through persistent, whole of government, long-term approaches.

The government uses a range of metrics, measures and mechanisms to monitor the wellbeing of people and communities, including the *Measuring What Matters* wellbeing framework.

The government has established the Economic Inclusion Advisory Committee to provide advice ahead of every Budget on economic inclusion, including policy settings, systems and structures, and the adequacy, effectiveness and sustainability of income support payments.

The government has also established the First Nations Economic Partnership, a mechanism for First Nations people to share in decision making about reforms to economic policy in order to advance the economic empowerment and lasting economic security for First Nations people, communities and organisations.