



**Submission to the Senate
Community Affairs References Committee
Inquiry into Poverty and Financial Hardship
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Introduction

“Poverty in rich countries like Australia can be eradicated. We have the resources. We need to agree that the eradication of poverty is a worthwhile objective, and having agreed, to pursue that goal with a sense of purpose and commitment”¹

The Victorian Council of Social Service (VCOSS) is the peak body of the social and community sector in Victoria. VCOSS works to ensure that all Victorians have access to and a fair share of the community’s resources and services, through advocating for the development of a sustainable, fair and equitable society.

VCOSS VISION

VCOSS believes a society that lives out the principles of equity and justice:

- ensures everyone has access to and a fair share of the community’s resources and services
- involves all people as equals, without discrimination
- values and encourages people’s participation in decision making about their own lives and their community.

This is consistent with Article 25 (1) of the 1948 Universal Declaration on Human Rights states:

“Everyone has the right to a standard of living adequate for the health and wellbeing of [her or] himself and of [her or] his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood.”

Poverty and the inequality frequently associated with poverty are not acceptable in a society that reflects the Universal Declaration on Human Rights.² A commitment to equality of access to and participation in community life is critical to ensure all citizens have the capacity to reach their full potential.

VCOSS welcomes the establishment of the *Inquiry into Poverty and Financial Hardship*. The Inquiry is timely, as the circumstances of poverty and inequality have changed since the *Commission of Inquiry into Poverty* in the 1970s.³ At that time, poverty was mainly experienced by those outside the labour market; it is now firmly entrenched among both employed and unemployed households. Demographic change, such as the increase in single parent households and an ageing workforce, and changes in the labour market, particularly the increase in non-standard, casual or ‘precarious’ work (now accounting for about one third of jobs) increases the risk and instability experienced by many families. Research also indicates a significant polarisation into work rich and work poor households; with one in six children growing up in workless households. There is clearly a need for new integrated social and economic policy strategies in response to these changes.⁴

Citizenship Framework

A citizenship framework that prioritises active participation by all members of the community is critical for constructing public debate and dialogue on poverty, disadvantage and inequality. Active citizenship enables a person to participate fully and with dignity in all aspects of the life of their community, thus fostering social inclusion.

The quality of a person's citizenship is determined by their interaction with the community and the quality of their life experience.⁵ A citizenship framework recognises that universal provision to meet basic needs in terms of health, education, housing, employment and standard of living is essential to enable and support this interaction and quality of life. Importantly, governments need to ensure that the appropriate community infrastructure is in place to facilitate communities' engagement and to support the capacity of all individuals and groups to participate socially and economically. Active citizenship provides a basis for 'healthy, strong' communities.⁶

Australia requires mechanisms which ensure that social, economic, environmental and cultural rights are taken into account when government policy is being developed and legislation drafted. Human rights need to be used as benchmarks, not slogans by governments and their departments.

The significance of social capital – our social connectedness – within our communities also cannot be ignored. Social capital encompasses the links that create society,⁷ and relates to the resources available within communities as a consequence of networks of mutual support, reciprocity, trust and obligation.⁸ Within the concept of social capital, is the principle of social justice.

The values of social justice are an essential factor in strengthening social capital in communities. These values encompass equal worth of all citizens and their equal right to be able to participate in the community and meet their basic needs.⁹ Social justice can be defined as the universal availability of opportunities and services which provide equitable outcomes for the diverse range of community needs, life situations and aspirations for all people on the basis of citizenship¹⁰, and can be described as having four principles:¹¹

- Equity:** meaning fairness in the distribution of social and economic resources;
- Equality:** meaning equal, effective and comprehensive civil, legal and industrial rights for all;
- Access:** meaning fair and equal access to services;
- Participation:** meaning the opportunity to participate fully in personal development, community life and decision-making.

The principles of social justice and social capital have been captured in the forward thinking strategy of focusing on means and mechanisms for enhancing and ensuring social inclusion.¹² Social inclusion provides an enhanced understanding of the experience of poverty and inequality, by focusing on relational issues rather than exclusively on the distributional issues that have preoccupied past approaches to poverty.¹³ This means focusing on those factors which impact on people's opportunities to participate fully in the life of their community.

Poverty, Disadvantage and Inequality

EXPLAINING POVERTY – SOME CONTEXT

The experience of poverty and inequality in Australia is not solely related to income. It is about individuals having so few resources – social, cultural and economic their capacity to actively participate in all aspects of community life or to be active citizens with equality in access to their human rights is compromised. Areas such as health, education, housing, community services and income support are integral to participatory democracy in societies “where taxation is used redistributively to ensure basic living standards, dignity and access to basic social services”.¹⁴ It is critical that federal, state and local governments support all citizens’ rights to actively participate socially and economically in community life.

Persistent inequality in the distribution of income and in opportunity alongside persistent systematic deprivation and incapacity highlights the continuing existence of inequality and poverty (whether measured as subsistence, participation/social, income poverty or core poverty¹⁵) in Australia today. The United Nations Development Programme’s [sic] Human Development (UNDP) Report 2002 highlights that poverty remains widespread in developing countries,¹⁶ noting, “human poverty and exclusion are hidden among statistics of success”.¹⁷ Australia and Victoria are no exception.

While many Australians have experienced rising prosperity and widening opportunities associated with the strong growth of the Australian economy, others have experienced a narrowing of opportunities and rising levels of poverty. The past thirty years in Australia has seen rising levels of inequality. This growing polarisation in the community between those who ‘have’ and those who experience disadvantage is arguably one of the most disturbing trends that has emerged in Australia and internationally during the last 30 years. It is evident that not all Australians have equality in their standard of living across the areas of health, education, housing and employment. Clearly not all people and communities have shared in the benefits of Australia’s economic growth – far too many have experienced injustice and inequalities.

Australia’s ‘demography of disadvantage’ shows:

- Inequity is increasing;
- The relationship between low incomes, unemployment and geographic location is considerable and has intensified;
- The relationship between geographic location and education outcomes is considerable;
- Family income is becoming more important as a predictor of a child’s life chances;
- Inequity and poverty are inter-generational and related to geographic location;¹⁸ and
- the relationship between income poverty and unemployment or joblessness – especially for families with children, low security payments and single parenting is strong.

What this means for Victoria is that there are specific areas of Melbourne and areas in regional and rural Victoria where poverty and disadvantage affect generations of families, who are unable to access the types of services and opportunities that might enable them to change their circumstances.

Clearly, the experience of poverty, disadvantage and inequality varies according to geographic location, and is becoming increasingly concentrated.¹⁹ Since the 1970s, significant social and economic trends have had unequal spatial outcomes across Australia.²⁰ This increasing locational aspect of poverty and disadvantage²¹ should be a key concern for

governments, which need to concentrate a whole of government strategy on generating decent jobs – targeted at those who are locked out of secure employment. The submissions to the Inquiry of ACOSS and Jesuit Social Services provide a more detailed discussion of the spatial concentration of poverty and disadvantage.

Australia as a whole should be concerned about the increasing level of poverty and inequality. Four key reasons why public policy should respond to poverty are:

- the unacceptable experience of hardship and deprivation that arises from poverty;
- the existence of inequality of opportunity which is both inefficient and inequitable;
- the decline in social cohesion, which can have profound social, economic and political consequences;²² and
- the long term intergenerational impact of poverty and disadvantage.

Who experiences poverty and disadvantage in Australia?

Poverty and inequality is more likely to be experienced by particular groups within the Australian community. Australians most likely to experience poverty include:

- Indigenous Australians;
- sole parent families;
- people whose primary source of income is Government benefits;
- people who are unemployed, particularly where unemployment is long-term;
- people with a disability;
- migrants and refugees;
- people who have three children or more;
- older people in private rental people who are earning low wages;
- people who have low business income; and/or
- young people, particularly those who are undertaking education or training.²³

The number of children who experience poverty and inequality is of grave concern given the longer-term intergenerational impacts, and impacts such as poorer education outcomes, higher levels of unemployment, impact on health and mental health, and increased likelihood of involvement in the justice system.²⁴

“Children are kept in poverty not by a padlock to which there is a single key but by a combination lock that requires an alignment of factors if it is to be released.”²⁵

SNAPSHOTS OF POVERTY & INEQUALITY IN AUSTRALIA

- Poverty and income inequality rose in the 1990s²⁶ - while incomes of the top one-fifth of households increased by almost 14 per cent, the incomes of the bottom one-fifth of households grew by only 1.5%. The incomes of the middle one-fifth grew by 10.2%.
- 2.4 million, or 13.3% of Australians do not have enough money to meet basic, everyday needs such as housing, clothing and food.²⁷
- More than 30,000 *working* households went without meals in 2000 due to money shortages; almost 170,000 could not pay utility bills and 30,000 could not afford to heat their homes²⁸
- the top 20% of households have 44% of all private income, while the bottom 20% had just 3%.²⁹
- one in five low-paid workers now lives in a low income family.³⁰

- 41,639 Victorians are on the public housing waiting list due to lack of available stock to meet demand³¹
- More than 90,000 Australians face 'housing stress', spending more than half their income on rent³²
- Over 702,000 Australian households, or 10%, spend more than 30% of their income on housing³³
- Waiting lists for public dental services are almost two years long; in some regional centres there simply are no public dentists³⁴
- Between 1993-94 and 1998/99: the approximate 2.5 million Australians in the lowest quintile of household incomes received an average weekly increase of \$9, a 5% increase to \$160/week. In contrast, the top 20% of income earners received a weekly increase of \$343, a 23.4% increase to \$1,996/week³⁵
- 30% of households have a combined annual income of less than \$20,000³⁶
- there has been a sharp increase in poverty levels among 15-18 year olds who have left the parental home or who are still living at home but are not in full-time study.³⁷

The key drivers of poverty and inequality in the Australian context are globalisation, economic change, diminished labour market opportunities for sustainable employment, changes in family formation and in the role of institutions that promote values and opportunities for inclusion.³⁸ "These are affecting poverty, inequality and the quality of people's lives through their impacts on employment, housing, communities and family life, [and] will continue to have an adverse impact into the future".³⁹ Privatisation agendas in basic services in health, education, utilities and social and community services have diminished the role of government and, in many cases, have created new issues of access and affordability.

SHIFTING DISTRIBUTION OF POVERTY

Unlike at the time of the last Commission of Inquiry into Poverty in the 1970s, poverty in Australia is now firmly entrenched among both employed and unemployed households.⁴⁰ It has also been highlighted that the experience of poverty among Australians of labour market age is likely to worsen further because of the persistent rise in unemployment since 1973, the skewed nature of new jobs – frequently being casual and precarious, and the skewed distribution of available jobs as unemployment has risen.⁴¹

A second key difference is that while unemployment continues to be a major cause of poverty, today there are an increasing number of people who are in low-paid employment who experience poverty. In Australia today, having a job no longer guarantees that you and your family will not experience poverty – one in five low income Australians now live in a family where wages and salaries are the main income source, thus being a part of the growing number of *working poor*.⁴² What has been promoted as flexible labour markets, combined with low pay rates, have meant that significant numbers of households are denied a living wage:

"... the problem appears to be not a lack of jobs but a lack of good, waged, full-time jobs that allow for economic self-sufficiency".⁴³

For a detailed overview of the changes in the impact of poverty, components and distribution since the Henderson Inquiry, see Fincher's and Nieuwenhuysen's *Australian poverty: Then and now*.⁴⁴

DEFINING AND MEASURING POVERTY AND DISADVANTAGE IN AUSTRALIA

To understand and develop approaches to alleviate poverty, poverty must first be defined and measured. To do this effectively, the complex, multi-factorial nature of poverty and disadvantage must be considered. In doing so, a number of indicators such as levels of income, and social indicators – including health, education, housing and level of vulnerability must be incorporated.⁴⁵

It is critical that the different dimensions of poverty, disadvantage and inequality be considered within any definition and measurement of poverty. Poverty and inequality should not be viewed solely as related to inadequate income, as income levels do not in themselves capture all aspects of inequality and disadvantage. The particular needs accompanying disability and costs associated with geographic location are cases in point.

Across the debates surrounding the definition and measurement of poverty, poverty is generally viewed as encompassing two key aspects:

- People lacking the resources to have a standard of living – in terms of food, housing, health, education - in keeping with general community standards and expectations; and
- People not being able to/have the capacity participate fully in the life of their community – through employment, recreation, and social relationships.

People may experience inequality and disadvantage across a number of dimensions in addition to income, such as inadequate food and housing and increased vulnerability to poor health, housing and education outcomes. Further dimensions of poverty include “the characteristics of the neighbourhoods [they] inhabit, [and] access to the collective resources of the communities in which [they] live.”⁴⁶

The focus on facilitating social inclusion provides an enhanced understanding of the experience of poverty and inequality, and includes a focus on the broader dimensions of poverty and disadvantage. Social inclusion focuses on relational issues complementing distributional issues upon which previous approaches to poverty have primarily focused⁴⁷, exploring factors impacting on people’s opportunities to participate fully in the life of their community.

The ACOSS submission to the Inquiry encapsulates the above discussion into three related but distinct forms of systematic deprivation or incapacity which constitute different forms of poverty: subsistence, participation/social and income poverty; to which ‘core’ poverty can be added.

An important reason for adopting this broader conceptualisation of poverty is that it recognises that different dimensions and aspects of poverty interact in significant ways and enables a better understanding of the experience of poverty and its causes⁴⁸. Reflecting this broader definition and indicators in any measurement will facilitate the development of a more integrated and proactive policy response.

A number of measurement models have been used in Australia, including⁴⁹:

- Henderson Poverty Line, 1975;
- NATSEM – The Smith Family;
- OECD Poverty Line; and
- Half Average Poverty Line.

Each of these models allow “the robustness of the [poverty] estimates to changes in the methods used to derive them to be assessed.”⁵⁰

Significant debate exists around the measurement of poverty and inequality in Australia. As there is no single accepted definition of poverty, it is difficult to conclusively estimate the level of Australian poverty. Further, there is no consensus regarding the most appropriate measure of poverty, and difficulties can be experienced in measuring poverty in a way that is true to the definition. As such, poverty estimates will vary according to the definition used and the methods of measurement adopted. To some extent, ameliorative steps were taken during the 1980s with social wage adjustments – especially for families with children – which had the effect of lifting significant numbers of families over poverty thresholds. However, within a more tightly targeted social security system, it is now clear that persisting unemployment for some, persistence of low wage or no-wage households and churning between unemployment and low wage employment mean that Australia is not making any significant progress in addressing the experience of poverty and inequality.⁵¹

Arguments have been posited that some definitions and measurements confuse poverty with inequality and that recent estimates are exaggerated.⁵² Others have suggested that the debate should focus more broadly on the underlying issues as such criticism “comes down to a disagreement over the judgements on which the poverty line is based.”⁵³ It is equally important however to not view measures of poverty and inequality as the end point of policy considerations. Poverty measures are important as indicators only. In focusing on the merits of different measurements of poverty, debate and policy responses have become detached from the main issues relating to the causes and consequences of poverty, de-humanising the experience of poverty. It is important that the focus be brought back to the broader issues surrounding poverty.

VCOSS supports the development of a set of agreed measures of poverty that reflect the complexities and multi-dimensionality of poverty and disadvantage. Until the underlying complexities of poverty are acknowledged and grappled with, little impact will be made in addressing people’s experience of poverty and disadvantage⁵⁴. The basis for developing measures should be to support the development of better outcomes for people on low incomes and/or who experience disadvantage.

Relative vs absolute

The debates around relative and absolute, or ‘real’, poverty take the debate away from some of the key issues in terms of causes of and strategies to address poverty and inequality in Australia.

People experience poverty when they lack the resources to have a standard of living in keeping with general community standards and expectations. This definition of poverty is referred to as a relative poverty definition, and underpins most estimates of the number of Australians in poverty⁵⁵. It is important to note, however, that absolute poverty (defined in the ACOSS submission as *core poverty*), where individuals and families have insufficient food or shelter for living, does exist in Australia.

The experience of many Australians who receive Federal Government income support payments is one of absolute poverty. Many are unable to fully feed their family, obtain safe, secure housing, or ensure their child’s ability to fully participate in schooling. It is clear that an inability to participate causes significant exclusion and loss of opportunity for these children and young people.⁵⁶

CONSEQUENCES - EXPERIENCES OF POVERTY AND INEQUALITY

To live in poverty and experience inequality is to be forced to live on the margins of society, to be excluded from the normal spheres of consumption and activity, which together define social participation and national identity.⁵⁷ Poverty, in its broadest sense, reinforces inequality of opportunity, and effectively marginalises people. It affects important aspects of life such as the ability to form and sustain close supportive relationships, to experience happiness, and to

enjoy good health.⁵⁸ For families and individuals, it means a lack of access to networks of support and information that assists them in all aspects of their lives – from education and housing, to social and community support services, and employment.

At the international level, increasing attention is being focused on the consequences of poverty. UNDP has emphasised this, noting, “poverty is the greatest threat to political stability, social cohesion and the environmental health of the planet”.⁵⁹

The experience of poverty for families and children include⁶⁰:

- Difficulties in meeting basic living costs;
- Financial stress;
- Stress on relationships;
- Isolation and exclusion;
- Poorer health; and
- Poorer school performance, including illiteracy and early school leaving;
- Increased vulnerability to adverse events outside their control.

A critical point is that what may be a small factor for many in the community, such as sickness, car breakdown, broken household appliances, can drive people further into poverty.⁶¹

Being in receipt of a government pension or benefit is the single key characteristic shared by those in poverty in Australia,⁶² with the poverty rate among people relying on government benefits increasing sharply over the past decade from 24 per cent to 31 per cent.⁶³ The current rates of pensions and benefits clearly do not meet the costs of living, with people having to do a very fine balancing act between affording food, clothing, housing, heating etc. Families and individuals living in poverty are not being provided with sufficient and appropriate support to enable them to break the cycle of poverty and disadvantage.

The impacts of locational disadvantage compound other factors in the experience of poverty and disadvantage. The OECD report, *Cities for Citizens*, points to the importance of ‘liveability’, and stipulates that where economic changes impact unequally in terms of space, quality of the natural and physical environment and quality of life, the ‘voice’ of citizens is often fragmented, frustrated or missing. In developing strategies and responses to poverty and disadvantage in Australia, governments must ensure that it utilises processes to reposition the voice of people who experience poverty and disadvantage.

The increasing spatial concentration of both affluence and poverty within metropolitan and regional areas is further compounding the polarisation of the Australian community. Research indicates that lower income households are located more in outer metropolitan suburbs, small rural towns and certain coastal areas; in Victoria a relatively small number of postcode areas accounted for a large percentage of locations with a high ranking on disadvantage indicators. The growing evidence⁶⁴ highlights the need for targeted, locally driven responses.

A fundamental concern of the impact of poverty and disadvantage relates to the reduction in social inclusion and its associated social fragmentation.⁶⁵ Poverty impacts on people’s access to opportunities to participate both socially and economically in our community. Social exclusion undermines people’s sense of belonging and contributing to the wellbeing and future of the community. Through their poverty, people are unable to participate in activities widely accepted and encouraged by the community⁶⁶

Structural change is critical to address the factors that underlie and perpetuate poverty and disadvantage.

INDIGENOUS PEOPLES' AND COMMUNITIES' EXPERIENCE OF POVERTY AND INEQUALITY

Indigenous peoples in Australia are 2-3 times more likely to experience poverty than the non-Indigenous community. Indigenous Australians experience gross inequities across a range of indicators, including health, education, housing and employment. These inequalities are linked to “deeper issues of self-determination, land rights, reparation for the forcible removal of children, economic independence and respect for culture and identity.”⁶⁷

In practice, racism and discrimination continue to actively exclude Indigenous Australians from employment and the private rental market, and from full participation in education or training. As stable housing, employment and education are core platforms from which people can escape poverty, addressing the racism hurdle is a critical strategy for the realisation of better outcomes for Indigenous Australians.

Addressing racism, self-determination, land rights, reparation for the forcible removal of children, economic independence and respect for culture and identity are all necessary to address the underlying issues contributing to the poverty and disadvantage experienced by Indigenous Australians. In addition, specific, local responses are required to tackle specific issues in local communities.

The submissions to the Inquiry of the Aboriginal and Torres Strait Islander Commission (ATSIC) and the Australian Council of Social Service (ACOSS) discuss the experience of and impacts on Indigenous peoples and communities further.

RURAL AND REGIONAL VICTORIAN EXPERIENCE OF POVERTY AND DISADVANTAGE

There is a growing disparity between Victorian regional and rural areas and metropolitan Melbourne that reflects similar disparities across Australia. For example, ABS figures show that in terms of median income, 93 of the lowest 100 regions in Victoria were in rural or regional areas. NATSEM research⁶⁸ suggests that there is a large and growing gap between the incomes of Australians living in the capital cities and those living in the rest of Australia, with the income of those in metropolitan areas increasing at double the rate of those living in rural and regional areas between 1991 and 1996. However, it is noted that regional Australia “is not uniformly disadvantaged and not uniformly declining,” with very different experiences in particular States and regions.

Growing poverty and disadvantage in regional and rural areas has been identified as a key-contributing factor to the breakdown of some communities.⁶⁹ Regional development strategies that focus on maintaining a proper share of economic development in rural and regional areas are needed to halt rural decline. Such strategies must include a mix of business and industry stimulation, local education and training initiatives and social housing development.

GENDER AND THE EXPERIENCE OF POVERTY AND DISADVANTAGE

Women continue to be over represented among Australians living in poverty, with female sole parents the continuing to be significantly at risk of experiencing poverty, with 22 per cent of these families living in income poverty.⁷⁰ A key cause of poverty among sole parents is the nexus of women's low wages, precariousness of women's work, low level of sole parents income security payments, high cost of childcare and the perfidities of Australia's child support system.

Sole parent's inability to maintain a decent income has serious implications for their children who as a consequence of their mother's low incomes are raised in poverty. Reform is needed to both increase the minimum sole parents' income security payment and to increase the economic return of engaging in paid employment. Increasing the job security and pay of

casual and marginal work and decreasing the costs of childcare are essential reforms that would increase the return of paid work.

It should be noted that the women who experience most disadvantage in the labour market are Indigenous women and women from culturally and linguistically diverse backgrounds, many of whom work in the lowest paid and most insecure forms of employment. Providing targeted support for education and training as well as increasing the employment conditions of the most marginal employment activities, including outwork and casual work would deliver concrete improvements in these women's lives.

Women, especially those with disabled dependents or elder care responsibilities, are under increasing pressure to move from full-time to part-time employment or leave the workforce completely due to caring responsibilities. The flow on effects of divorce mean a significant new group in poverty is older women with little or no superannuation and diminishing rates of home ownership. Aged females' risk of poverty is particularly significant, at around 32 percent.⁷¹

VCOSS Research – Evidence based analysis

VCOSS has recently undertaken a number of strategic research projects that highlight the lived experience of poverty and disadvantage for people in Victoria. A selection of three pieces of research is provided below, with key points regarding the major findings in relation to poverty, disadvantage and inequality.

WOMEN IN POVERTY REPORT⁷²

The key issues precipitating poverty for women were identified in this report as:

- the inadequacy of either social security or income from paid work to meet women's and their dependants' basic needs - a number of women noted that they could not *afford* to get paid employment because of the high costs involved, including childcare and transport;
- lack of access to essential social services such as free education, free health care, affordable and comprehensive public transport, affordable access to utilities and quality, affordable childcare. While some women noted that these services exist but they cannot afford to use them, many women from rural and regional Victoria indicated that a range of services did not exist in their local area;
- lack of access to services that meet the specific needs of marginalised women, particularly Indigenous women and women from culturally and linguistically diverse backgrounds; and
- racism and discrimination and negative stereotyping of Indigenous women, refugee, migrant and asylum seeker women and single mothers.
- Lack of access to affordable housing

ACCESS TO SERVICES: ISSUES FOR WOMEN ON LOW INCOMES IN LAKES ENTRANCE AND SURROUNDS⁷³

The *Access to Services* Report focussed on the issues precipitating poverty for women in rural and regional Victoria, using Lakes Entrance as a specific reference point. The Report concluded that the following issues were of priority concern to rural and regional women in poverty:

- The inadequacy of incomes to meet the higher costs of living in rural areas, including relatively high food and utility costs and high costs of transport.

- User-pays fees at services making services inaccessible. Many women were excluded from basic services including health care because of upfront payments.
- Prohibitive cost and lack of availability of public transport – many women could not afford to access services in nearby Bairnsdale because of the high cost of local bus services and as a consequence of poor service frequency and accessibility to transport nodes
- Lack of affordable housing – Inability to afford a home and long waiting lists for emergency accommodation meant some women being forced to resort to living in a tent or crowding in with friends or relatives.
- Racism – Indigenous women in rural and regional Victoria face a very high level of discrimination in accessing employment and private rental accommodation.

SNAPSHOTS OF LIFE... EXPLORING THE BARRIERS FACED BY PEOPLE EXPERIENCING DISADVANTAGE – WHAT CAN PLANNERS DO?⁷⁴

- Describes the varied physical, social and psychological barriers experienced by people living with low incomes which inhibit access, interaction and wellbeing.
- Gives added validity to the need for integrated planning across all levels of government, particularly as it relates to housing, employment, income support and transport.
- Stresses the lack of choice available to people who experience disadvantage and inequality, and their consequent reliance on affordable and accessible government services and facilities.
- Highlights impacts of locational disadvantage.

Parameters central to poverty and inequality

Not all Australians have equality in their standard of living across the areas of health, education, housing, employment and income. It is critical to recognise the inter-connectedness of these factors in perpetuating the experience of poverty and disadvantage, and the need for any response to be comprehensive, integrated and flexible in application.

EDUCATION AND TRAINING

“Public education: the single most important element in the maintenance of a democratic system.”⁷⁵

Education and training is fundamental to the social and economic wellbeing of all citizens and the Australian community as a whole. An inclusive, accessible system of education and training is critical for individual and national development⁷⁶ and breaking inter-generational cycles of poverty. Quality education and training are key pathways for individuals into economic and social participation, and for communities, promotes economic growth and fosters strong communities.

New approaches in the structuring of schools as *Community Resource Zones* must be adopted, particularly as for many families schools are the only formal institutions that they engage with.⁷⁷

A recent OECD report emphasises the crucial importance of the development of competencies and human capital as prime investments for ensuring sustainable economic and social growth.⁷⁸ Investment in education and training is critical in approaches to assist people to move out of poverty and overcome disadvantage.

Socio-economic status and education outcomes

“The relationship [between education and poverty] is one of double jeopardy: not only are the poor unlikely to participate in all levels of the education system to the same extent as the advantaged, but their experience in education is also less likely to result in favourable outcomes.”⁷⁹

While international research shows Australian students perform well relative to their peers in other OECD countries, socio-economic background is a more significant determinant of student achievement in Australia than in other parts of the world.⁸⁰ Richard Teese’s research demonstrates the significant link between lower socio-economic background and poorer educational outcomes.⁸¹ Strategies to promote equitable educational outcomes must address the socio-economic disadvantaged experienced by children and young people.

As a community we must invest in a system of education training and community support which equips all young people with the capacity to participate in the social and economic life of their community. Failure to do so condemns many young people to life on the margins; it diminishes their quality of life and deprives the community of their contribution.⁸²

Inequitable funding of public education

By 2004, public schools, which educate approximately 70 per cent of Australia’s children and young people, will receive only about one-third of Commonwealth education funding. This is a marketedly inequitable distribution of Federal Government resources, and arguably reflects the poor commitment of the current Federal Government to ensuring equitable educational outcomes for all children and young people.

The reduced investment in public education by both the Federal and Victorian State Governments has increased schools’ reliance on voluntary fees and other charges. Voluntary fees place a significant demand on families’ budgets. Families on low incomes experience particular stresses in meeting the costs of their children’s education, with many families faced with the need to prioritise their children’s education above the payment of other household expense, such as utility bills. The non-payment of voluntary fees is compromising many children’s and young people’s education.⁸³

Participation in education and training

Young people who exit the education and training system early, and do not proceed to an apprenticeship or traineeship, are at increased risk of experiencing poverty and disadvantage and their ability to contribute socially and economically to the community is seriously undermined. A number of factors underpin the reasons why many young people leave the education and training system and why their sense of connectedness to the school is reduced, including the desire for work, lack of interest in schoolwork, the unsatisfactory nature of the school culture and of school responses to their needs.⁸⁴

In comparison to other OECD countries, Australia is ranked 15th out of 21 countries in the proportion of the population completing at least upper secondary education.⁸⁵ The rate of early school leaving is particularly high in Victorian metropolitan areas of low socio-economic status: 30 per cent for girls and more than 40 per cent for boys.⁸⁶ Many regional areas also have similar high levels of early leaving.⁸⁷

Young people who exit the education and training system early are particularly at risk, being one of the most disadvantaged groups in the labour force. Early school leavers are more likely to be unemployed or experience marginal attachment to the labour market in their first years after leaving school than those who complete Year 12 or an apprenticeship, and continue to experience higher unemployment and lower earnings a decade or more later.⁸⁸ Those who do not complete Year 12 or its equivalent are disproportionately from social

groups that already experience disadvantage – the long-term impacts of exiting education and training system early.

The Australian Education Union (AEU) and Anglicare Victoria submissions to the Inquiry provide a more detailed discussion of the experience of poverty and disadvantage and the impact on education.

HEALTH

Health is central to both individual and broader community social and economic wellbeing,⁸⁹ and is recognised as a fundamental right the Universal Declaration of Human Rights, Article 25 (1).⁹⁰ Health is an essential component of active citizenship as without health a person cannot access other rights and cannot enjoy quality of life. Equitable access to health prevention services and care is therefore vital.

Australia has had a strong, effective health system both in terms of effectiveness and efficiency, which has supported the broader health and wellbeing of the whole community. As noted by the Australian Institute of Health and Welfare (AIHW), effective health services are fundamental to the wellbeing and development of the Australian community, and are key for minimising disadvantage.⁹¹ Access to health services is not just an issue of affordability, but of availability, proximity and timeliness.

Regrettably, this equality in access is becoming undermined with the rising costs of consumer co-payments. A reduction in the effectiveness and efficiency of Australia's health system will further compound the disadvantage experienced by low-income Australians: people experiencing poverty are more likely to experience illness and early death than others in the community.⁹²

Community-based health care

Community-based health care and support services contribute to broad factors that influence health outcomes, including social cohesion as well as therapeutic treatment.

People on low incomes have limited access to a range of allied health services.⁹³ At present in Victoria, waiting lists for services are unacceptably lengthy in both metropolitan and regional areas, with waiting times of between 1-4 weeks for an appointment with a General Practitioner (GP), 2-12 weeks for 'non-urgent' general counselling, and 2 weeks-11 months for individual occupational therapy sessions.⁹⁴ Waiting lists however, only tell half the story – equally significant is the lack of availability of these services at the community health centres surveyed.

Dental health

Waiting lists for dental health disproportionately impact on those who experience disadvantage, affecting both health and quality of life. Oral health is vital to social wellbeing, self-esteem and sound nutrition. Research has clearly demonstrated the relationship between low-income levels and poor dental health, with people earning less than \$20,000 per year with no private health insurance nearly 24 times more likely to suffer complete tooth loss than private health insurance clients earning more than \$40,000 per year.⁹⁵

Medicare

Medicare plays a central role in ensuring the affordability of hospital and medical services, particularly to those on low incomes and those who are not able to afford private health insurance. Medicare's function in providing access to free or subsidised General Practitioner (GP) services and hospital services and a range of other health services is a critical one.

A key concern in relation to Medicare is the growing decline in the numbers of GPs who provide bulk-billing. The decline in bulk-billing is already resulting in reduced and uneven access to GP services, and there is anecdotal evidence of people delaying visiting a GP to seek diagnosis and treatment. As such, people are not able to access preventative health care measures – for example pap smears – or receive early intervention treatment or support. This is not sound humanitarian or economic policy: the longer-term costs of relying on treatment at later stages of illness are significant.

The decline in bulk billing particularly impacts on people who live in rural and regional areas, older people, families with two or more children, people with a chronic illness and/or disability, and those on low incomes. Many of these people already have the lowest health status in the Australian community.

As a further result of the decline in bulk-billing, people are turning to already over-stretched community health centres and the emergency units of public hospitals. Public hospitals emergency units are being overburdened in having to respond to patients that should be able to obtain more timely treatment from a GP. Hospitals are not an effective provider of population health, prevention and early intervention services. Universal health care is the most effective way to provide services to all members of the community, including those who experience poverty and disadvantage.

The introduction of subsidies for private health insurance further undermines the capacity of the Australian health system to provide equitable access to health care. This surreptitious funding of private health cover is unsustainable, inequitable and, arguably, an inappropriate use of public funds.⁹⁶

HOUSING

Access to housing is a right of all Australians, as specified in the 1948 *Universal Declaration of Human Rights* Article 25(1). Ensuring universal access to safe, affordable housing is fundamental to increasing the life chances of all Australians and breaking inter-generational cycles of poverty, inequality and disadvantage. Addressing the need for adequate social housing must be central to any measures to address poverty and disadvantage and to ensure social inclusion.

Access to safe, secure affordable housing is essential to individual, family and community health and wellbeing.⁹⁷ Inadequate housing costs the community as a whole, exacerbating demand for crisis accommodation and health services, and increasing reliance on income support payments.⁹⁸

Access to housing also predetermines a household or individual's capacity to access all other services and opportunities. Without housing, the members of a household are unable to fully participate in employment or education, and their health and wellbeing is compromised.⁹⁹

Housing costs are generally the most significant cost for families, with a strong interrelation existing between incomes and housing costs. 'Housing stress' refers to the financial impact of households paying more than 30 per cent of their income in housing costs. Almost 90,000 Australians on low incomes, or the bottom 40 per cent of income earners, pay more than 50 per cent of their income in rent, and over 702,000 Australian households, or 10%, spend more than 30% of their income on housing.¹⁰⁰

High housing costs and relatively low wages produce circumstances in which families are unable to meet the costs of living.¹⁰¹ People who are in private rental accommodation bear the highest housing costs as a percentage of their gross income. Costs of housing are compounded when lower cost housing is located in areas of locational disadvantage, where for example, there is little or no public transport.¹⁰²

Affordable Housing

"We face across-the-board changes that will alter our perception of what we want in housing, and the way the housing market develops. These include . . . greater polarisation – with housing prices and affordability tied to income levels and access to facilities and services."¹⁰³

Changes in the Victorian economy and the housing market have resulted in a growing shortage of housing that is affordable to people on low to moderate incomes. Increasingly, affordable properties in both rental and purchase markets are concentrated in areas with limited access to job opportunities, transport and social services.

If Victoria and Australia are to avert increasing polarisation of housing options and the development of concentrations of disadvantage, then both Federal and State government policy must be oriented to increase the distribution as well as the quantity of affordable housing.

For a detailed discussion of housing affordability see the submissions to the Inquiry of the Brotherhood of St Laurence and Melbourne City Mission.

Homelessness

Almost all households are vulnerable to becoming homeless, but homelessness most commonly occurs as a result of the need to escape domestic violence or family conflict, after a period of unemployment or illness, or where housing suddenly increases in cost.

In 1996, more than 105,000 people in Australia were homeless. Many more were at risk of homelessness. It is expected that the 2001 Census figures will disclose an even greater incidence of homelessness.

A multifaceted approach is needed to tackle the problems of homelessness and housing stress and ensure the rights of all people in Victoria to housing are fulfilled.

The submissions to the Inquiry of the Australian Council of Social Service (ACOSS), Anglicare Victoria and Brotherhood of St Laurence provide a more detailed discussion of key issues regarding housing and homelessness.

EMPLOYMENT

The right to work is protected in the Universal Declaration of Human Rights, Article 23(1), and the International Covenant on Economic, Social and Cultural Rights (ICESCR), Article 6(1). The role of governments in supporting the realisation of this right is specified in ICESCR Article 6(2).¹⁰⁴

Australia fares poorly on both relative and absolute measures of income-based poverty, primarily because of the employment situation of most families experiencing disadvantage.¹⁰⁵ Employment is critical as a pathway from disadvantage, particularly so for parents of children and young people.

Research conducted over labour market and income trends during the 1990s pointed to the new creation of work rich (two income) and work poor (no jobs) households with uneven growth of wages and incomes (8 percent for the lower wage deciles compared to 44 percent for managers). This research highlighted the lack of jobs creation in full time work, with new jobs over the decade concentrated in part-time work, with uneven regional distributions.¹⁰⁶

Unemployment

Unemployment has serious negative impacts on individuals, families and the broader community. Unemployment places families under severe financial and emotional stress and frequently results in a loss of self-esteem and social status.¹⁰⁷ These factors can have significant flow-on impacts, including family conflict and separations, psychological and physical health problems, and homelessness. In addition, children in families where no parent is employed have poorer outcomes across a range of indicators.

There is a clear need for a more comprehensive, whole of government approach to address the issue of employment / unemployment. Strategies and policies must acknowledge and target the full cost to families and the community of unemployment:

“There is a need to consider employment policies in relation to different ends, in relation to demand management and macroeconomic considerations but also going well beyond them. The market economy signals costs and benefits of different kinds but does not adequately reflect all the costs of unemployment in several ways. There is a need for public policy that takes into account those burdens of public policy that are not reflected in market prices.”¹⁰⁸

For further discussion, including case studies, of the impact of unemployment, see the submission of the Brotherhood of St Laurence to the Inquiry.

Labour Market Programs

Labour market programs have a crucial role in addressing unemployment, particularly long-term unemployment. The current system is clearly failing job seekers who experience marked disadvantage.¹⁰⁹

Strong labour market programs that provide the appropriate support to those job seekers who experience disadvantage are a vital part of any strategies to address poverty and disadvantage in Australia.

The submissions to the Inquiry of ACOSS and the Brotherhood of St Laurence (BSL) highlight in more detail the key issues and challenges associated with employment and joblessness in Australia.

ADEQUATE INCOME

“Inequality of wealth, income and employment are crucial factors underpinning other aspects of inequality.”¹¹⁰

The right to adequate income through social security assistance is protected in the Universal Declaration of Human Rights, Article 22. Access to adequate income is one of the key determinants of poverty and inequality, as without adequate income people are not able to meet even their most basic needs. Research has highlighted that societies which promote or allow large increases in income inequality are the worst at reducing poverty.¹¹¹ Policies to ensure that the national income generated by economic growth is fairly distributed are central to tackling poverty and disadvantage.

Changes to government income support payments have generally, since the early 1980s, been a positive factor containing the increase in poverty and inequality.¹¹² However not all at risk of poverty have benefited. The Melbourne City Mission submission to the Inquiry provides an overview of the experience of young people who rely on social security payments. The Australian Council of Social Service (ACOSS) and Brotherhood of St Laurence (BSL) submissions to the Inquiry outline these experiences and broader impacts.

ACOSS is also critical of non-income tested family tax benefits which go to already well-off families.

GAMBLING

Gambling revenue is a regressive source of state and federal revenues, with industry targeting of disadvantaged communities – especially with electronic gaming machines – for a disproportionate share of gambling takings. According to Grants Commission data, states such as Victoria, South Australia, Tasmania and New South Wales are overly reliant on gambling to finance state budgets. These regressive forms of taxation impact disproportionately on poor and disadvantaged communities, exacerbating poverty and disadvantage. There is an urgent need for a sustained and co-ordinated federal effort to redirect to more progressive and sustainable forms of state revenue and income taxation generation.

Victorian Social & Community Sector Perspectives

VCOSS extended an invitation to social and community sector organisations in Victoria to include an outline of their organisation's five key priorities in relation to poverty and disadvantage. All organisations listed, except Carers Victoria, have made a separate submission to the Inquiry.

Anglicare Victoria

Poverty is an expression of inequality. Australians experiencing poverty are not able to access the goods, services, resources and opportunities they need to participate fully in everyday life.

Australia's social and economic institutions play a significant role in creating and perpetuating disadvantage.

A range of interconnecting and compounding factors contribute to hardship, inequality and social exclusion, including where you live, the labour market, equitable educational opportunities, access to affordable housing and the impact of poor health. The experience of poverty itself destroys hope and hinders the efforts of individuals, families and communities towards self-reliance.

The long-term costs of poverty are huge – in human terms for children, families and communities; in terms of social cohesion, and in terms of the economic costs of providing emergency and intensive services.

A government response to poverty will provide leadership and vision to develop policies that acknowledge the human and social needs and strengths of all Australians, and which build on social capital and develop strong, caring communities.

Brotherhood St Laurence

1. Increasing the number and quality of jobs would allow more people to work and make a significant contribution to ending poverty in Australia. Policies should aim create more full-time jobs and to ensure minimum standards for conditions, hours and entitlements for those in part time or temporary work. Better resourced labour market programs targeting the long term unemployed which provide access to work experience are more likely to assist this group.
2. The adequacy of social security payments should be improved by setting the level of payment for a single person on Age Pension as the benchmark for all payments. Policies which more strongly emphasised support and rewards would better assist unemployed people to find work. One important reform would be to reduce the high marginal tax rates faced by people taking up work.
3. A national housing policy could help coordinate disparate State and Federal government housing programs, and increase the stock of affordable housing. Important components of such a policy would include increased investment in new forms of social housing and strategies to increase private sector investment in low cost rental housing.
4. Access to essential services, such as health, education and childcare, would be improved for low income people by reducing the financial barriers posed by fees and charges. This could easily be funded by reducing the level of government subsidy for private health insurance and private education which benefit the wealthiest rather than the poorest.
5. A truly inclusive society requires respect for diversity; education to improve understanding reduce prejudice is an important step towards this goal. Policies to allow marginalised

communities (particularly Indigenous communities and asylum seekers) to participate more fully in employment, education and community activities would improve the quality of life of these groups and foster greater community cohesion overall.

Carers Victoria

1. Inadequacy of current income support measures for carers.
 - Current Carer Payment and Carers Allowance are demonstrably too low to maintain adequate standard of living for households with additional costs associated with caring responsibilities.
2. Systemic inequalities exist for carers wishing to enter, re-enter or continue in the workforce.
 - Increased support is required to assist carers in transition to work.
 - Greater workplace flexibility is needed to enable carers to juggle their caring and work responsibilities.
 - The capacity of the community care service system needs to be enhanced to ensure adequate levels of quality alternative care.
3. Entrenched poverty throughout the life span
 - Many carers experience low disposable income levels throughout their adult years. This is compounded, particularly for women in the middle age group, by a reduced capacity to save for their retirement. Inequalities of the current superannuation system need to be addressed.
4. Specific groups of carers at risk:
 - Young carers.
 - Sole parent carers who are reliant upon government income support.
 - Ageing life-long carers of children with disabilities.
 - Low income earning carers
5. Consideration of carers in welfare reform
 - Carers who have full time caring responsibilities should be excluded from the participation requirements attached to government income support payments
 - Particularly financially vulnerable groups of carers such as young carers, sole parent carers, ageing life-long carers and working carers on low incomes should be considered as separate groups.

Catholic Social Services

1. Whole-of-government strategy to achieve poverty minimisation
2. Poverty summit to be convened of key national stakeholders to build consensus for the development of a national strategy for poverty alleviation. This process to identify the likely following priorities:
 - Job creation
 - Education and training
 - Housing strategy
 - Child care/aged care strategy
 - Regional development
 - Poverty measurement
 - Research and education
 - Public education

3. Reform of income security system to address inherent complexity, inadequacy of some payments and the harsh breaching regime.
4. Reform the taxation system to achieve fairer, more equitable distribution of wealth.
5. Commitment by the Federal Government to fund a comprehensive review and evaluation of successful overseas models with a view to apply to Australia. This to include Irish poverty eradication model and The Netherlands and Nordic countries, which have broader welfare application, higher real wages and progressive taxation

Council of Intellectual Disability Agencies (CIDA)

1. Income support payments to people with disabilities need to be at a level which allows them to live above the poverty line.
2. Income support payments for people with disabilities should include an additional component which takes into account the additional costs which people face as a consequence of their disability.

Council on the Ageing Australia (COTA)

1. Widening poverty gap
While older people are generally said to be faring better than other groups in the community in recent years, averaging masks wide differences, with after-inflation incomes of the lowest 25% of older people dropping over 12 years, while the incomes of the top 25% rose. The gap between richer and poorer older people is widening. Those most at risk of poverty are:
 - Older people in private rental,
 - Women,
 - Single people reliant on the full age pension – often women, and
 - Those on pensions/benefits for long periods of time
2. Sources of income for older Australians
 - 33.6 % of people 55-64, and 74.1% aged 65 and over, have government pensions and allowances as their principle source of income.
 - The language of 'independence' - The 'independence' promoted as the goal for all older people means financial independence. Language used about population ageing frequently implies 'dependence': 'welfare dependency', 'a burden on society', 'the age-dependency ratio' and the 'self-funded retiree' indicates negative attributes towards reliance on government pensions. Added to this is the growing belief in the 'deserving' and 'undeserving' poor – though many older people have existed on low incomes all their lives.
3. Risk factors for poverty with older people
 - Labour market restructuring has had a dramatic impact on older Australians:
 - 46% of people 50-64 are not in paid employment
 - One third of people 50-64 are reliant on some form of social security as primary source of income
 - Over 50% of people on income support move on to the age pension.
 - Unemployment, under-employment and retrenchment
 - Older workers are less likely to be re-employed, or to gain other than casual income, than workers of other ages. They spend on average more time out of the workforce, and 82% cited age as a barrier to getting work.
 - There is a strong tendency to discriminate against older workers by employers. This is the primary issue governments need to correct. In addition, there are built penalties for people who want to combine super income with part-time employment to prolong their working life.

4. Poverty in rural and regional Australia

Many rural communities are ageing rapidly. Cutbacks of services have adversely affected older people, and there is a lack of aged care facilities and health services and distance is a factor. Rural communities have higher numbers of low-income households than cities.

Financial and Consumer Rights Council

1. Health Status and Social Participation;
2. Financial and Credit Practices;
3. Education Training and Employment;
4. Adequate Income; and
5. Housing.

Jesuit Social Services

1. The complex nature of processes producing, perpetuating and reproducing patterns of poverty requires a multi-dimensional understanding. There are both enduring universal societal factors as well as specific and period-limited processes that combine to perpetuate this problem. A failure to consider this complexity has precluded the development of targeted pragmatic community-oriented strategies to circumvent poverty.
2. At a time of reduced social expenditures, multiply disadvantaged sections of the community will inevitably continue to fall further behind unless special efforts are made to increase their life opportunities. Jesuit Social Services advocate for a focus on 'grass-roots' factors that contribute to the problem and that this focus provides clearer guidance towards pragmatic measures that can be adopted at the level of local communities and 'at risk' groups within the community.
3. The reduction of inequality requires understanding of the discursive constructions that guide our interpretation and understanding of the situation. Negative accounts of poverty often receive significant publicity in media. People of low income who are receiving welfare support are often described in media in a quite negative way as those who are misusing the welfare system. People are often presented as being personally responsible for their own disadvantaged position. Such interpretations are highly damaging to the interests of people experiencing poverty and inequality. Such views oversimplify the nature of poverty and disadvantage in the public perception and preclude a focus on the actual structural causes of poverty. For the disadvantaged such public images can demotivate and demobilise them and provide them with a prescription for a life of incapacity and ineffectuality.
4. Geographic locations can be disadvantaging for their residents – specifically those areas experiencing large-scale economic change or the reduction of government investment in service provision. Increase in housing prices due to gentrification also contributes to disadvantaged position for some established residents and to increased spatial and social inequality. Gentrification changes the character of localities often affecting local established social networks and relevant social resources among longer-term residents that may have depended on those for support and welfare. Any inquiry about poverty needs to include this aspect of inequality.
5. With increasing spatial concentration of both affluence and poverty within the major cities in Australia there is growing separation between income groups. Disadvantaged populations here in Australia are becoming more concentrated spatially. There are indications that lower income households in the 1990s are located more in outer suburbs, in small rural towns and in certain coastal settlements. Some localities have generally high ranking on the multiple indicators of disadvantage. A relatively small number of

postcode areas in Victoria and New South Wales accounted for a large percentage of the locations which rank highly on the disadvantage indicators.

6. Jesuit Social Services research has highlighted a number of related observations. In Victoria, the top 30 disadvantaged localities accounted for:
 - three and a quarter times their share of emergency assistance claimants;
 - two and a quarter times their share of child abuse case;
 - twice their share of court defendants; and,
 - approximately one and a half times their share of child injuries, low income households; psychiatric hospital admissions; and a little under one and a half time their share of leaving school before the age of 15 years.

Melbourne City Mission

Social sustainability is ultimately the responsibility of government but can only be developed in partnership with communities and organisations that respond to human need in order to empower and enhance communal well-being and maximise individual dignity and human potential.

1. If poverty is considered as the deprivation of capability, then a range of structural responses is needed, beyond monetary compensation of individuals for short term support.
2. Provision of adequate and affordable housing, coupled with access to social infrastructure and non-material resources, is an essential base for social and economic participation throughout life and for dignity and choice in later years.
3. Failure to engage and include young people has significant consequences as this group may pass through future life stages without the capacity to develop their human potential, to share in the wealth or contribute to the richness of community life.
4. The current approach to income support for disadvantaged young people has proven itself to be spectacularly unsuccessful and needs serious reconsideration in light of what is known about inadequacy of labour market and housing pathways for young people.
5. Sustainable future aged care systems should not be based on the present financial capacity of a proportion of older Australians with substantial assets. Although some may be able to self finance their needs in retirement and old age, serious issues of social justice arise for those without this capacity, now and in future.

St Vincent de Paul

1. Recommendation 1:
That a National Forum be established to prepare a National Strategic Plan for the alleviation of poverty in Australia, reduction of the rich/poor gap and development of a fairer Australia.
2. Recommendation 2:
That the Federal Government consult the State Governments, Business and Community Sectors to develop a National Strategy for relieving Financial Stress among those Australians in need.
3. Recommendation 3
That Additional Funding - \$10 million as a base - be provided for research into poverty, wealth and disadvantage.

St Vincent de Paul Aged Care & Community Services (SVdP ACCS)

SVdP ACCS participated in the preparation of two submissions to the Senate Inquiry:

- St Vincent de Paul Society (Victoria) Submission; &
- Catholic Social Services Victoria Submission.

In view of this, SVdP ACCS endorses these submissions and the evidence presented therein, particularly in relation to:

1. The need for a National Strategy to addressing the pressing and chronic need for affordable housing. Many other poverty related issues are either causal of or compounded by the unavailability of housing that is affordable, appropriate and therefore sustainable.
2. A review of income support for marginalised and high-needs people, especially those who are forced to pay high rental charges in the private rental market and private rooming/boarding houses. There is considerable evidence (viz. Ozanam Community Centre, North Melbourne) to suggest that post-rental disposable income is inadequate, leaving many high-needs individuals and families with no other alternative than to seek support from charities, particularly for food, clothing and utility payments
3. Regulation of Rooming/Boarding Houses is required both in terms of “quality” and “rental fee structure”. Our experience indicates that low-income and secondarily homeless people are being taken advantage of by unscrupulous landlords offering very little by way of quality accommodation for a significantly high fee, often above what is asked on the private rental market.
4. A review of funding of supported housing for individuals with mental health issues. Housing, without ongoing support and case management, for people with mental health issues is not an adequate response to the issues presented. Unless ongoing support is provided, the housing is unsustainable and the individual ends up in a spiral of transience which, in many cases, destabilises the individual and impacts on mental health issues.

Evidence supporting these priorities in addressing the issue of poverty is presented in the Submissions listed above.

VICSERV

1. Victorians with a mental illness have an extremely high level of associated illness, disability, and other social problems including unemployment and poverty.
2. Housing
Housing for people with a mental illness is a national problem. Setting aside the issues arising from the Long Term Housing Reform Agenda, there is still going to be long-term access to housing issues for clients with high support needs. In Victoria, the *"Housing and Support" program* provides a nationally applicable model for *effectively* linking housing and support for people with a mental illness. This is crucial. There is a process associated with this program which has been shown to be highly successful in the field of psychiatric disability support. At the moment, even the Vic Govt is not investing in this program. *This program should be nationally modelled. It works.* We have materials from an evaluation of this program for your information if required.
3. Employment – investment in new ideas
Unemployment amongst VICSERV clients - 10,000 clients in Victoria who use psychosocial rehabilitation programs - is over 90%. This is the most difficult of all client groups to place within the disability employment services sector.
There are right now, some great ideas for new models of employment programs which could work for people with psychiatric disabilities. There is currently no focus on investment in researching or piloting these ideas. A little investment in some of the creative employment models would go a very long way.
This issue of investing in creative ideas and supporting or piloting new service models is one which applies across a number of areas.

Victorian Alcohol and Drug Association (VAADA)

1. Access to Employment

Problematic alcohol and drug use is strongly associated with difficulties in gaining and retaining full employment. People who have had long term alcohol and drug problems often experience difficulty in entering or re-entering the employment market. Adequate resourcing of employment programs for people who have experienced alcohol and drug problems is needed to overcome this link between alcohol and drug use and poverty.

Problematic alcohol and drug use can also be associated with difficulties in finishing school or acquiring further qualifications. The absence of further qualifications can significantly hamper people's ability to gain employment, or adequately paid secure employment. Additional support for people experiencing drug and alcohol problems and the educational institutions they attend is needed to help keep people with alcohol and drug problems at school or in further study whilst seeking treatment for their alcohol and drug problem.

2. Health Costs

The cost of drug treatment, medical care, pharmaceutical drugs and pharmacotherapies for people currently receiving drug treatment or on pharmacotherapy maintenance programs can add significantly to the cost of living for people with alcohol and drug problems. Adequate funding of drug treatment agencies, bulk billing and appropriate subsidies for pharmaceutical drugs and pharmacotherapies can help reduce the health cost burden for people seeking treatment for drug and alcohol problems.

3. Legal and financial security

The illegal nature of some forms of drug use and the high rates of incarceration of people with alcohol and drug problems creates problems for those who are seeking to gain employment in areas which require police clearance, seeking a bank loan or relying upon a credit rating. Enhanced funding of drug diversion programs for those convicted of non violent minor drug related offences is required in order to help break the cycle between drug use, difficulties in gaining employment or obtaining bank loans and poverty.

4. Access to housing

A history of alcohol and drug use can often pose additional barriers for people seeking reliable and affordable housing. In turn, the absence of secure housing can create difficulties in gaining and retaining employment. Housing assistance programs for people leaving drug and alcohol treatment programs are critical in ensuring that they can afford adequate housing.

5. Emotional and social support

The breakdown of family and social networks experienced by many people with alcohol and drug problems adds to the risk that they will be affected by poverty as financial and emotional support networks are withdrawn. Ongoing resourcing of adequate support programs for people with alcohol and drug problems and their families and significant others is critical in ensuring that these 'safety nets' against homelessness and poverty can remain in place.

Directions Forward

“If poverty is seen as a result of structural inequality within society, any serious attempt to eliminate poverty must seek to change those conditions which produce it. Although individual members of society are reluctant to accept responsibility for the existence of poverty, it’s continuance is a judgment on the society which condones the conditions causing poverty.”¹¹³

WHOLE OF GOVERNMENT APPROACH

The impacts of poverty, disadvantage and inequality on families, on children, on young people, on older people, on all members of the community are broad-ranging and multidimensional. Comprehensive, integrated social and economic strategies, policies and programs are required. Governments can make a difference, and should use public policy approaches to take proactive steps that incorporate a whole of government and cross-governments approach to address the issue of poverty and growing inequality in Australia.

Whole of government or joined-up government approaches encompass strategies that involve more than one government department working cooperatively in implementing comprehensive policy responses. Whole of government approaches recognise the interconnected nature of the issues facing communities across Australia.

Federal, state, territory and local governments need to work more proactively with each other and with non-government agencies, business and local communities in developing comprehensive responses to poverty and disadvantage. A critical element of a whole of government approach is the need for governments to develop processes and structures for working cooperatively with such groups to achieve community development objectives.

“All levels of government need to develop ways of working co-operatively with each other and with local communities to achieve community development objectives, which may mean that governments commit themselves to supporting the direction of change rather than controlling it.”¹¹⁴

Britain has developed a national strategy to tackle poverty and social exclusion, which recognises the importance of a whole of government approach and includes the setting of key goals, strategies and indicators.¹¹⁵ The British strategy:

- focuses on creating a fairer society in which everyone has the opportunity to achieve their full potential;
- understands the critical need for long-term, flexible and joined-up solutions; and
- Recognises the importance of working in partnership at the local level.

The strategy includes the establishment of the *Social Exclusion Unit*¹¹⁶ which has responsibility for:

- Improving understanding of the key characteristics of social exclusion and the impact of government policies;
- Promoting solutions; and
- Making recommendations for change.

Elements of the British model could be effectively utilised in the development and strengthening of whole of government approaches in Australia.

Local community responses

In order to comprehensively address the multidimensional factors that produce and perpetuate poverty and inequality flexible, targeted and locally responsive measures are required.

PUBLIC POLICY, PLANNING AND INVESTMENT

“A major challenge for [public] policy is to change the underlying conditions that give rise to growth in poverty and inequality and the exclusion of groups ... These policies must be substantially rethought and new directions found that place equity and the welfare of all people at the heart of core national values.”¹¹⁷

Directions forward to address poverty and inequality relate to the preparedness of governments to expand public investment. Public policy has been successful in the past in reducing inequality and disadvantage in Australia by ensuring frameworks within which people can take up opportunities.¹¹⁸ Now is a crucial time for leadership across levels of government to address the issue of poverty and inequality in Australia. Other OECD countries have demonstrated this leadership in recognising that addressing the experience of poverty, disadvantage and social exclusion is in the national interest.

Structural change is critical to address the factors that underlie and perpetuate poverty and disadvantage.

Policy responses need to incorporate a recognition of the different forms of support that are needed at various stages throughout the life cycle.

Disadvantage is often talked of as being ‘on the margins’. We must remember that we are talking about the margins of power and wealth, not of number or place. The problems and solutions for the many of those margins are important for society as a whole and should be located firmly at the centre. If the first step in a planning strategy is to ask, ‘what kind of society do we want?’, then it is also important to ask the question, ‘who will win and who will lose if this vision becomes reality?’. Effective planning for the future means adopting alternative priorities which would favour those who have been disadvantaged in the past and in so doing help to build communities which are not only more inclusive, but also are more likely to be sustainable in the future.

RESEARCH

Research has the potential to broaden our understanding of the issues surrounding poverty and disadvantage and to contribute towards developing effective strategies and policies for responding to them.¹¹⁹ Currently, poverty research is at an impasse, distracted by technical debates over the measurement of income. It is critical for any research to go beyond static representations of income differentials and adopt a more dynamic perspective, explicitly addressing the broader processes that give rise to persistent disparities in living standards and undermine social inclusion.

While poverty research has generally focused on incomes at the bottom of the distribution, the size of the gap between the very top and the bottom is also relevant to a society’s well being. This aspect of broader society wellbeing should be incorporated into any research.

Importantly, any Australian research must be grounded in the lived experience of people on low incomes and/or who experience disadvantage, and be used to develop comprehensive structural responses to poverty and disadvantage.

Directions forward will need to encompass strategies that account for “variations amongst population groups, between places and between people in particular circumstances at specific times.”¹²⁰ Research should be central in the development of such strategies.

NATIONAL BODY

A critical need exists for the establishment of a national body that reflects the importance of social inclusion and community strengthening being core aspects of governance and government in Australia. Such an approach is vital in developing and coordinating comprehensive responses to poverty and disadvantage.

The national body should have responsibility for ensuring the sustainability (see below) of policy approaches across governments. The national body should be accountable to the Parliament, and have an agenda to:

- Develop, implement and monitor a sustainability model across government (see below);
- Determine an agreed measurement of poverty and disadvantage for use in Australia (see below);
- In partnership with government, non-government, business, academic institutions and local communities, develop comprehensive strategies to address the structural and complex, multidimensional nature of poverty and disadvantage;
- Ensure flexibility in responses and the capacity for specific local and regional responses;
- Seek agreement on key whole of government and cross government strategies;
- Strengthen the capacity of individuals, families and communities;
- Building the research and development capacity of NGOs and academic institutions;

Ireland has developed a national statutory body, the *Combat Poverty Agency*, to oversee its *National Anti-Poverty Strategy*. The Agency was established to:

- provide advice to policy makers through the relevant Minister;
- conduct research on the causes and effects of poverty;
- raise awareness of poverty; and
- support innovation in community development and anti-poverty projects.

The Strategy focuses on:

- Understanding the causes of poverty and social exclusion;
- An explicit definition of poverty; and
- Global poverty reduction target and five sub-targets in the areas of educational disadvantage, unemployment, adequacy of social transfers, disadvantaged urban areas and rural poverty.

The Agency operates upon the core assumption that poverty and social exclusion are structural issues requiring both national and local policies and programs as central in any steps to address poverty and disadvantage.¹²¹

The submissions to the Inquiry of ACOSS, AEU, Melbourne City Mission and St Vincent de Paul also highlight the importance of the establishment of a national body.

MEASUREMENT AND INDICATORS OF POVERTY AND DISADVANTAGE

The Federal Government should work in partnership with state, territory and local governments, non-government organisations and key academic institutions to determine an agreed measurement of poverty and disadvantage for use in Australia. The basis for developing measures of poverty and disadvantage in Australia should be to support the development of better outcomes for people who experience poverty and disadvantage. The development of agreed official measures and indicators of poverty and disadvantage are a valuable means of evaluation social policy responses.

Any measures and indicators must recognise and account for the different dimensions of poverty and inequality. It is critical that measurements not solely focus on inadequate income, but also account for dimensions such as inadequate food and housing, increased vulnerability to poor health and education outcomes, levels of social inclusion and the collective resources of the communities at the local level.

VCOSS supports the development of a set of agreed measures and indicators of poverty and disadvantage that reflect the complexities and multi-dimensionality of poverty and inequality. Any measures should encompass indicators which:

- Identify income levels which are inadequate to meet living needs;
- Identify the numbers of people who experience poverty;
- Identify the demography of disadvantage;
- Encompass key social indicators, including:
 - Identifying the numbers of people who are unable to access appropriate housing;
 - Identifying the numbers of people unable to access dental care
 - Measure education outcomes;¹²²
- enable tracking of changes over time and for whom; and
- enable international comparisons.

The Joseph Rowntree Foundation in the United Kingdom (UK) has developed key poverty and social exclusion indicators which are used to provide an annual report and complemented by a dedicated website: www.poverty.org.uk.¹²³ Such indicators would be useful in the development of an agreed measurement of poverty and disadvantage for use in Australia, as would indicators developed by the Swinburne Institute for Social Research.¹²⁴

Reflecting the broader definition of poverty and disadvantage in any measurement tools and indicators will facilitate the development of a more comprehensive, integrated and proactive policy response.

SOCIAL AND ECONOMIC SUSTAINABILITY

The importance of sustainability for the future of Australia is highlighted in the following:

"If growth does not provide properly for the well-being of all Australians, if it does not contribute to the solution of existing social, cultural and environmental problems, if it increases disadvantage, produces new inequities, and further despoils the environment, then it not only causes pain and hardship to those affected but also undermines the fabric of the society and the future potential of the economy".¹²⁵

Responses to poverty and inequality in Australia must recognise the interconnectedness of all aspects of policy, including taxation, welfare, community services, and business policy.

Governments must recognise the role played by other social and economic policies and institutions in creating, compounding and perpetuating advantage and disadvantage.

Short-term economically-focused methods of determining outcomes and measuring progress are not adequate, and do not reflect, the real level of community well-being. There is a need for integrated long-term thinking and planning, which recognises the interdependence between social, environmental and economic challenges facing our community.

Internationally, progressive governments are recognising the importance of:

- Innovation and investment in social, environmental and economic capital;
- Sustainable resource usage;
- Linking economic growth with improving services and reducing inequities;
- Engaging with stakeholders effectively; and
- Substantially upgrading the skills, creativity and learning capabilities of public sector organisations to meet these challenges.¹²⁶

The Australian Bureau of Statistic (ABS) has begun to develop a national set of summary indicators in its Measuring Australia's Progress (MAP), which incorporates social, environmental and economic indicators. The Federal Government should strengthen this work of the ABS and ensure that it links closely with the work of any national body. It is important to note that such indicators are tools for planning and measurement and part of a process rather than an end in themselves. The selection of appropriate indicators is a complex process dependent on timeframe, location and objectives, which will need appropriate resourcing, piloting, monitoring and a strategy for community participation¹²⁷.

A more socially and economically sustainable community needs services to be available, affordable, inclusive, in convenient proximity and timely. Services also need to be delivered within a framework of long-term strategies to address the underlying issues of disadvantage in order to build a more equitable, caring, safe Australia.

The Western Australian Government has recently established a *Sustainability Policy Unit*,¹²⁸ which acts as a filter for all policy and resource decisions within the government to ensure that all decisions achieve social and environmental objectives alongside economic growth. Elements of this model, particularly responsibility for undertaking research to strengthen sustainability planning across government, should be incorporated into the functions of a national body (as outlined).

The key to ensuring a sustainable future for all Australians is to integrate a sustainability approach across all government functions. The OECD's *Sustainable Development: Critical Issues* report¹²⁹ highlights that an integrated framework of effective institutions is essential for sustainability; noting that building the framework will require coherent integration of policies across the economic, social and environmental spheres, significant participation of the community in policy making and implementation, and a strong political commitment to a long-term perspective. It further notes that addressing the objectives of sustainability necessitates the institutional and technical capacity to assess the social, environmental and economic implications of development strategies and to formulate and implement appropriate policy responses.

Structures and standards need to be developed in a way that recognise and strengthen communities', families' and individuals' ability to accommodate change through their own resources, as well as through provision of community and government support. Partnerships can only work if both parties are equal, and work with respect for each other's strengths - without strong social capital one cannot create effective government-community partnerships.¹³⁰

A more socially and economically sustainable community needs services to be available, affordable, inclusive, in convenient proximity and timely. Services also need to be delivered within a framework of long-term strategies to address the underlying issues of disadvantage in order to build a more equitable, caring, safe Australia.

Human Development

The central element of a sustainability approach is that equal emphasis is given to social, cultural, environment and economic development. Human development relates to all these aspects of development.

“Human development is about people, about expanding their choices to lead lives they value. Economic growth, increased international trade and investment, technological advance – all are very important. But they are means not ends. Whether they contribute to human development in the 21st century will depend on whether they expand people’s choices, whether they help create an environment for people to develop their full potential and lead productive, creative lives.”¹³¹

Governments at all levels – federal, state, territory and local – must re-invest in people and communities. Countries such as Ireland and the Netherlands have achieved higher growth rates than Australia by putting in place a national economic strategy that embraces education and innovation, and uses public investment to meet national goals.

The objective of development should be to create an enabling environment for people to enjoy long, healthy and creative lives.¹³² People are the real wealth of nations. Development is thus about expanding the choices people have to lead lives that they value. Fundamental to enlarging these choices is building human capabilities:

“Any successful strategy for human development, which should be the objective of any development, will have to pay careful attention to the structure of incentives that guides economic activity, the allocation of public expenditure and the institutional arrangements that determine the distribution of wealth and income and the vulnerability of various sections of the population to events which can threaten their livelihood and perhaps even their life.”¹³³

OTHER POLICY AND PROGRAM RECOMMENDATIONS

VCOSS strongly supports the specific policy and program recommendations contained in the following submissions to the Inquiry:

- Anglicare Victoria
- Australian Council of Social Service (ACOSS)
- Australian Education Union (AEU)
- Brotherhood of St Laurence
- Catholic Social Services
- Melbourne City Mission
- St Vincent de Paul

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- ¹¹⁵ See <http://www.dss.gov.uk>
- ¹¹⁶ See <http://www.socialexclusionunit.gov.uk/>
- ¹¹⁷ Yencken, D. & Porter, L., 2001, *A just and sustainable Australia*, ACOSS Paper 115, September, The Australian Collaboration, Sydney: Australian Council of Social Service (ACOSS), p.40.
- ¹¹⁸ Fincher, R. & Saunders, P., 2001, The complex context of Australian inequality in R.Fincher & P.Saunders, Eds., *Creating unequal futures: Rethinking poverty, inequality and disadvantage*, pp.1-37. Allen & Unwin, p.3
- ¹¹⁹ Fincher, R. & Saunders, P., 2001, The complex context of Australian inequality in R.Fincher & P.Saunders, Eds., *Creating unequal futures: Rethinking poverty, inequality and disadvantage*, pp.1-37. Allen & Unwin
- ¹²⁰ Fincher, R. & Saunders, P., 2001, The complex context of Australian inequality in R.Fincher & P.Saunders, Eds., *Creating unequal futures: Rethinking poverty, inequality and disadvantage*, pp.1-37. Allen & Unwin, p.3
- ¹²¹ For a full overview of the *Combat Poverty Agency*, see <http://www.cpa.ie>
- ¹²² OECD Programme for International Student Assessment (PISA) could be used as part of measure for this indicator: in 2002, PISA noted that in Australia the gap between those students achieving at the highest levels and those at the lowest was amongst the largest of OECD countries.
- ¹²³ Joseph Rowntree Foundation indicators encompass a range of indicators, such as income, health, education, employment and community, which reflect the need for a multi-dimensional approach, an annual report, *Monitoring poverty and social exclusion*, is produced using these indicators. See: <http://www.jrf.org.uk/knowledge/findings/socialpolicy/d32.asp>
- ¹²⁴ For example see: Salvaris, M, Burke, T., Pidgeon, J. & Kelman, S., 2000, *Measuring Victoria's progress: A system of social benchmarks and indicators for Victoria, Consultants report for the Department of Premier and Cabinet Victoria*, Melbourne: Swinburne Institute for Social Research (SISR); also see: <http://www.sisr.net>
- ¹²⁵ Yencken & Porter, 2001,p.6
- ¹²⁶ Wiseman, J., 2001, *Learning about innovation and balance: Improving the productivity, sustainability and fairness of knowledge economies and societies*, Melbourne: Department of Premier and Cabinet.
- ¹²⁷ Salvaris, M., Burke, T., Pidgeon, J. & Kelman, S., 2000, *Measuring Victoria's progress: A system of social benchmarks and indicators for Victoria, Consultants report for the Department of Premier and Cabinet Victoria*, Melbourne: SISR.
- ¹²⁸ Government of Western Australia, 2002, *The Western Australian state sustainability strategy – consultation draft*, Perth.
- ¹²⁹ OECD, 2001, *Sustainable development: critical issues*, <http://www.oecd.org/EN/document/0,,EN-document-0-nodirectorate-no-4-8919-0,00.html>
- ¹³⁰ Agencies working at the front line in community welfare in Victoria are seriously troubled by the effects of economic policy on the ability of people to live in stable relationships in families and households. The indicators show through in the effects of costs of housing, fragile income security, casualisation of labour, productivity increases, costs of education, gambling as leisure, increasing mental health issues, increasing single person households, increasing hours spent at work, or increasing numbers of jobless families. It is not enough to act in positive ways on community building initiatives without also addressing the effect of other policies on the stability of families and households. Otherwise the triple bottom line is an illusion. The sustainability of society depends upon the sustainability of families and households. Economic policies focus too much on individual productivity or profit to the detriment of the web of relationships that make humanity.
- ¹³¹ United Nations Development Program (UNDP),2002, *Human development report 2002:The state and progress of human development*, p.13: <http://www.undp.org/hdr2002/chapterone.pdf>
- ¹³² *ibid*
- ¹³³ Griffin, K. & McKinley, T., 1992, *Towards a human development strategy*. Occasional Paper No.6 Human Development Report 1993. http://hdr.undp.org/docs/publications/ocational_papers/oc6.htm#P1