



Anti-Poverty Week Submission to Treasury Measuring What Matters, 31/1/23

Anti-Poverty Week welcomes the Government decision to *Measure What Matters* and the opportunity to make a short submission. As important it is to **measure** what matters, we also urge the Government to **act** on what matters, namely reducing poverty and inequality in Australia. As such, we urge the Federal Government and all Parliamentarians to pass legislation to halve child poverty by 2030, with measurable targets and actions to achieve this goal. The New Zealand experience shows setting targets enshrined in legislation works and changes lives for the better. To treat all of Australia's children fairly, we need to ensure every family has what they need. Actions the Parliament could take immediately include:

- Increasing the adequacy of JobSeeker as well as family payments, so everyone can afford the basics including rent, food, medication and education.
- In addition to welcome commitments to increase social and affordable housing, Commonwealth Rent Assistance also needs to rise, so everyone has a safe place to call home.
- We know that single parent families – predominately single mother families - have the highest poverty rates of any family. Restoring access to Parenting Payment Single until the youngest child turns 16 and reviewing our woefully inadequate child support scheme would also immediately reduce the number of our children living in poverty.

We endorse much of what the Treasurer said in his 30/1/23 Monthly essay, [‘Capitalism after the crises’](#) – especially,

“The key lesson of the pandemic: that healthy economies rely on healthy people and communities.”

“Economic inclusion is fundamental to the health of democracies and the safety of nations.”

“To measure what matters is also to recognise a growing consensus from economists and investors that our economies need to embed and express more than one notion of value. Tracking these metrics over time will give us a more comprehensive picture of whether policies are working.”

We cannot measure wellbeing without measuring poverty. Yet Australia does not have a definition of poverty accepted by the Federal Government. Until we agree on this, it is hard to make progress on measuring our nation and children's wellbeing. It also makes it difficult for Australia to meet our commitments to the UN Convention on the [Rights of the Child](#) and UN [Global Goals](#) (Sustainable Development Goals).

The Household, Income and Labour Dynamics in Australia Survey (HILDA) tracks 17,500 people about various aspects of their lives, from employment and income to wellbeing and lifestyle. The study is funded by the Australian Government Department of Social Services and is managed by the Melbourne Institute of Applied Economic and Social Research at the University of Melbourne. Their [2020 HILDA report](#) stated:

*“Consistent with the approach of the Organisation for Economic Co-operation and Development (OECD) and other international bodies, we define **relative income poverty as having a household income below 50% of median income.**”*

Note this is also the measure used by the ACOSS/UNSW Poverty in Australia series published by the Poverty and Inequality Partnership. Using this measure, the latest report, [A Snapshot of Poverty in Australia 2022](#), and released on the eve of Anti-Poverty Week 2022, found that more than 3 million people experienced poverty in Australia (1 in 8), far too high for such a wealthy country. Anti-Poverty Week also most commonly uses this poverty measure.

We urge the Federal Government to adopt the following definition of poverty: relative income poverty as having a household income below 50% of median income; to measure and track progress over time as part of a new Australian Wellbeing Framework.

Why measuring child wellbeing matters

[Poverty in Australia 2022 by ACOSS/UNSW Poverty and Inequality Partnership](#) found:

- 1 in 6 children in Australia (16.6% or 761,000) are growing up in poverty which continues to be higher than the rate for adults (12.7%). We note these numbers reflect the average for 2019-2020.
- The boost in income support payments provided in the early months of the pandemic delivered large reductions in poverty for adults and children (child poverty rates were reduced to the lowest level in 20 years), but the gains were short-lived.
- While child poverty and overall poverty rates follow similar trends over 20 years (2000-2020), child poverty rates consistently track 3 percentage points higher than rates for the population as a whole.

Anti-Poverty Week made halving child poverty the focus of our [advocacy in 2022](#), our 20th year of acting on poverty, because the evidence is clear that living in poverty diminishes children’s lives now, and into their future. [Melbourne University](#) research published in 2020 found “*Experiencing just a single year of poverty during childhood is associated with poorer socio-economic outcomes in terms of educational attainment, labour market performance and even overall life satisfaction in early adulthood. Children from poor households are **3.3 times more likely to suffer adult poverty than those who grew up in never poor households.***”

Other evidence has found that poverty has broad and deep negative consequences for children:

Starting school: the [Australian Early Development Census](#) (AEDC) has found that “*Growing up in poverty is a strong predictor of a child being developmentally vulnerable by the time they start school.*” In [2021](#) it found more than 1 in 5 Australian children (22%) were assessed as developmentally vulnerable when they started school, potentially reducing good health, education and social outcomes later in life. For children living in the most disadvantaged areas, more than a third started school developmentally vulnerable. Children in the most disadvantaged areas had twice the rate of vulnerability in their physical health and well-being

and were four times as likely to be developmentally vulnerable in language and cognitive skills as children in the most advantaged areas.

In 2009, Australia became the first country in the world to collect national data on the developmental health of all children starting school after the Australian government funded the national rollout of what was then called the Australian Early Development Index. **This data could be used in a new Australian Wellbeing Framework.**

At school: The scathing [Productivity Commission report into School Reforms](#) shows that much more needs to be done for students experiencing disadvantage – who are three times more likely to fall behind than other students. It also tells us that we need to measure student wellbeing. The report says:

“Poor wellbeing directly affects students’ capacity to learn and can particularly impact students who experience challenges to engagement and inclusion at school (including Aboriginal and Torres Strait Islander students). The Commission proposes parties to the next school reform agreement: Elevate student wellbeing as an outcome of the next agreement, along with greater transparency about wellbeing outcomes (R 5.1)”

Children living in poverty have [lower school completion rates](#) and lower scores on national tests such as [NAPLAN](#) and they experience more social exclusion at school than their more advantaged peers. According to the [2020 HILDA Survey](#), the likelihood of completing high school or university are two to three times lower for children who are poor for at least three years of their childhoods. According to the [2020 HILDA Survey](#), the likelihood of completing high school or university are two to three times lower for children who are persistently poor (poor for at least three years of their childhoods). We agree with Professor Gerry Redmond writing in [The Conversation 10/3/22](#), “To reduce educational disadvantage, action is needed to reduce child poverty, which has remained stubbornly high since the early 2000s.”

Health and wellbeing: Developed by the Australian Research Alliance for Children and Youth (ARACY), [The Nest](#) offers a holistic approach to child wellbeing and outlines the profound impact poverty, inequality and disadvantage can have on children’s health and wellbeing. **These measures could be adopted by a new Australian Wellbeing Framework.**

We should not accept these high rates of child poverty in a country as wealthy as Australia. As the Prime Minister said in his [23/6/22 interview on 7.30](#)

“We need to make sure that every child gets the opportunity to be the best that they can be, because that helps, not just that individual, that’s the key to Australia as well. We need to be the smart country.”

Australia should follow the lead taken by [New Zealand](#) which is making progress on legislated action to reduce child poverty. The Labor Party 2017 election commitment was to more than halve child poverty in 10 years in line with the UN Sustainable Development Goals and Jacinda Ardern took on the role of Minister for Child Poverty Reduction throughout her time as Prime Minister. Ardern introduced the Child Poverty Reduction Bill in January 2018, as part of her Government’s first 100 days commitments. The Bill was passed in December 2019 with overwhelming support across the Parliament, including the main opposition National Party. Child poverty advocates say it was one of the major achievements – enshrining and to a great extent depoliticising - action to reduce child poverty. A new Prime Minister and even a new Government of a different political persuasion would need to repeal legislation to undo this commitment.

The New Zealand Government Statistician [announced](#) the most recent outcomes on 24 February 2022. It confirmed a downward trend across all nine indicators of child poverty and the achievement of two out of three of the Government's first child poverty reduction targets. See our [2022 Briefing New Zealand Tackles Child Poverty](#) including our analysis of the data (confirmed by the NZ child poverty unit) was that they had reduced poverty by 18% over the three years 2017-18 to 2020-21 (*relative* poverty measure which moves over time and based on the common OECD measure of a percentage of the contemporary median equivalised income). Another example of the improvement is in answers from households with children to the question about whether household income was enough to cover the basics of food, accommodation, clothing, electricity, etc. The trend to answer 'not enough' is now downwards for all families but particularly so for those in the lowest 20% of households where responses declined from 46% in 2013 to 28% in 2021, according to a report by the [Ministry of Social Development](#) in October 2022. The APW briefing also outlines broader measures of child wellbeing adopted by New Zealand which could be explored as part of measuring child wellbeing in Australia.

More about Anti-Poverty Week

Anti-Poverty Week supports the Australian community to have an increased understanding of poverty and to take action collectively to end it. We are a diverse network of individuals and organisations who share this purpose. We have been active since 2002 dedicating a week to act on poverty around 17 October, the International Day for the Eradication of Poverty. Our key message is **Poverty exists. Poverty hurts us all. We can all do something about it.** It is one of hope, not despair. We promote evidence-based solutions to poverty.

In 2022, Anti-Poverty Week was sponsored by:

[Brotherhood of St Laurence](#); [Berry Street](#); [St Vincent de Paul Society](#), [The Smith Family](#); [Anglicare Australia](#); [Uniting Vic/Tas](#); [The Life Course Centre](#) – ARC Centre of Excellence for Children and Families over the Life Course; [UnitingCare Australia](#); [The Salvation Army](#); [Australian Education Union](#) (Federal); [Australian Nursing and Midwifery Federation](#).

2022 State/Territory Co-Chairs included leaders from: [ACTCOSS](#), [Care Financial Counselling Service ACT](#); [NCOSS](#); [PeakCare](#) Qld; [NAPCAN](#); [Commissioner for Children and Young People](#) SA, [Baptist Care](#) SA; [Salvation Army Tasmania](#); [Uniting Vic/Tas](#); [Family Care](#) Shepparton; [Centre Care](#) WA, [Foodbank WA](#). 2022 Supporters included [ACOSS](#), [Everybody's Home](#), [Foodbank Australia](#), [Mission Australia](#) and the [National Council for Single Mothers and Their Children](#).

Please contact Toni Wren, Executive Director, Anti-Poverty Week ed@antipovertyweek.org.au or telephone 0405 705 442 for more information. See also www.antipovertyweek.org.au