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Opinion

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'A Hand Up not a Hand Out'

A report by the Senate Community Affairs References Committee

On 11 March 2004, the Senate Community Affairs References Committee delivered a 500-page report on poverty and financial hardship entitled, *A Hand Up not a Hand Out: Renewing the Fight Against Poverty*. You could be forgiven for not noticing this event as it received minimal media coverage. This is despite the report being promoted as the most comprehensive and wide-ranging since the 1975 Henderson Report on Poverty.¹

Background

The ALP-dominated Senate Committee which was given its reference in October 2002 received 259 public and 15 confidential submissions. It also visited a number of community centres and held public hearings in all capital cities and some regional areas where 340 witnesses gave evidence to the Committee. After this extensive consultation, the majority of the Committee concluded that, despite strong economic gains in the last two decades, there has been rapid growth in inequality in Australia. In brief, 'Australia is losing the fight for a fair go'.²

This conclusion rests upon a lengthy report comprising 18 Chapters and 95 recommendations. Chapters 2 and 3 address the definitional issues relating to poverty and the problematic nature of measuring poverty. Chapters 4 to 9 examine key issues or indicators related to poverty including unemployment, income support, housing, education and training, health, access to utilities, consumer credit and problem gambling. In the latter part of the report, Chapters 10 to 16, the focus shifts to groups within society at particular risk of poverty: women, sole parents, children and families, youth and students, Indigenous Australians, rural and regional communities, older people, migrants and refugees and people with a disability. Finally, the report looks at the impact of poverty on a range of service providers including community and welfare agencies, local government and Centrelink. The report concludes with an outline for future directions and urges a national approach to poverty alleviation.

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Relative poverty approach

As the Committee notes, there are many conflicting views about what constitutes poverty and how best to measure it. Examples of absolute poverty do exist in Australia (remote Indigenous communities and homeless people sleeping rough) but the committee adopted a *relative poverty* approach to the definition and measurement of poverty and deprivation. This approach recognises that poverty is multi-dimensional and encompasses the lack of resources required to participate in the lifestyle and consumption patterns enjoyed by others in society. This includes a concept of deprivation, of lack of opportunity to participate fully in society, of social isolation and exclusion.³

After outlining various approaches to measuring poverty, the majority report maintains that the number of Australians living in poverty ranges from 2 to 3.5 million. This included 21% of households that lived on less than \$400 a week (an amount below the minimum wage) and over 1 million Australians living in poverty despite being part of a household where one or more adults are in employment. The majority report also claimed that poverty is becoming more entrenched and complex as evidenced by the widening income gap.⁴

Income support

In relation to income support, the majority report made several recommendations. These included:

- the removal of anomalies between allowances and pensions;
- the introduction of a comprehensive participation allowance in recognition of costs associated with obtaining employment and training;
- the adoption of the recommendations of the Pearce Report on the breaching and penalty system; and
- a review of social security income tests to reduce the high effective marginal tax rates experienced by some recipients.⁵

Centrelink

The majority report received a great deal of evidence, both negative and positive, concerning Centrelink. It recognised the difficult nature of Centrelink's role as well as the programs that have been put in place to build effective working relationships with welfare providers and better address the particular needs and circumstances of clients. But it did note that the level of flexibility and willing-

ness to build such relationships varied between Centrelink offices and there was an insufficient number of specialist staff to meet increasing demand. A key recommendation of the majority Report is that Centrelink Community Service Centres be resourced to establish local management advisory committees and that these Centres should act as community service hubs for Commonwealth Government funded programs to ensure there is a greater connection between income support and other human service delivery.⁶

National approach

As noted above, the majority report concluded there was an urgent need for a comprehensive national approach to the alleviation of poverty in Australia. It recommended that this initially be addressed by a summit of all key stakeholders and a commitment to a whole of government approach. It also insisted that the process of developing a national approach take not longer than a twelve-month period of consultation and that there be a statutory authority, reporting to the prime minister, which would establish benchmarks and targets to measure progress against a series of anti-poverty measures.⁷

The two Government Committee members wrote a separate 40-page minority report. These criticised the majority Report as 'shallow, naive and purely political'. In doing so, the Government Senators noted that Australia has one of the best and most generous income support systems in the world. Moreover, they argued that Australians' 'fair go' attitude to life dictates a system that does not encourage passivity and dependence: 'the term "*mutual responsibility*" is something to which Australians can relate'.⁸ In relation to breaching, the Government Senators recommended that the Government continue to implement initiatives that decrease the number of clients breaching while upholding the principles of mutual obligation and joint responsibility.⁹

Even though the contents of the report did not engender much public interest, in recent years there has been considerable academic debate around the definition and measurement of poverty. For instance, the conservative Centre for Independent Studies released a paper by Peter Saunders entitled, *Lies, Damned Lies and Senate Poverty Inquiry Report* April 2004. This paper claims that the Report was seriously flawed especially with its partial and

selective use of evidence. In a similar vein to the Government senators' minority report, Saunders argued that: '(t)his is a one-eyed, misleading, inaccurate and deeply ideological report masquerading in the guise of a serious and impartial inquiry'.¹⁰

In one sense, Saunders is quite right as discussion about poverty is inherently ideological. Views about how poverty and inequality is defined, what to do about it and how to reduce the impact on individuals, are intimately related to values, issues of justice, rights and the type of society we want. But irrespective of the debate surrounding the Report's conclusions and recommendations, the broad range of evidence reported in it, makes it an important reference document for all those concerned about poverty and inequality in Australia today.

The report, together with copies of the submissions and Hansard transcripts of public hearings, are available at <http://www.apf.gov.au/senate_ca>.

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2. Senate Community Affairs References Committee, *A Hand Up not a Hand Out: Renewing the Fight Against Poverty* March 2004 ('Poverty Report') xv.
3. Poverty Report, 3.
4. Poverty Report, xviii.
5. Poverty Report, Recommendations 11, 13, 14 and 15.
6. Poverty Report, Chapter 17 *Service Providers* Recommendations 92 and 93.
7. Poverty Report, Chapter 18 *Future Directions* Recommendations 94 and 95.
8. Poverty Report, 445.
9. Poverty Report, 464.
10. This paper is available at <<http://www.cis.org.au>> at 30 April 2004.