

## **Vote 1 No More Poverty**

Poverty is a cause of considerable community concern; perhaps as a result of this, it is a term now rarely used by Australia's politicians.

Ever since Bob Hawke's 'no child living in poverty' gaffe, Australian politicians have zealously avoided mentioning or making commitments to reduce poverty. Instead, they've focused on generating economic growth or creating employment in the vague hope that maybe, some of the gains will trickle down to those most needy.

Unfortunately, the recent evidence has been somewhat to the contrary. Despite having experienced 13 years of continuous economic growth, Australia's most disadvantaged communities have not shared in this windfall.

The first national investigation into poverty for 30 years: the *Senate Inquiry into Poverty and Financial Hardship* (completed in March of this year) discovered an "unacceptable and unsustainable growth in Australian poverty throughout the last decade." As a result, the Senate Committee for Community Affairs urged all Federal and State Governments to implement a series of recommendations aimed at tackling the problem.

Needless to say, we are still waiting. While the Labor Party has renewed its commitment to 'Rebuilding the ladder of opportunity' by releasing a national policy, its response has been reduced to little more than a slogan throughout the campaign. The Coalition, on the other hand, has been right hostile to the Senate's recommendations, preferring instead to harp on about retiring government debt and low interest rates throughout the campaign. They insist that getting the economic fundamentals right is a sure way to reduce poverty; in short, their policy on poverty amounts to a return to the much maligned trickle down 'reaganomics' of yesteryear.

It cannot be denied that Australia has grown richer over the last decade. However, the Senate Inquiry discovered that "While our economic indicators have continued to reach upwards, so has the level of inequality, poverty, homelessness and housing stress, long-term unemployment, suicide and child abuse."

Some of the most alarming findings of the Inquiry include:

- That 3.6 million Australians live in households with a combined income of less than \$400 per week (could you?)
- That 15% of all Australian children (700,00 of them) live in households where no adult has a job
- That one in six Australian teenagers will never have a full-time job

The Inquiry also identified two damaging trends that threatened to forever change the face of Australia.

The first trend identified was the way in which poverty and inequality of opportunity were becoming ever more entrenched in Australia's most disadvantaged areas. A 2004 report, compiled by Jesuit Social Services, revealed that 50% of all Victoria's prisoners hail from just 7.3% of its postcodes. Similarly, 50% of Victoria's long-term

unemployed and less-skilled workers live in just 8.9% and 11.6% of its postcodes. And you guessed it: the same postcodes came up time and time again across the spectrum of indicators of social disadvantage. The Inquiry found that despite our egalitarian roots, a number of Australians are growing up in permanent 'ghettos' of poverty and social disadvantage, with little chance of escape.

The other major trend identified in the Inquiry was the growth in the number of 'working poor' Australians. According to its estimations, 1 million 'working' Australians are living below the poverty line. By way of contrast, the only previous national inquiry into poverty – conducted in 1975 – found that only 2 per cent of households with an adult employed full time were forced to live below the poverty line.

The rapid increase in the number of working poor, the Inquiry found, could be attributed to the explosion in low-wage and insecure employment, driven by the steady casualisation of the workforce. This development in poverty entails a radical break with Australian tradition, and shows how hollow and misleading the assertions that we have heard from both the Coalition and Labor: that the best welfare policy is a job.

Those 1 million Australians, and the many more living close to the poverty line, are working; yet without access to a secure, full-time wage, paid overtime, career progression or on-the-job training, their employment is a poverty trap. It just goes to show that bad jobs are no substitute for good policy.

Further compounding their poverty, many of our poor and 'working poor' are encountering a concurrent 'poverty of access' to essential community services. The steady shift to 'user pays' models of healthcare, education and other government services coupled with the degradation of the quality of these services in areas of concentrated social disadvantage are having a permanent effect. For the first time in Australia's history, we are seeing the emergence of pockets of entrenched generational disadvantage on the fringes of our cities and in remote rural areas. We are seeing, in the words of the St Vincent de Paul Society, the emergence of 'Two Australia's.'

There is no doubt that rich countries like Australia can afford to eliminate poverty; in fact, the financial cost of achieving such a momentous outcome can be had for relatively little outlay. The Smith Family, in its 2000 report *Financial Disadvantage in Australia*, estimated that the total income transfer required to bring every man, woman and child above the poverty line amounts to \$14.9 billion. To put this in perspective, with Australia's GDP passing \$800 billion this financial year, the cost of abolishing Australian poverty sits at about 1.8% of GDP per annum. Compare this figure to the ever-escalating cost to the taxpayer of Australia's defence budget, currently standing at \$14.6 billion p.a.

We can pay to remove all Australians from poverty if we want to; the simple fact of the matter is that consecutive governments don't is a matter of choice, not affordability.

Of course, the most affordable way to tackle poverty is prevention.

The evidence unearthed by the Inquiry into Poverty is that the simplest pathway out of poverty for young people is a successful transition from school to work. To ensure this successful transition, therefore, requires the provision of appropriate full-time employment, trained youths who have the skills to find employment, and adequate education, job training and employment assistance facilities in regions of need. Yet these are the very institutions that we have allowed to crumble in the pursuit of greater economic growth and labour market flexibility.

‘Social mobility’ – the lifeblood of a classless society – depends upon the presence of good schools and services in our disadvantaged communities. Mark Latham’s recently announced education policy represents an important step towards increasing social mobility in our disadvantaged regions. However, permanently redressing entrenched poverty and disadvantage will require more than just money; it will require real ongoing commitment at a local level, and engagement with local communities. It will require a commitment to looking at the causes of social disadvantage and to rethinking what sort of society we are prepared to permit.

Community development is a difficult, but ultimately effective process. By making schools the focal point of our disadvantaged communities and empowering each through them, we can bridge the gap between the ‘Two Australia’s’ and give each an equal opportunity for success.

Poverty and inequality in Australia today represent a fundamental test of our national resolve. If we are serious about our claim to be a society of the ‘fair go,’ then we must be willing to invest some of ourselves (and our tax dollars) in this vision. Otherwise, let us abandon this treasured façade of egalitarianism and accept that Australia once was, but no longer remains the ‘lucky country.’