

Tackling child poverty in the wake of COVID-19:

Priorities for Australia's social security and family payments systems

WEBINAR



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Anti-Poverty Week webinar:

Tackling child poverty in the wake of COVID-19

Hosted by UnitingCare Australia

Transcript

Participants

- Claerwen Little – National Director, UnitingCare Australia, *Chair*
- The Reverend the Honourable Professor Brian Howe AO – former Deputy Prime Minister
- Professor Miranda Stewart – Professor and Director of Tax, Melbourne University
- Terese Edwards – CEO, National Council of Mothers and their Children
- The Honourable Bronwyn Pike – CEO, Uniting Vic.Tas
- Corinne Dobson – Senior Analyst, UnitingCare Australia, *Moderator*

CLAERWEN LITTLE

Welcome everyone.

Thank you for joining us for today's Anti-Poverty Week webinar. My name is Claerwen Little and I'm the National Director for UnitingCare Australia. I would like to begin by acknowledging the sovereign First Peoples of the lands and waters from where we're all joining this afternoon. We pay our respects to their elders past and present, and to all descendants of these nations who have cared for this place since creation. I also welcome and honour any Aboriginal and Torres Strait Islander peoples who are attending today's webinar.

UnitingCare Australia is an agency of the Uniting Church in Australia and the national body for the Church's community services network. The topic of today's webinar "tackling child poverty in the wake of COVID-19" goes to the heart of the Uniting Church's commitment to ensuring all people in Australia are treated justly, accorded dignity, and have their basic rights protected. In the Church's Statement to the Nation in 1977 we committed to seek the correction of injustices wherever they occurred and to work for the eradication of poverty, and that's precisely why we're here today: to correct the injustice of child poverty in

Australia. Too many Australian children and families are at risk of living in poverty and suffering long-term disadvantage. Even before the pandemic, more than one in six children in this country were living in poverty. Sadly in the wake of COVID-19 that number's set to rise. Such high levels of poverty are not inevitable. Our social security system is one of the most powerful levers we have to reduce poverty, and as we'll hear in today's webinar, strengthening the social security system is a key way that governments can reduce child poverty.

Today we're really fortunate to be joined by a fantastic panel of speakers who bring an immense depth of knowledge, of insight and passion, and present the solutions for how we as a society can tackle these issues. We'll begin with a short presentation from each of our speakers and then move into a Q&A session. Please direct any questions through the Q&A function and please feel free to contribute via the chat. Lastly we're recording this discussion today and it'll be posted on our website, and emailed to everyone after the webinar.

So now, without further ado because we don't have a lot of time, I'd like to introduce our first speaker Reverend the Honourable Professor Brian Howe AO. Brian was a Minister in each of the Hawke and the Keating governments and deputy Prime Minister from 1991 to 1995. He served in various ministries including social security where he carried out a series of ground-breaking reforms. Following his parliamentary career, he was appointed as an associate professor at Melbourne University and continues to work in social policy and related fields. Brian is also an ordained Uniting Church minister. Thank you Brian.

PROF BRIAN HOWE

Thank you very much to the UCA, to UnitingCare for the invitation to participate here today.

Today more than three quarters of a million children are living in poverty in Australia. In addition, the impact of COVID-19 will be felt hardest by our most marginalised children. Many already live in poverty, and the consequences of COVID-19 response measures risk plunging them into further hardship.

Why is it so, in a country such as Australia, one of the wealthiest countries in the world with one of the highest incomes on average, and having experienced 30 years of economic growth, why should one person in eight in Australia be in a poverty-stricken family where their children must suffer and often be left behind? Surely family poverty, child poverty, is a distributional issue that tests our core beliefs as to the kind of society to which we aspire. To have more than 3 million [people] and three quarters of a million children living below the poverty line is a measure of failed dreams and an inadequate commitment to building a fair society.

Early in our history as an independent country we built a reputation for great fairness. Fair wages for families, as well as being a pioneer in providing social protection measures, establishing both age and invalid pensions in the first decade of the new Commonwealth. Supervised by the Conciliation and Arbitration Commission, wages continued at a relatively high level by international standards. On the other hand, the Australian social protection system, rather than being set at the highest standards, has always questioned

the values of the poor, is beset by change and amendment, and especially for people, families of workforce age, there's been an unwillingness to set benchmarks and standards designed to ensure that people on lower incomes, families are equal citizens possessing the right to high standards of social protection and incomes that protect community, that reflect community living standards.

In a crisis such as COVID-19, income is incredibly important and suddenly money is available: JobKeeper, JobSeeker at relatively generous rates, but of course these are one-offs that reflect the depth of the crisis. I want to argue that the provision of adequate income to people and citizens should not be an afterthought, but rather part and parcel of an ongoing system of wages and social security based on standards that are designed to keep people, families, out of poverty. Professor Henderson 50 years ago in our only national inquiry into poverty and inequality suggested we might replace our social security system with a guaranteed minimum income. At the very least today, we might guarantee income to low-income families, sufficient to keep them out of poverty and try to maintain their commitment irrespective of changing circumstances, as their obligation to the most disadvantaged should be seen as a recognition of their citizenship.

As we'll learn later in this webinar there are no simple answers to poverty, and those that are poor the choices they face are always complex and always disheartening. That's why it's important when national leaders such as Jacinda Ardern, the New Zealand Prime Minister, promises to eliminate child poverty and generate hope. Why in this incredibly well-endowed country should low-income people feel that their poverty cannot be overcome? We set high standards in healthcare and in education. We should also ensure similarly high standards in income security, and promise to maintain those standards over time. Nothing less will overcome poverty.

I am a member of the Uniting Church and a member of the Church of All Nations. Decades ago that church was responsible for developing bilingual education, language laboratory – major, major in now what became a national reform that reflected Australia's movement to become a multicultural economy, multicultural society. Today, the Church of All Nations serves the high-rise community in Carlton with after-school education, providing emergency relief and so on. I suppose my most important message today is to say is how important, incredibly important, that people involved in UnitingCare, welfare, people involved in working with the poor, are great advocates, that they are strong advocates, and that they encourage people also who are poor to advocate for themselves.

Thank you very much for this opportunity to participate in this webinar.

CLAERWEN LITTLE

Thank you Brian. I'd now like to introduce our second speaker, Professor Miranda Stewart. Miranda is Professor and Director of Tax at Melbourne University Law School and a Fellow at the Tax and Transfer Policy Institute at the ANU's Crawford School of Public Policy. Miranda researches, teaches and consults on a wide range of tax law and budget topics in Australia and globally, and in 2018 was named as one of the Australian Financial Review's "100 women of influence." Over to you Miranda.

PROF MIRANDA STEWART

Thanks very much, and a great honour to be speaking after Brian Howe, and thank you very much for having me here today on this really important topic. Now I've just shared a screen so I'm hoping that that is visible to people. I have a few slides, I'll go through them pretty quickly but they'll be available later if people want those details.

So I completely second Brian's comments about values and the need for us to think holistically about poverty. So he emphasised income poverty. I wanted to put that in a context of all the other government policies that Australia has today – as Brian said, one of the richest countries in the world. And I find this quote which comes out of the capabilities approach to development and poverty relief by Amartya Sen, prepared by others, about what do we mean by adequate provisioning and well-being. So human well-being requires at a minimum I guess adequate provisioning, and that means both paid labour and unpaid care activities both the state and income from the market and the family support from the family, and also requires capabilities the ability to do to work to support oneself to engage in society, and agency to participate in decision making. So our focus today I guess is on that first one about provisioning, but I also want to think about capabilities as in work.

So Australia's income transfer system, thinking about the cash transfer system, you know we have a long-standing long history of income and asset-tested income support, but it has become more targeted and narrow over time. As Brian said, since its beginnings a hundred years ago, and through changes in the last century... I think this audience would be very familiar with the inadequacies of JobSeeker, but the other features of those payments – the income testing on couple income, the asset testing, the taper rate at 50 to 60 percent of every dollar earned – also cause poverty traps for some workers and some families with children. Even our higher categorical payments like Sole Parents payment and so on have been cut back over time. We know as sole parents' kids get older they're moved on to JobSeeker. And child payments, Family Tax Benefits A and B, have become more targeted over time and reach now only about 50 percent of families rather than being thought of as a broad child payment. It's been partly replaced by subsidies for child care which are things that I support, but the design of our child care subsidy at the moment is creating perverse effects for parents of kids trying to go back to work. So I just want to illustrate a couple of aspects of that in my short time but happy to discuss more in Q&A.

So this is a chart prepared by a colleague of mine John Murphy, who I'm pretty sure Brian Howe also knows, University of Melbourne, just demonstrating that declining adequacy in Newstart or JobSeeker. Of course, this is before the COVID-19 supplement. The solid black line is JobSeeker declining relative to other payments, age pension payment and some of which have been maintained at relatively higher levels. Even when you've got JobSeeker partnered or single with one child we see that relative level of adequacy of that payment has declined over time. So obviously we all are interested in maintaining or improving that adequacy.

I just want to briefly say something about other public goods. So it seems to me it's really important to remember that we support our families with children both through income transfers and through private market work, but also through public goods and public provision, and it's really important to protect that and extend that public provision. You might think of health, obviously education, decent schooling – one thing to note is we don't yet really treat child care as a public good in the same way as we do schooling and I think

that's probably important for the future. There's a whole lot of other infrastructure where we should be making sure that families have access to those public goods and infrastructure. If you think about COVID-19, here we are online and tech infrastructure and support's so important. There's a lot of public investment but there is still quite a lot of private cost of that sort of infrastructure. And of course the biggest thing is housing for many families. We really rely on private provision for housing. We have rather inadequate public housing and social housing, as I think probably many people in this audience know.

So what about those who have income? So this is the tax cuts just enacted and presented in the budget. The orange in the middle is stage two which is the tax cuts that have been brought forward, but people will also be helped with the lower middle income tax offset. You can see that stage two doesn't look too different to what the system was before if you look at the structure of these rates. Stage three is the one that is projected for 2024-25, and you would have seen the news today where people on \$250,000 a year or \$500,000 a year are saying that they might deserve a tax cut. They'll get it in stage three, that tax cut, and it's currently legislated. They are in the top one percent of the income distribution. So you know we're cutting back on our public resources.

So the last thing I wanted to demonstrate or say something about in this group – and I know that chart looks a bit intimidating – is about the interaction of these policies. So, you know, obviously we want to encourage parents to be in work where that's appropriate, to receive a decent wage, subsidised with child payments, provide child care subsidy, and of course when you work you should pay income tax. The thing is when you put all those policies together for many low-income or medium- you know moderate-income families with young kids they just can't get ahead, basically. They combine to create what we call very high effective tax rates. That is, the household is really hardly better off from working than they would be not working.

So in this chart we have a situation where we have a person already in the workforce, a two-parent family, you know, usually dad in the workforce earning a median income. And this is about our second earner, usually mum, going choosing to go back to work on the first day: one day a week, two days a week, three days a week, four days a week or five days a week. The blue is the salary she's going to earn as she goes back to work, so they get ahead a couple of hundred dollars extra a week. The grey is the child care subsidy – so we do give that family a subsidy for child care. But below the zero line here are the things we take away from that family as she goes back to work. So she has a net child care cost – the family has to bear quite a bit of child care cost. The family loses some child payments – the yellow and the orange, Family Tax Benefit A and B. And of course she pays a little bit of income tax as she should as she starts working, that's the red. So when you net those things out, what we see is that after the first couple of days of work – day three, day four, day five – the family is keeping hardly anything of her wage after she's at work. So on day three of work they keep 30 bucks out of 200, day four 17 bucks out of 200, day five eight bucks. So if you're going to work you face essentially an effective tax rate of more than 90 percent. Of course, most families she wouldn't go back to work because it just doesn't make any sense economically. So I guess the point here is we've got a system where the family can't get ahead, right. They're really struggling.

A couple of other examples, but I won't go through it, but this just sort of shows what we call the effective tax rate. This is the percentage of her earnings that is lost to taxes. On

every one of those days of work taxes, lost benefits, and child care, and you can see she faces effective tax rates of more than 90 percent even after those stage two tax cuts. We see the same effects for single parents.

So look, just to wrap up, because I know we want to go on and have Q&A and plenty of time and you need to hear from our other speakers who can really talk to the personal experience of people. I just want to bring us back to that idea we have a mix of provisioning for children and to make sure that children are not in poverty we need to get that mix right. We need to think about the private family support and wages and private care, combined with those universal or public goods that we want to deliver to all families, combined with adequate income support as Brian has said. And I think we've got some fundamental questions for Australians to think about now – about whether we've got that policy mix right. I think we have a system that's far too targeted. We think about it as targeted to poverty relief but the effect of that system is actually to undermine families in terms of their children being able to support children in poverty.

Okay so I'm going to finish there so we can have a conversation later.

CLAERWEN LITTLE

Thanks so much Miranda. Our third speaker is Terese Edwards, the CEO of the National Council of Single Mothers and Their Children. Terese was the winner of the Unsung Hero award at the 2019 Hester Community Sector Awards for her work advocating for single mothers and connecting them to vital services and support networks. I welcome Terese.

TERESE EDWARDS

So I am going to show you some most amazing pictures and I just, so I'm going to start with this and in my chat I will be putting up where I got these pictures from, so some of them I'll be going over quickly, some I'll labour on a little bit longer. But what I wanted to bring to everyone was some of the magic that I was experiencing because we have heard so many times that poverty is too hard to solve, it costs too much money, it's wicked and we should accept some of that. Well of course, we should not be doing that. So I established the '550 Reasons to Smile' because that's what the Coronavirus Supplement was, and we heard that announcement on the 23rd of March and the money started to roll through to some of our poorest families around the end of March and into early April. And so I wanted a place to really capture all of that data.

So we started to find that, you know, that people were buying things for children – that's what they were spending on boots, activities, they were putting fresh food on the table. We also put in a survey, there's 650 people who responded to that survey. No surprise here team – groceries, 78 of people just put in that they spent money on groceries. And the pictures were amazing. The big ticket item was the fresh fruit and veg. And then of course I love this shot of the little person that managed to get to the farmer's market and could buy some, mum could buy some fresh food. But this I thought was a rather chilling picture, it was a really cold night and this guy said I just didn't have to dumpster dive to find the food to get us through this week.

The next big item was just keeping the roof over children's heads, over the family, and 40% said that that was what their Coronavirus Supplement went towards. And I want to break a bit of a myth here about homelessness. So I want to let people know that being homeless also costs money. So this woman sent in the picture of her fixing up her truck. And this other woman sent in a picture and spoke about how she was preparing to quarantine herself against homelessness, and she was converting her camper van into a place of safety because she saw it as inevitable once that Coronavirus Supplement stopped. Heating: imagine this in Australia, through winter, it was the big ticket item. People could stay warm, large items could be purchased, children you know to that had croup at night and blankets they would they were just incredible.

Also with the clothing there comes the teenagers, intertwined with that sense of pride. But this young fella, absolute champ, never gave his mum any grief over his birthday time, he knew she couldn't afford it. But this year he celebrated his 15th birthday. And again, another super important: self-esteem, young bloke, could look pretty cool amongst his peers. So what came through was all the things that you'd love to be able to give to your children. You know, for them to play sport, to celebrate those important milestones, and of course there was lots of pictures coming up with that family pet.

Health: the bottom picture is from a young student who never accepts any form of pain relief during winter, she just couldn't afford it. And then here was the price of a mum, for the first time could get a test done, she has a genetic heart condition.

So these were the big line tickets in our survey: food; healthy; reduced stress; being able to sleep, you know, not waking up with that absolute fear; and staying warm, because this survey happened during winter. What I think we all know that we're trying to get through to the government is when you have some money you can actually prepare for the future and you can actually get work ready.

And it is gendered. Miranda and Brian have both spoken about the FTB, the parenting payment single. But I do want to put on the table that we have a 1.6 billion child support debt and we have 200,000 blokes that have not lodged their tax return. So not only are they avoiding tax, they're also avoiding their child support payments, and that makes a significant difference.

So just going forward we all know it was cut by 300 bucks, so we have launched a survey and I have given an exclusive to NewsCorp hoping that that will run in the next couple of days. And here's our beautiful face of that survey. Mum, daughter and dog Hannah. And in the chat I will be putting up the link for the survey. Please fill in – we have about 300 respondents thus far.

And my last comment that I want to leave you with is Chloe. I've spoken a fair bit of time talking to. She was sitting in an abusive relationship and as soon as that announcement was made, that Coronavirus Supplement, this was her path to safety. Nothing more, nothing less, she knew she could get out because of that extra money.

So thank you very much for your time and listening to me, and I look forward to further engagement in the chat after the presentations.

CLAERWEN LITTLE

Thank you so much Terese, we look forward to that chat very soon. I would like to introduce our final speaker Bronwyn Pike. Bronwyn is the CEO of Uniting Vic.Tas and has extensive experience across the public, private and community services sectors. She's also Victoria's co-chair of Anti-Poverty Week and I know it's been a busy week for her so we really appreciate you being with us Bronwyn. Bronwyn was the Victorian state Member of Parliament for Melbourne from 1999 to 2012, and is also a lifelong member of the Uniting Church in Australia. Very, very warm welcome to you Bronwyn.

BRONWYN PIKE

Thank you very much Claerwen, and good afternoon everyone. I speak to you from Wurundjeri country here in Melbourne and I'm also here at Prahran Mission. So they're having a lunchtime event today, which happens every day, providing emergency relief for people in this local community, and have a cafe here and many many homeless people, people with mental health issues, and people who we've been talking about today have come to get food.

So my role is really to sum up some of the really important points that have been raised already today. And I really want to highlight three things that I think have come out of our conversations so far. The first one is really, you know, what kind of country do we really want to live in? Australians, you know, always pat themselves on the back as being egalitarian and everyone having a fair go and us being a lucky country, big-hearted people who, you know, will jump to the opportunity to support their fellow citizens in times of trouble. But we also know that, coupled with that kind of I think rather mythological view of ourselves, we have as Brian has reminded us a social security system that has now become perceived as the grudging handouts for the undeserving who just really aren't trying hard enough to get themselves ahead or are doing naughty bad things which are causing their own poverty. And so that notion of a fair go has really of course drifted away, and now graphically seen in the one in six children in our country who as we've heard are in poverty, many of whom in fact are going hungry. So the reality doesn't match the rhetoric.

You know, when I was at school the textbooks used to have pictures of the Great Depression in them and everybody would gasp with horror, the thought of these emaciated-looking people lining up for food, handouts, or having to go off into the bush and catch their own food and live in shanties just to survive. Those images of course are still with us. And yet our consensus as a country – that we didn't really want to be the kind of country where people died of hunger – seems to have drifted away.

Countless economic studies, including a recent one by Deloitte, really continue to try and persuade government or to persuade the community that there is an economic value in providing additional support for poor people. And of course you know this has been added as information in the Raise the Rate campaign etc. But I think that we need to move beyond these kind of economic stimulus arguments and really get back to the values that are absolutely core and fundamental for us all – and that is that human beings are all valuable, are all precious, that all deserve the opportunity to thrive, that should be treated with dignity. And that should be the rationale for us actually providing adequate financial

support for people – to not just survive, but really thrive and fulfil their potential as people in our community. And as Brian has said, values matter, and the Uniting Church and UnitingCare agencies are built not on the fact that if you give poor people more money in a stimulus sense they'll spend it and it'll stimulate the economy, but because they deserve it. And that's what it means to be a humane and just society that actually lives out the things that are embedded in our social value.

The second thing I quickly want to talk about is what I think is the enormous missed opportunity in the recent Federal Budget – to actually do something that can redress some of these issues. And many have said that the Federal Budget really just outsourced any opportunity for economic recovery to the private sector, lastly. And I think we do need to question that ideology. Of course, you know, we called it in the past Reaganomics, trickle down, whatever we want to call it – but it hasn't moved in our public policy settings and there's this huge reliance. And let's just remind ourselves that globally income equality is getting broader and broader every single year. In 2009, the wealth of the world's 380 richest people actually was the same amount as the bottom 50% of the world's populations. 380 people had more money than 50% of people on our globe. Jeff Bezos, he's done well, he's doubled his wealth in the first five months of COVID. He's now worth 205 billion dollars US - that's about 290 billion dollars Australian. So he's done extremely well. And you know there's ample evidence that if we rely on the private sector to stimulate our economy and to provide the kind of opportunities and the wealth transfer that we actually desire, then it's flawed.

And then of course Miranda has reminded us that the emaciated public sector really does need the resources to rebuild education opportunities and health opportunities and all of those things that shouldn't be fee-for-service, that should be the underpinnings of social participation in our country. Keating's One Nation initiatives that Brian knows only too well – one percent of GDP was spent on public infrastructure at a time when we were in no way the kind of potential recession that we are in now. So that was something to aspire to.

And finally I guess I want to have a note of hope. I think the COVID environment has enlightened the broader community about our social security system, and the way in which the public supports the broader community in a way that probably hasn't happened in the past. Most people had no idea that people on JobSeeker were only getting \$550 a fortnight until somebody doubled it, and Terese has given us some wonderful examples of what has actually happened in that situation. And then of course there are a whole lot of people who had never ever received any government handout at all in their lives, and they suddenly found themselves in dire situations and received JobKeeper. And so I think the public's understanding of these systems is probably at a higher point than it has been in the past, and an understanding that governments actually do have to step up and create the right settings, not just handouts, but broadly as Miranda has reminded us the right settings for us to move towards much more income equality than we currently have. And so here's the opportunity for all of us: the advocacy has to continue, we have to work incredibly hard together to make sure that the kind of country that we really aspire to be is the reality for many many people's lives. So I think we're going to questions now or comments or discussion. Claerwen.

Thank you.

CLAERWEN LITTLE

Thank you so much Bronwyn, what a fabulous sum up, well done you. Yes we are going to be going to a bit of a panel session now, so I'm going to hand over to my colleague Corinne Dobson who'll be moderating some Q&A.

CORINNE DOBSON

Thanks Claerwen, and as Claerwen mentioned at the beginning of the webinar, if you want to submit any questions you can use the Q&A function which should be at the bottom of the screen.

So the first question relates to how we can make governments accountable to reducing poverty and specifically the role of targets. Brian, I know that under the Hawke government, Hawke made that famous promise to reduce child poverty, to eliminate child poverty by 1990. And, as you mentioned New Zealand also has in place a 10-year goal to halve child poverty, backed up by a Child Poverty Reduction Act and a well-being budget that includes a specific focus on reducing child poverty. So what is the value of government setting such targets, and what are the prospects of a similar approach being taken in Australia?

Perhaps if we go to Brian – did you want to answer that one, perhaps?

PROF BRIAN HOWE

Well I think the prospects are a bit dim in Australia frankly. I think that's what we were just talking about before, about the budget and where the priorities were. I mean it's kind of a Keynesian approach in a sense, but nevertheless incredibly heavy election evidence on the private sector. I suppose what I particularly wanted to emphasize was the importance of not just the aspiration but setting some standards. Too much of what we do is ad hoc. I mean one of the great things about what Miranda was talking about was it was research-based, it was based on real evidence. We can determine what the cost of children happens to be and we can recognise where there are families where the cost of children just outruns their resources. Now we don't therefore have to sort of set child payments, for example, at a level that bears relation to nothing. There's no reason at all why you shouldn't set child payments... or perhaps with age pensions I think we move much closer towards providing age pensions with sufficient income to live reasonably comfortably. But for a large part of the system we've got all these inequities and inequalities. Now, it's not just about income; it's also about quality services. In many ways the poorest schools are in the poorest areas, and so on. So there's a huge challenge, but I think it does get back fundamentally to the values, to the kind of society we want to live in.

CORINNE DOBSON

Fine.

PROF MIRANDA STEWART

Corinne, I might jump in as well. I don't know if you can hear me okay. Look I completely agree with Brian about some standards. I am pretty worried about the budget – it wasn't very obvious in the budget itself and obviously in this budget, in terms of actual current year outlays, I didn't see such a problem. The problem I can see is that the budget assumptions, the projections over the four-year period, the medium-term, which is the normal thing that happens in the budget. They seem to be assuming that social security, social services expenditure, is going to go back to the norm, revert back to the norm, which means reverting back to pre-COVID levels. And you know clearly that's unsustainable, but that's actually built into the budget assumptions at the moment. Now the government has I suspect squirreled away a bit of money and I would guess that we will see some announcement later in the year about the level of JobSeeker. My own feeling is it won't be good enough. Brian mentioned the age pension – I mean really it's not clear to me why we pay less. It may well be time for a uniform payment, indexed appropriately across all of our pensions. That would reduce complexity as well and that, together with better child payments and moderating the child care, would actually, you know, target that help for poorer families.

PROF BRIAN HOWE

Very good, yeah.

CORINNE DOBSON

Well maybe if we could just pick up on something that you alluded to there Miranda, and that is just, you know, the government at the moment they've got away from that fixation with having a budget surplus. But the Treasurer has indicated that they will be returning to that focus on reducing the debt once unemployment falls below six percent. So, given the record government debt and diminishing revenue from taxes, is it inevitable that there will be a return in future to austerity budgets that cut social security and public services, and what are the implications for child poverty in Australia?

PROF MIRANDA STEWART

So shall I jump in again or you don't want to and then perhaps we can let the others...

Yeah look I think there is actually an austerity, you know, kind of feel underneath this big stimulus. Brian mentioned, of course, it is a stimulus budget and that's fine. I mean one could do it in many different ways, but I do really worry about this reverting to the norm and this idea that somehow the norm is an austerity process. And, yeah, the problem is not gonna go away. I said the government seems to be somehow perhaps in denial about the realities of our social lives here in Australia and perhaps lacking that vision and values that Bronwyn referred to.

CORINNE DOBSON

Do you want to comment on that Bronwyn?

BRONWYN PIKE

Well you know, I just reiterate that the money that has been provided that is at the highest quantum of stimulus funding has in fact been into the area of the write-off of depreciation and also of course into the additional funds that are being offered for the employment of people who are under 35 years of age. And, you know, these are really big gambles for the government. Obviously they are looking to fuller levels of employment, but you know the reality is that there are a lot of people, I mean we all know jobs are great, everybody you know would want to aspire to be having the dignity and the resourcing of work. But there are of course many people who are who are unemployed through no fault of their own, and that's I guess the blame culture that I want to call out. You know, people who are genuinely unwell, you know, with mental health issues or physical issues, people who've had terribly traumatic family lives, people for all sorts of reasons... And then if you add to that the compounding effects of the imbalance between the payment system that Miranda was talking about, and the lack of real incentive for actually rejoining the workforce – we have a whole lot of colliding issues that really say to the government you've got to be more sophisticated in your analysis and your settings, because what you're doing now is just not going to get us there.

CORINNE DOBSON

So I guess the next question relates to one of those elements potentially of that those policies that we need to have in place, and that's in relation to family payments and specifically to Family Tax Benefits. The question is do Family Tax Benefits still have a key role to play in reducing child poverty? Family payments have been steadily eroded over the past decade and between 2009 and 2016 alone more than \$12 billion was cut from Family Tax Benefits. In light of this, is reform of the Family Tax Benefit system still a priority for reducing child poverty, and what should our priorities be if we want to ensure our social security system works to reduce child poverty into the long term?

Terese did you want to maybe start there, because we know that single parents, children in single parent households, experience such high rates of child poverty and a lot of that is to do with the way that the various parts of the social security family payment system and other aspects of that all work, so did you want to maybe answer that one?

TERESE EDWARDS

I would love to, and I'd just like to make a quick comment regarding the austerity measures. Bring to everyone's attention that in 2006 when we had record budget surpluses, high levels of employment and we were swimming in the gold rivers through the mining boom – it was single moms who still got copped a hammering through reduction to PPS, child support reductions. And if you weren't poor you became more unsafe because the family law. So let's not get confused between austerity and ideology choices because it

was freaking hard at that time. So now to this question: of course, it is so important and we saw that when there was that 2014 horror budget when Family Tax Benefits were going to be cut for children 13 years and older. I think we had done all of this work on the cost of children tables and we know that children in their teenage years they cost a lot. They keep growing, they want to do stuff, they consume an enormous amount of food, you go to the cupboard you think you've stocked up and then you go back and it's all bare again. Children that are 13 plus have an expectation that they can wear clothes that fit them, that they can have health, medication, that they can join in with their peers, so absolutely, it's been a trickery. I think it's only people that are up close and personal that actually realize how much has been chopped out of that family tax system, either by the choice of indexation, by freezing indexation, or making subtle changes like who can get it. Used to be a threshold was two hundred thousand – that went to one fifty, now it's one hundred thousand. And of course there's this tricky thing in there with child support – the bit that I just want to bring to people's attention is that Family Tax Benefit gets reduced, but it gets reduced on the entitlement, not if you receive it. So I talk to many women who end up with a reduction in their child support and they don't record that they didn't get it. They just go it's just too hard, I've got system fatigue, I don't want to deal with the agency, and I'm just trying to keep my powder clean. So I will forego money no matter how tough it is, just because the system has become too hard for us to manage.

CORINNE DOBSON

Thanks and that's a huge factor isn't it Terese, because I think you did a report last year that highlighted that issue and the actual extent that it contributed to child poverty in relation to the child support payments?

TERESE EDWARDS

Yeah, and the other thing that, the real nasty in this is that women end up with significant Family Tax Benefit debts to the government. So, for years and years, the child support has assessed a low income, a provisional income from the payer, so the woman ends up receiving what they consider be too much money. He may lodge five to ten years worth of actual tax returns. She gets a debt of anything from \$30 to \$100,000 and he then goes broke, and the child support is not collected. But she has a debt of an amount that is so paralysing that she just doesn't know where to go. So the system is really messy and it's set up for some really perverse financial abuse practices.

CORINNE DOBSON

Brian did you want to make a comment?

PROF BRIAN HOWE

I wanted to say that I think, I mean there's enormous amount of work done actually on the cost of children. There's no reason at all why you can't have calculations that determine objectively how much it does cost to care for a child at different ages. And I agree that the

supplement, the 13 to 15 supplement, was there purely for the reason that Peter Whiteford, from University of New South Wales, came to Canberra with the research that he'd done demonstrating how much more, how much children cost, but particularly providing justification for that change. But the thing is the change was so arbitrary. We just get we keep making changes that have got no empirical rationale, no theoretical rationale. And I think what that means is that the system in a way is constantly in a process of deterioration, rather than the system growing and becoming stronger and supporting more families, reducing child poverty, increasing family welfare. The budgetary system is more about protecting the budget from deficits or whatever – it's not about responding to what the evidence might be. So I think there's a very strong case for another poverty inquiry that really updates, if you like, thinking about poverty. I think Miranda's made this very important point that, if you go back to Amartya Sen and you're thinking in terms of capability, then you've got to think not just in terms of basic incomes, you've also got to think about the factors that determine capability, and the capacity for people to advocate and participate in society. So I think there is a need for some more comprehensive and more objective and independent review, similar to the poverty inquiry 50 years ago, but one that recognizes, if you like, how the world has changed over the last 50 years and how we could develop an approach to not just income, but an approach to family well-being that reflects the latest evidence from the social sciences and not, you know, kind of these ad hoc justifications for changes that ultimately continues to sustain extremely high levels of not only child poverty but also three million people being poor in this country – and poor by a very austere poverty standard which probably is no longer useful in terms of keeping to update the old Henderson inquiry. Something much more cleaner and new it seems to me is required. And an annual occasion like a poverty week would provide a platform to argue for change, and to outline what kind of changes might make a real difference.

CORINNE DOBSON

Thank you Brian, I think that's great. And look I'm aware that the hour is bearing down on us and we have some great questions that unfortunately we're not going to get around to asking. But I just wanted to finish off by asking a final question to the panel – if you can keep your answers really brief just given the time. So the question that has been asked is what we can do now, as citizens, to bring about the shift in attitudes, and to create the political will needed to drive action on child poverty in Australia? Who wants to start?

CLAERWEN LITTLE

Keep it very brief.

PROF MIRANDA STEWART

Well all right you go ahead Terese

TERESE EDWARDS

So first of all, thank you for attending. So to be informed, to not buy into the spin, to get vocal. The survey that I'm doing on '300 Reasons to Cry' – and I'll put the Facebook page up – there is 32% of people who responded to that were from regional and rural areas. And my sense is that those MPs, those backbenchers, are getting a bit nervous. They see what's happening in their communities. So any political action that you would like to do. And jump on board all those really positive pages and if you find someone who is standing up and speaking out, particularly someone who has the lived experience, get behind them, because it's a really vulnerable place to be to talk about your own sense of hardship. So there's so many things that you can do, and like us you can speak and do it from your place of comfort.

PROF MIRANDA STEWART

So just following on from that, I do think it is political. I think people need to engage with the political process. I agree with Brian about a poverty inquiry, and a research based one about our current world, which is very different from the world of 50 years ago. And we all know that intuitively – and yet being poor is still being poor, as Terese has shown. The other thing I would want to encourage people to do is to not trade off one social policy issue against another. So my message is that there is this intersection of policies, that we need to be thinking both of taxes, and of cash transfers and of public provision. And that so, for example, advocacy of women for more child care at the moment – now, there might be some rich women who benefit, but that is not the point. The point is universal provision of a public good, like we do with primary school. So, we have potentially the resources to do all of these things. But we need a decent tax system to achieve that. So we're not trading off one against the other. Universal child payments would also be very valuable for our society. So, to try to kind of pull those things more cohesively together. Thanks.

CORINNE DOBSON

Very quickly Bronwyn or - and just have - I'm sorry we are approaching the hour so have...

BRONWYN PIKE

Yes so, you know, just continue to call out the rubbish when people say it. Every time someone calls an unemployed person a doll bludger, every time you know someone uses that kind of demeaning and unhelpful language, you know it's not true, so call it out, name it, and let's change the public discourse in this country. Let's remind people what fairness really looks like and that it's what we all aspire to. So don't let people get away with undermining it.

CORINNE DOBSON

So and Brian did you have any last word that you want to...?

PROF BRIAN HOWE

I think the important thing is to not underestimate what you can do. Small groups of people can achieve massive changes but they have to be committed to something and stick to it, and research it, and feel angry about it, and be passionate. And if you try and do something you'll be amazed what you can achieve. So people very often see what governments can't see, and they see there in their community where people are being exploited. Well, call that out and get a movement going. You can make a difference in Australia. I think we've got to get across the sense that it's not about what happens up there: it's what happens down here that really does make a difference.

CORINNE DOBSON

Thank you, that's a fantastic way to end. And just to have the final few words for the webinar I'll go back now to our host Claerwen. Thank you.

CLAERWEN LITTLE

Back to me. Wow, okay, a call to action. Thank you so much for your participation today. Our speakers are really inspiring and fantastic so I do deeply thank you for your time. Poverty is not inevitable in this country, poverty is not inevitable in the world and together we can make a difference. So we will have this webinar recorded on our website, and so go back to it if you're ever feeling a little despondent and want to get that call to action back in your head. So thank you so much. Thanks for everyone for listening today, and thank you so much for our speakers. Go well, and go safe, thanks so much.