



Australian Council of Social Service

25 September 2018

Mr Russell Broadbent MP
Chair of Select Committee on Intergenerational Welfare Dependence
PO Box 6022
House of Representatives
Parliament House
Canberra ACT 2600

Dear Chair,

The [Australian Council of Social Service \(ACOSS\)](http://www.acoss.org.au) is a national voice in support of people affected by poverty, disadvantage and inequality and the peak body for the community services and civil society sector. Our vision is for a fair, inclusive and sustainable Australia where all individuals and communities have the opportunities and resources they need to participate fully in social and economic life.

ACOSS contests the terms of reference for this inquiry on Intergenerational Welfare Dependence because they incorrectly frame receipt of income support as the cause of, or a benchmark for, entrenched disadvantage. This framing will lead to ineffective strategies and policies to reduce poverty and inequality, not only in income and wealth but also inequality of opportunity.

The inquiry confuses welfare reliance and poverty. People living in poverty are eligible for and rightly access our social security system. As such, governments should look at how to reduce poverty and inequality, not 'welfare reliance'.

We strongly oppose a government policy that gives priority to 'moving people off social security' or 'self-reliance' because both of these goals could be achieved by, for example, cutting people off social security without the person having access to alternative sources of income, leading people into further disadvantage and impoverishment. Government goals should be to pursue positive economic and social outcomes for people. We refer the Committee to the Sustainable Development Goals, which provide an international and global standard for national governments to measure their progress.

This inquiry also confuses correlation and causation. Receipt of income support does not cause receipt of income support. Poverty is the driver of receipt of income support, not receipt of income support itself.

The inquiry's definition of 'welfare dependency' is flawed. There is no justification for branding receipt of some payments as showing 'dependency'. Most of us will live in a household that receives



income support at some stage. The inquiry's focus on working-age payments only serves to continue old stereotypes that demonise people who are unemployed, students and parents with low incomes.

Finally, this inquiry asks the wrong questions, which will unsurprisingly lead to the wrong answers. As we have seen with policies like income management that try to use social security to address broader problems like child protection, education, mental health and addiction, this will fail.

ACOSS urges the Committee to look more broadly at the factors behind entrenched disadvantage as the Productivity Commission did in 2013.¹ The Commission took a holistic and sophisticated approach to looking at persistent disadvantage, and did not single out income support as a key component, cause or benchmark.

Yours sincerely,

Dr Cassandra Goldie
Chief Executive Officer
ACOSS

¹ Productivity Commission (2013) 'Deep and Persistent Disadvantage in Australia'
<https://www.pc.gov.au/research/supporting/deep-persistent-disadvantage>