CHAPTER 9

FAMILY POVERTY AND ISOLATION

To provide children their human rights and an equal opportunity in our society, Australians need to provide all families an adequate income, adequate affordable accommodation and opportunities to learn coping skills and neighbourliness.'

INTRODUCTION

91 Family conflict, although it can plague any family, should not be considered entirely separately from poverty for reasons which this chapter will make clear. Evidence presented to the Inquiry indicates that many young people who now find themselves homeless come from a background of increasing poverty. O'Connor's study of homeless children commissioned by the Inquiry concluded that:

"there is some indication that a significant proportion of the children interviewed came from families which were financially disadvantaged.'"

A study of unemployed 16 and 17-year-olds conducted in 1988 by the Brotherhood of St Laurence made a similar finding.

EXTENT OF FAMILY POVERTY

92 Between 1972-73 and 1981-82 the proportion of Australian income units' in before-housing poverty' comprised by those with dependent children rose from 28% to 45%. In 1981-82, one-half of all income units in after-housing poverty included dependent children.6 The submission to the Inquiry by the Australian Labor Party in the Northern Territory linked homelessness to poverty, stating that it perceived that poverty is 'the basis of a whole range of problems, including homelessness'.7 Barnardo's Australia also submitted that there is a clear link between family poverty and homelessness:

- Poverty is highly correlated with social isolation, alcoholism, drug abuse and domestic violence. Where these factors are present there is a greater incentive for a young person to leave home and subsequently be at risk of homelessness.
- The poor are likely to have inadequate housing which may increase the stress on a young person to leave home. Overcrowding is perhaps the most significant factor, however geographic factors such as the under-servicing of public housing in Sydney's West and substandard accommodation are also factors.
- The extra pressure of supporting a young adult is felt disproportionately by the poor.'

As noted in Chapter 3, Developments Since the Inquiry Began, and as discussed below, the Federal Government, has made important inroads into family and child poverty with the introduction of the Family Assistance package in February 1988. It is, nevertheless, important to understand the impact on the levels and nature of youth homelessness which the economic situation during the 1970s and 1980s has had. The fruits of that economic situation and related government policies include many of the homeless children and young people of today.

93 As recently as October 1988, the Federal Government's Economic Planning Advisory Council acknowledged that:

"...many low income people, especially families with children, have to survive on insufficient nutrition, are unable to heat their homes in winter, are often unable to afford medication, and are denied most forms of recreation...

Poverty has decreased among aged people but has increased among prime aged adults and children, with the most significant increases being among single parent and larger families."
NATURE OF FAMILY POVERTY

Recent studies have linked four major trends to the dramatic increase in child poverty — to the point where one in five Australian children was living in poverty in 1987. These four trends were:

- increased rates of unemployment among chief wage earners in families;
- increased numbers of sole parent families;
- decreased real value of Federal income support payments; and
- increased housing costs.

Unemployment

While 'the total number of unemployed was about 34% higher in 1986 than in 1980,' 'the number of unemployed husbands or wives with dependent children increased over the period by 75%,' and 'the number of unemployed sole parents rose by 64%.'

The unemployment rate for married people with dependent children remains lower (at 5.1% in June 1988) than for people not living in families (8.1% in June 1988). Nevertheless, husbands, wives and sole parents were almost 46% of the unemployed. It has been suggested that 'many of those who lost their jobs in the recession of 1982-83 may have had difficulty in finding employment since then, and are persons with family responsibilities.' People with family responsibilities 'continue to experience the longest duration of unemployment.'

Children have suffered disproportionately during the 1980s. The number of children affected by parental unemployment more than doubled between 1980 and 1983 and those with larger families are much more likely to experience long-term unemployment. The improvement since 1983 has not been sufficient to re-attain 1980 levels. In June 1988, 5% of all Australian children (approximately 200,000 children) were still in families where the chief wage earner was unemployed.

'Unemployment is not an individual experience, but one that affects the whole family, and affects children through its effects on income', as well as other important aspects of family functioning, such as the distribution of household tasks, the morale or depression of family members, and the role models that children observe.'

Sole Parent Families

Also implicated in the increase in the incidence of child poverty is the increase in the number of sole parent families: 'the number of children in pensioner sole parent families rose from 176,000 in 1974 to 439,000 in 1986.' By 1983, 82% of sole parents were in receipt of Commonwealth income support payments, a proportion which has remained much the same since that time. Sole parents and the long-term unemployed are among the poorest groups in our community: 54.5% of sole parent families were in before-housing poverty in 1985-86.’

In O'Connor's study of 100 homeless children and young people, 26% were from single parent

Income Support

Receipt of government income security payments means, for many, that they live in poverty. The value of these payments to families with dependent children has declined.

The decline has been greater for large families and has been greater for sole parent pensioner families than for married couple beneficiary families. By December 1986, benefits for married couple beneficiaries with two (four) children were only 93% (87%) of their respective poverty lines. For single parent pensioner families the situation was considerably worse, their pensions in December 1986 being between 90% (one child) and 80% (four children) of their poverty line.

The main reason for this decline has been the substantial decline in the 'real value of payments for children of pensioners and beneficiaries...over the past 15 years.' The Family Assistance Package
introduced in February 1988 (discussed below) is considered by policy analysts as likely to have lifted many children out of poverty and improved the circumstances of all children in families in poverty:"

9.11 Exacerbating the poverty of people reliant on government income support is the ‘poverty trap’ factor in ‘tapered’ means testing for benefits and pensions. Most pensions are payable on the basis that a proportion is deducted for every dollar earned by the pensioner (or beneficiary). The total allowable income plus the pension is still a very low total income. Moreover, there are other disincentives to earning above the minimum amount allowable before deductions are made (for example, the taxation system operates in such a way as to penalise these additional earnings, and child care and public housing — among other services — are also subject to means testing Therefore, there is an inbuilt disincentive to pensioners and beneficiaries helping themselves out of poverty by returning to part-time work. The value of the financial gain achieved through earnings may be reduced to the point where the effort (and, indeed, the costs) of earning is not repaid. It has been argued that means tests now need to be eased so as to encourage re-attachment to the labour force through participation in part-time work.”

Housing Costs
9.12 The Australian Council of Social Service has identified increased housing costs as the fourth major cause of the increased incidence of child poverty, noting that ‘housing poverty is particularly concentrated among families with dependent children.’ We mention, for example, the massive increases in rental accommodation costs in Sydney over the past 12 to 18 months in Chapter 17, Private Sector Accommodation. The supply of public housing cannot meet the growing demand. In June 1981 there were 97,000 people on public housing waiting lists throughout Australia. By June 1987, this number had increased to almost 166,000 people. (Since the late 1970s, the number of public tenants actually accommodated by State governments had increased from 30,000 to only 48,000 in 1986-87.)

EFFECTS OF FAMILY POVERTY
9.13 A recent study by the Brotherhood of St Laurence itemised some of the effects on children of living in poverty."

Leisure activities, holidays away from home and outings make an important contribution to a child's learning and growth. The families in this study were unable to afford to provide these experiences for their children...

The restriction of children’s experiences also extended to school. Few of the families in the study could afford to send their children on school excursions or camps...

The very act of missing out also meant that the children were marked out as different from other children. The other obvious symbols of a low family income — lack of clothing and fewer possessions — made the children targets for stigmatising comments...

Many Parents in the study also reported that their children worried about the family's situation...

9.14 Family relationships also suffered: the adults in the study experienced ‘stress created by the constant struggle to make ends meet’ which took a heavy toll on the quality of family life and relationships; marriages were ‘strained to breaking point’ and ‘relationships with children were also damaged’.” While it is now generally accepted that parents of small children require community support (provided in the form of child care etc.), there is little recognition that such support is needed by families with adolescent children. Sole parent families in particular need such support.

9.15 One recent study linked current economic trends to family conflict stating that high youth unemployment, along with the tendency for children to stay at school longer, means that:

...while maturing earlier than ever before, [children] are now often dependent on their parents for longer than used to be the case, creating another source of potential tension in family relationships.”

In 1982 the Senate Standing Committee on Social Welfare recognised that the increasing pressures upon families caused by the changing nature of modern society were exacerbated by economic hardship in many cases, with the result that families could not withstand the pressures, deteriorating into conflict and disintegration.'
SOCIAL ISOLATION

9.16 Isolation and lack of support were also factors which recurred in evidence presented to the Inquiry. The breakdown in supports traditionally provided to families — extended families, local communities and community services — has meant that the nuclear family and, increasingly, the sole parent family, must meet the demands of child-rearing and sustenance unaided. Parents, as a result, are 'stressed and under-resourced'.

Extended family and the support it gave to our young people and parents is no longer available. The nuclear family has become the norm of society and it is expected to cope with the ever-increasing pressures placed upon them."

A recent study for the Commission for the Future identified the 'decline of many community activities and services...making families more socially isolated and forcing them to become more reliant on their own resources'."

ADDRESSING FAMILY POVERTY AND ISOLATION

9.17 The impact of family poverty on the incidence of child and youth homelessness strongly indicates that income support for families is vital. It is 'the most basic form of support' and should be provided 'preferably via employment but also, of necessity, via benefits and family-focused tax and social security measures'. Yet income support is not a sufficient support. It alone does not address the 'social impoverishment' which is the wider context of family problems.

9.18 Poverty is only one factor in problems such as child abuse, domestic violence and marital breakdown. Also implicated is the isolation of the family from a network of information and material and human resources which could assist it to function successfully and make use of the services available.

The measure of social impoverishment for a neighbourhood includes: the absence of adequate child care and other family support services; a lack of networking and information sharing between professional services such as medicine, education, welfare and local government; poor quality 'neighbouring' and a paucity of informal community networks; and a higher degree of isolation of individual families from extended kin and other informal sources of support.

Recent research indicates that it is in neighbourhoods with this type of profile that family conflict and violence will predominate. Other evidence indicates that, to a large extent, the families which receive income support from the Commonwealth Government are the same families which seek the assistance of State welfare authorities or otherwise come to their attention.

Income Support

9.19 On 23 June 1987, the Prime Minister announced that a series of reforms to social security provisions would ensure that by 1990 no Australian child would live in poverty. To date the focus of these reforms has been to the benefit of children in low-income families, with the introduction of an income-tested Family Allowance Supplement (FAS), uniform rental assistance to all FAS recipients, and a Child Disability Allowance free of means test from December 1987.

9.20 The Commonwealth now pays Family Allowance and Family Allowance Supplement payments on an income-tested basis to parents to assist with the maintenance and support of their children (up to 16 years). The Family Allowance income test excludes payments to families where combined incomes are in excess of $50,000 per year, while payment of the Family Allowance Supplement is confined largely to families with combined incomes less than $18,000 per year (for a one-child family), increasing with the number of children in the family. From December 1988 the Family Allowance Supplement is a payment of $24 per week in respect of children aged under 13, and $31 per week for those aged 13-15 years. These payments are in addition to Family Allowance payments which range from $5.25 per week to $11 per week per child depending upon the number of children in the family. It must be stressed that the Family Allowance Supplement is accessed by application. Families unaware of its existence will not receive it, whereas most eligible families probably do receive the Family Allowance as claim forms are distributed to parents at the birth of each child.
The Family Assistance Package, it has been asserted, has had 'less impact on poverty after housing than on poverty before housing, mainly because of the high housing costs of private renters and home purchasers'. In recognition of the impact of housing costs on the extent and experience of poverty, particularly for families with dependent children, the Federal Government has announced changes to its rent assistance package to commence in June 1989. Additional rent assistance of $5 per week will be paid to pensioners and beneficiaries with dependent children and to Family Allowance Supplement recipients. For persons with three or more dependent children, this additional assistance will increase to $10 per week from June 1990. At that date, then, total rent assistance for a one or two child family will be up to $25 per week and, for a three or more child family, up to $30 per week.

One commentator has concluded that 'the Government's family package goes quite a long way to improving the financial circumstances of low income families'. It has been estimated that about 200,000 children are likely to be lifted out of poverty by the family assistance package. However, following the introduction of the package, an estimated 440,000 children would continue to live in afterhousing-cost poverty (that is, below the Henderson poverty line). (Estimates vary of course, depending upon method of calculation). It is generally agreed that further action is needed if the Prime Minister's pledge is to be realised and, indeed, proposals have been made as to the means by which family poverty may be further alleviated.

A related development has been the introduction of the Child Support Scheme in June 1988. This scheme empowers the Child Support Agency within the Australian Taxation Office to deduct child maintenance payments from the wages of non-custodial parents for the benefit of participating supporting parents and their children. It is expected that this scheme, too, will assist many needy children. Relief from poverty, however, is not likely to be achieved in the long term by cash income support payments alone. It has been argued that:

Probably the single most effective measure required to assist people move out of poverty and away from vulnerability to poverty is to provide access to secure employment and relevant support services (such as child care).

Family Support Program

Until 1978 family services were the sole province of the States. In that year the Commonwealth Government initiated the pilot Family Support Services Scheme within its Children's Services Program. This scheme aimed 'to support families in their responsibilities in the rearing and development of children,' and to avoid State welfare intervention by preventive measures in advance. Thus, 'the Scheme was directed not at all families but at those families which traditionally constituted the "clientele" of State welfare authorities and non-government welfare organisations.'

When the Scheme was evaluated in 1984, it was found that:

Projects considered to be the most successful were those aimed to improve parents' management skills, such as homemakers and family aides, that is, 'non-professional' personal assistance services. There was thus a recognition by the evaluators that many problems experienced by families were of a 'practical' nature related to everyday tasks a family was expected to carry out. At the same time there was also a recognition that most problems encountered by the families were related to the low socioeconomic status of those families. Housing problems and financial difficulties were two problems frequently encountered, and the main groups of 'families in need' were single-parent families, families where both parents were working, immigrant families, families in remote or isolated circumstances, families with a handicapped member, and low income families.

In 1986 the Family Support Services Scheme was superseded by a joint Commonwealth-State Family Support Program. The Commonwealth pulled out of that Program in 1988 leaving future priority and program planning to the individual States and Territories. The joint Program funded eligible local government authorities and community organisations which provided specified services to 'families with dependent children whose capacity to function is limited by internal or external stress.' The overall objective was:
to provide support to families to develop their coping skills, and thus their competence to provide an adequate child rearing environment.

9.27 Three types of services were suggested for funding:

- neighbourhood-based family support services, for example, family centres, information and referral services, volunteer services, catalyst services and outreach workers to develop services;
- home management, which may include components such as family aide/homemaker services, advocacy, home budget counselling, family counselling; and
- parent support, for example, parent education/skill development, parent effectiveness groups, mutual support and self-help groups for parents."

9.28 The following types of service were not eligible although some are funded under other programs:

- child protection services for abused children and those at risk of abuse;
- child care;
- services for youth;
- marriage guidance and other professional counselling; and
- foster care services."

The Commonwealth's intention was that the families to be assisted would be those with dependent children aged up to 12 years, unless the children had special needs, for example by virtue of being disabled. Some States were more flexible and occasionally included families with adolescent children to 15 years. In general, however, adolescents were rarely assisted.

9.29 One criticism which might be levelled against the present system of family support services provided under government auspices is that some families perceive, rightly or wrongly, that these services are alternatives to family care. Services need to promote community recognition of themselves as supplementing the family and substituting for the resources of the extended family. A recent study in Geelong, Victoria, indicated the need for a public relations campaign to this end. The survey found that:

There were many cases where help was needed but was not sought or was even refused when offered...For many, seeking help from services was seen as an admission of failure, an inability to live up to accepted standards. Another inhibiting factor for some was the fear of losing their autonomy — of the services taking over and allowing them little or no say in the outcome...65

9.30 The same survey identified problems in the approaches of the services themselves:

most were so fully extended providing crisis and emergency care that they did not have the resources to undertake the outreach necessary for preventive care...It seemed to be assumed that it was up to the family to find the service.'

Services with which most families are in contact (kindergartens, infant health clinics, schools, general practitioners etc.) were found, moreover, to be unreliable referral points even though they recognised families in need. Often these services did not know how or where to refer families and were unfamiliar with family support services.62

9.31 Although many thousands of homeless children are poor by any standard, have often come from families in conflict and under stress, and are no longer part of a family, it would seem that the Federal Government hopes to achieve the elimination of child poverty by 1990 primarily through family income support measures. The Commonwealth's withdrawal from the Family Services Program had two likely motivations: cost-saving and a reluctance to impose national policies in a field generally considered to belong to the States, namely, child and family welfare. It has been argued, however, that Federal involvement in this area is appropriate and, indeed, necessary:

...there are not many areas of public concern other than child welfare that can be considered to be of greater national interest.”
Other Federal Support

9.32 In addition to the two major programs detailed above, families with dependent children will also be assisted by a range of other (non-income) Federal programs: Medicare, crisis accommodation, increased funding for public housing and increased child care and long day care places. A very recent initiative is the JET (Jobs, Education and Training) Program which will target sole parents among others. This program will combine the resources of the Departments of Social Security, Community Services and Health, and Employment, Education and Training ‘to provide the skills and child support sole parents will need to assist them with access to employment, education and training opportunities’. Sole parent pensioners under 20 will be particularly targeted.

9.33 With the withdrawal of the Commonwealth from the Family Support Program, then, State child welfare authorities will receive no encouragement to refocus some of their attention and services towards adolescents (see Chapter 8, Families Under Stress). Adolescents, arguably those most at risk of becoming homeless, will continue to be neglected and preventive programs are even less likely to be implemented without Commonwealth initiative and support. The fact is that there are virtually no preventive youth services run by the States nor support schemes for parents in vulnerable families with teenage children. The National Council of the YMCA submitted to the Inquiry that:

Counselling should be provided for families with difficulties. While it is easy enough to receive guidance on problems between husbands and wives, it is almost impossible to find someone who can help with problems between parents and children. There is a host of counselling services when young people get into difficulties with alcohol, illicit sex, drugs and other well known evils, but parents and young people who anticipate problems and would like to avoid them are unable to find assistance.”

CONCLUSION

9.34 Many policy analysts and researchers have commented for many years on the gap between rhetoric and practice with respect to the place of the family and, more particularly, of children in our priorities as a society. We endorse the following comment of one such analyst as accurately describing the present situation:

...our practice in relation to family support falls behind our stated beliefs about the central importance of the family and the well-being of the nation's children. In spite of such statements we tolerate a high and rising level of poverty among families with children. We are prepared to provide economic support when a family breaks down, but not the support services which might have prevented the breakdown. We expect the family to take the lion's share of caring for its dependent members without providing the support necessary for it to do so.”

9.35 The Inquiry has concluded that our communities have generally not responded to the needs of adolescents and their families in a supportive way. We have failed to provide the needed support despite clear evidence that the families of adolescents have been under growing pressure from rising unemployment, reduced incomes and rising costs. Teenagers themselves, as discussed in Chapter 11, Youth Unemployment, have faced the greatest pressures of this kind of any group in our community. Far from responding with decisive and effective programs, we have retreated from the provision of support services for families and adolescents.
Notes

1. C. Berris, Salvation Army (Victoria), Transcript at 1231.
2. I. O'Connor, 'Most of us have got a lot to say and we know what we are talking about': Children's and Young People's Experiences of Homelessness (1988) at 20-21.
3. S.147, Brotherhood of St Laurence, Changing Entitlements for the Young Unemployed (authors J. Trethewey and O. Burston).
4. The Australian Bureau of Statistics defines income units as follows:
   (a) married couple income units, which consist of a husband, wife and dependent children (if any). De facto relationships are included.
   (b) one parent income units, which consist of a parent and at least one dependent child.
   (c) one person income units, which consist of persons who are not included in (a) or (b) above. Non-dependent children living with their parents are classed as one person income units.
5. People in 'before-housing' poverty are those with incomes (net of tax) below the poverty line. People in 'after-housing' poverty are those with incomes (net of both tax and housing costs) below the poverty line. In fact, two poverty lines are typically calculated for each type of income unit. They measure poverty before and after paying for housing.
7. S.134, at 8.
8. S.64, Barnardo's Australia, at 7.
13. Ibid.
14. Whiteford (a), at 345.
15. Ibid. See also Australian Council of Social Service, op cit, at 9.
16. Whiteford (a), op cit, at 346.
17. Id, at 338.
18. P. Whiteford (b), op cit at 55. See also Australian Council of Social Service, op cit, at 10.
19. Whiteford (b), op cit, at 63.
22. Whiteford (b), op cit, at 63.
23. Ibid.
24. Id, at 66. See also Australian Council of Social Service, op cit, at 11-12.
27. Id, at 41.
28. Australian Council of Social Service, op cit, at II.
30. J. Trethewey, When the Pressure is Really On (Brotherhood of St Laurence, 1986).
31. Id, at 62-63.
32. Id, at 63-64. See also, P. Whiteford et al, 'Inequality and Deprivation Among Families with Children: An Exploratory Study', Paper presented to Child Poverty in Australia Conference (Melbourne, April 1988) at 32-33.
33. Eckersley, op cit, at 20.
35. G. Davies, Uniting Church Community Youth Services (WA), Transcript at 716; P. Davies, Household Network Perth, Transcript at 663.
36. J. Boulenez, Teen Challenge Brisbane, Transcript at 257.
37. Eckersley, op cit, at 20.
39. Id, at 3.
40. Ibid.
41. Id, at 3-4.
43. Brownlee and King, op cit, at 8.
44. Letter to Secretary to the Inquiry from S. Spooner, Acting First Assistant Secretary, Social Policy Division, Department of Social Security, 5 October 1988. These measures have been described by some researchers and analysts as the appropriate kinds of reforms as a first step, given the link between unemployment and child poverty (eg, Whiteford (b), op cit, at 72; Australian Council of Social Service, op cit, at 18.), with the proviso that these changes are 'directed towards the alleviation of financial poverty' rather than addressing structural inequalities of opportunity and the like (Whiteford (b), op cit, at 74.) - although opportunity is also linked to income: Poverty in Australia in the late 1980s then is not having enough money to afford a decent standard of housing, diet, clothing and health care. And not being able to take part in employment, education, recreation and social activities. The key indicators of child poverty are therefore a family's level of income and whether they are able to buy the goods and services and participate in the social activities which are commonly experienced and accepted: Australian Council of Social Service, op cit, at 4-5.
45. Whiteford (b), op cit, at 78.
46. Brownlee and King, op cit, at 12.
47. Whiteford (b), op cit, at 78; Brownlee and King, op cit, at 12.
48. Some estimates include only children in pensioner and beneficiary families while others also include children of low income earners.
49. Whiteford (b), op cit, at 81-82; Australian Council of Social Service, op cit, at 14-34.
51. To that date the Program had focused primarily on the establishment of pre-schools and then turned its attention to long day care and after school hours child care - which continue to be its focus.
52. Cwth Office of Child Care, National Overview of the Family Support Services Scheme (Canberra, 1984) at 3.
53. A. Jamrozik et al, op cit, at 103.
54. Id, at 102.
56. Id, clause 2.2.
57. Id, clause 6.x.
58. Id, clause 6.2.
59. J. McCaughey, A Bit of a Struggle (McPhee Gribble/Penguin, 1987) at 216.
60. Id, at 226.
61. Id, at 227.
62. Id, at 230.
63. See, in particular, Chapter 5, The Experience of Homelessness.
64. For a description of the intermittent Federal interventions in this field, see Jamrozik et al, op cit, Chapter 6.
66. Letter to the Secretary of the Inquiry from S. Spooner, Acting First Assistant Secretary, Social Policy Division, Department of Social Security, 5 October 1988.
67. S.68, YMCA National Council, at 20. See also, S.112, Bankstown Workers with Youth Network (NSW), Appendix C, at 5.