

Welfare groups exaggerate poverty level, says think-tank

By EMMA MACDONALD

The extent of poverty in Australia has been grossly exaggerated by welfare groups according to the right-wing think-tank, the Centre for Independent Studies

Issuing a report today, *Poverty in Australia - Beyond the Rhetoric*, the centre argues that poverty has been confused with income inequality, and helping the poor had become synonymous with taxing the rich more to close the income gap.

Welfare groups have already responded to the report, labelling it simplistic and one-sided.

Report authors Peter Saunders, an associate at Macquarie University's Department of Sociology, and Kayoko Tsumori, a PhD in political science and international relations from the Australian National University, said traditional measures of poverty in Australia were unreliable.

They blamed the Smith Family, in particular, for last year issuing research from the National Centre for Economic Modelling suggesting 13 per cent of Australians were living in poverty.

Even the Henderson Poverty Line — which suggests 20 per cent of Australians are living in poverty — was “inflated” at twice the rate of CPI, the authors said.

Professor Saunders said it was more likely poverty levels were somewhere between 5 and 8 per cent.

The authors said Australian Bureau of Statistics data collection was “so unreliable as to be unuseable” because it lacked documentation to back up people's responses in income surveys and had underreported income in welfare-dependent households.

Professor Saunders said many people suffered periods of poverty while they were students, temporarily out of work, or women leaving the workforce to raise children.

“People's incomes move up and down and those are not the people public policy is really concerned about — we need to

deal with long-term deprivation which is a much smaller number of people,” Professor Saunders said.

The report advocates a tough American style of welfare support which focuses on getting people straight into the workforce, not into training, education or community programs.

“The American system has time limits for eligibility to welfare and in some senses is more stick than carrot ... but it has had some amazing successes,” Professor Saunders said.

He said welfare lobbies like the Australian Council of Social Service promoted the “defeatist messages” that people on welfare couldn't be expected to help themselves and needed bigger payments.

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— Professor Peter Saunders

“If giving people more money were the solution to poverty, poverty would have disappeared by now, yet the number of people requiring support has been growing not shrinking.”

The Smith Family described the report yesterday as simplistic.

National manager of strategic research and social policy Rob Simons said the authors had “simply dismissed the research of others without providing any research themselves”.

“The issue of disadvantage in Australia is complex and the fundamental flaw with this report is that it reduces poverty simply to a radical fundamental economic analysis with no understanding of behavioural, social structure or systemic factors.”

ACOSS president Andrew McCallum said the report misunderstood the meaning of poverty. “The report confuses cause and effect,” he said.