

# Low Socio-Economic Status and Poverty

The purpose of this document is to inform the Court of published research, government reports and inquiries and academic commentary on low socio-economic status and poverty and the effects they may have on a person's behaviour and development, and on their physical, mental and social well-being.

Note: This is one of three *Bugmy Bar Book* chapters considering the specific impacts of different forms of economic disadvantage. This chapter should be read in conjunction with '[Homelessness](#)' and '[Unemployment](#)'.

## Introduction

- 1 Socio-economic status ('SES') and poverty are both measures of a person's economic and social position in society.<sup>1</sup>

Poverty is a multifaceted social and economic story of deprivation and disadvantage that, according to a recent study by the Australian Council of Social Service (ACOSS) and the University of New South Wales (UNSW), impacts over three million people in Australia today. Every one of these Australians has the potential to suffer debilitating economic, social, political, and personal difficulties that can severely restrict their ability to live fulfilling and contributing lives.<sup>2</sup>

- 2 Reported impacts of poverty include: inability to meet living costs such as food, rent and medical expenses; homelessness; adverse impacts on mental and physical health; reduced economic participation in education and employment; and limitation on social participation.<sup>3</sup>
- 3 Poverty is recognised as a driver of interactions with the criminal justice system.<sup>4</sup> Evidence of low SES in sentencing proceedings has potential relevance to: assessment of moral culpability; moderating the weight to be given to general deterrence; determining the weight to be given to specific deterrence and protection of the community; and shaping of conditions to enhance prospects of rehabilitation. It may also be relevant to other sentencing issues and principles including a finding of special circumstances.

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<sup>1</sup> Australian Bureau of Statistics ('ABS'), [Measures of Socioeconomic Status](#) (Catalogue No 1244.0.55.001, 22 June 2011) 1.

<sup>2</sup> Senate Community Affairs References Committee, Parliament of Australia, [The Extent and Nature of Poverty in Australia](#) (Poverty Final Report, February 2024) 1 [1.1] ('Senate Poverty Final Report').

<sup>3</sup> Senate Community Affairs References Committee, Parliament of Australia, [The Extent and Nature of Poverty in Australia](#) (Poverty Interim Report, May 2023) ('Senate Poverty Interim Report') 21–38.

<sup>4</sup> Productivity Commission (Cth), [Australia's Prison Dilemma](#) (Research Paper, October 2021) 20, 31.

## Terminology

- 4 SES is a relative concept that refers to the social and economic position of a given individual, or group of individuals, within the larger society.<sup>5</sup> The Australian Bureau of Statistics ('ABS') Index of Relative Socio-economic Advantage and Disadvantage ('IRSAD') 'summarises information about the economic and social conditions of people and households within an area'.<sup>6</sup> Common measures of SES are associated with material markers such as income, consumption, wealth, education and employment.<sup>7</sup> These are increasingly being combined in various configurations with poverty, wellbeing, social exclusion and human development, to provide a holistic understanding of individuals' and groups' capacity to participate in society.<sup>8</sup>
- 5 The concept of poverty focuses on economic resources. Whereas *relative* poverty is measured against household income and is associated with a lower standard of living, *absolute* poverty relates to purchasing power and is associated with the inability to afford basic needs such as food, clothing and shelter.<sup>9</sup>
- 6 There is no official, nationally agreed definition of poverty or way of monitoring it in Australia. Various measures are adopted including the Henderson Poverty Line,<sup>10</sup> the '50% of median income' poverty rate and the '50% of median income' poverty rate and the 'before and after housing' poverty rate.<sup>11</sup> Different measures will give different assessments of who is living in poverty.
- 7 Economic factors – such as interest rates, inflation and the rising cost of living, the labour market, insecure, inappropriate or unaffordable housing, or an inadequate social security system – and social factors – such as domestic and family violence and intergenerational disadvantage – have all been identified as drivers of poverty.<sup>12</sup>
- 8 The Australian Council of Social Service (ACOSS) & University of New South Wales (UNSW) Partnership ('ACOS/UNSW Partnership') monitors trends in poverty and inequality in Australia over time. The Partnership uses two poverty lines – 50% of median income and 60% of median income – whereby people living below these incomes are regarded as living in poverty.<sup>13</sup>

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<sup>5</sup> Australian Bureau of Statistics ('ABS'), [Measures of Socioeconomic Status](#) (Catalogue No 1244.0.55.001, 22 June 2011, archived) 1.

<sup>6</sup> ABS, [Socio-Economic Indexes for Areas \(SEIFA\), Australia](#) (27 April 2023, reference period 2021).

<sup>7</sup> ABS, [Measures of Socioeconomic Status](#) (n 5).

<sup>8</sup> Ibid.

<sup>9</sup> Melbourne Institute, [Poverty Lines: Australia](#) (Applied Economic and Social Research Report, March 2024), 3; ABS (n 7) MSES (22 June 2011).

<sup>10</sup> Poverty lines are relative estimates of income levels designated for income units such as a family group, singles or couples. In June 2024 the Henderson Poverty Line (HPL) for a couple (one adult working) with two children was \$1,149.85 inclusive of housing costs. An analysis of the income received from welfare consistently shows total income levels below the HPL: Ibid 1.

<sup>11</sup> Senate Community Affairs References Committee, Parliament of Australia, [The Extent and Nature of Poverty in Australia](#) (Final Report, February 2024) 1 [1.1] ('Senate Poverty Final Report') 3–4.

<sup>12</sup> Ibid 5–7.

<sup>13</sup> Peter Davidson, Bruce Bradbury, and Melissa Wong, *Poverty in Australia 2023: Who is Affected: A Poverty and Inequality Partnership Report* (ACOS/UNSW Partnership Report, 22 March 2023) ('Poverty in Australia Report') 18.

## The Prevalence of Poverty

- 9 In 2024 the Productivity Commission reported that about one in seven people (13.4%), including one in six children under the age of 15 (16.6%), live below the poverty line after taking account of housing costs.<sup>14</sup>
- 10 The ACOS/UNSW Partnership Report (2023) found that the average poverty gap (the difference between people’s income and the poverty line) was \$304 per week.<sup>15</sup>
- 11 Poverty does not affect all people equally; certain cohorts are consistently more likely to be affected by poverty. They include:
- women (particularly single or older women and victims of family and domestic violence);
  - children and young people;
  - people living with disability;
  - people with caring responsibilities;
  - people from culturally and linguistically diverse backgrounds (particularly refugees and asylum seekers);
  - people living in rural and remote communities;
  - people on income support payments;
  - First Nations people;<sup>16</sup>
  - unemployed people;
  - tenants in public housing and private rental (particularly if 65 years and older); and
  - singles and sole parents.<sup>17</sup>
- 12 *Mapping Economic Disadvantage in New South Wales* (2023) identified Aboriginal and Torres Strait Islander people as twice as likely as non-Indigenous people to live in a low-income household. People with disability are almost three times more likely than people without disability to live in a low-income household.<sup>18</sup>
- 13 Poverty affects parents and children, and it extends into adulthood; it is intergenerational.<sup>19</sup> A submission by the St Vincent de Paul National Council of Australia to the Senate inquiry into poverty (2022–24) discussed its lifelong impacts:

Childhood poverty causes significant individual lifelong harm, including childhood developmental delay and an increased likelihood of experiencing disadvantage later in life. It causes significant social and economic harm, including increased costs in justice, health and welfare. Financial stress is also the biggest cause of relationship breakdown in Australia, with major flow on effects for children and their parents.<sup>20</sup>

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<sup>14</sup> Productivity Commission (Cth), *Fairly Equal? Economic Mobility in Australia* (Report, 10 July 2024) (*‘Fairly Equal Report’*) 4.

<sup>15</sup> Peter Davidson, Bruce Bradbury, and Melissa Wong, *Poverty in Australia 2023: Who is Affected: A Poverty and Inequality Partnership Report* (ACOS/UNSW Partnership Report, 22 March 2023) (*‘Poverty in Australia Report’*) 10.

<sup>16</sup> Senate Community Affairs References Committee, Parliament of Australia, *The Extent and Nature of Poverty in Australia* (Interim Report, May 2023) (*‘Senate Poverty Interim Report’*) 5–6; Peter Davidson, Bruce Bradbury, and Melissa Wong, *Inequality in Australia 2024: Who is Affected and How* (ACOS/UNSW Partnership Report, 18 April 2024) (*‘Inequality in Australia Report’*) 12, 15.

<sup>17</sup> *Poverty in Australia Report* (n 15); *Inequality in Australia Report’* (n 16) 12, 15.

<sup>18</sup> Yogi Vidyattama et al, *Mapping Economic Disadvantage in New South Wales (2021)* (NATSEM Research Report commissioned by NCOSS, March 2023) 38–9.

<sup>19</sup> Productivity Commission (Cth), *Fairly Equal? Economic Mobility in Australia* (Report, 10 July 2024) (*‘Fairly Equal Report’*) 5, 69.

<sup>20</sup> Senate Community Affairs References Committee, Parliament of Australia, *The Extent and Nature of Poverty in Australia* (Final Report, February 2024) 1 [1.1] (*‘Senate Poverty Final Report’*) 90, citing St Vincent de Paul Society National Council of Australia, Submission No 27, 3.

***Prevalence among Aboriginal and Torres Strait Islander people***

14 The ABS identified that the ten most disadvantaged areas in Australia are regional and remote communities that have a population of mostly Aboriginal and Torres Strait Islander people. The Aboriginal and Torres Strait Islander population in these local government areas ranged from 79% to 100%, with the majority over 85%.<sup>21</sup>

15 The Senate *Poverty Inquiry* (2022–2024) found:

[while] not all First Nations Australians share a universal experience, there is a disproportionate experience of poverty and unacceptable levels of disadvantage in living standards, life-expectancy, education, health, and employment among First Nations people.

... a range of interrelated factors contribute to First Nations experiences of poverty, including historical factors; intergenerational trauma; institutional racism; poor health, educational and employment outcomes; and housing insecurity.

... For First Nations people living in remote Australia, these factors can be compounded by geographic remoteness, lack of services, and higher cost of living.<sup>22</sup>

16 The National Aboriginal Community Controlled Health Organisation’s submission to the *Poverty Inquiry* stated:

Poverty is not cultural. Poverty is not the result of laziness or ineptitude, individual action or inaction. Poverty is not a lifestyle choice. It is the direct and deliberate result of systemic racism experienced by Aboriginal and Torres Strait Islander people over generations. The inevitable result of two centuries of dispossession, marginalisation and paternalism is endemic, intergenerational poverty for Aboriginal and Torres Strait Islander people.<sup>23</sup>

17 The Department of Social Services submission to the *Poverty Inquiry* stated:

On all measures of poverty and disadvantage, First Nations people emerge as the most socially and economically deprived. Poverty remains deeply entrenched due to historical and prevalent rates of discrimination and intergenerational trauma in combination with other complex factors that characterises poverty among other Australians. First Nations people also face absolute poverty, which is reflected in high infant mortality rates, severe malnutrition, poor health, high incarceration rates, welfare dependency and inadequate housing.<sup>24</sup>

18 The Productivity Commission (2024) explained:

[P]overty rates in Aboriginal and Torres Strait Islander communities are attributable to a lack of employment opportunities and income support in remote areas ..., underfunded or culturally inappropriate education ..., intergenerational trauma and disadvantage ..., continued systemic and interpersonal discrimination ... and the historic prevention of wealth building ...

Experiencing a combination of barriers can increase exposure to negative income shocks or worsen the effect of any single negative influence like limited access to schooling or losing a job. Moreover, favourable changes like getting a school scholarship can be dampened by other barriers to mobility. In extreme cases, people with inadequate resources may experience continuous stagnant or declining economic outcomes.<sup>25</sup>

21 Australian Bureau of Statistics (‘ABS’), *Socio-Economic Indexes for Areas (SEIFA), Australia* (27 April 2023, reference period 2021); for statistics on the most disadvantaged area, see *Woorabinda: 2021 Census Aboriginal and/or Torres Strait Islander People Quickstats* (ABS, 2021).

22 Senate Community Affairs References Committee, Parliament of Australia, *The Extent and Nature of Poverty in Australia* (Final Report, February 2024) 1 [1.1] (‘Senate *Poverty* Final Report’) 67.

23 Ibid Appendix 1, *Submission No 130*, National Aboriginal Community Controlled Health Organisation (3 February 2023) 8.

24 Ibid Appendix 1, *Submission No 12*, Department of Social Services (28 February 2023) 16.

25 Productivity Commission (Cth), *Fairly Equal? Economic Mobility in Australia* (Report, 10 July 2024) 9, references omitted.

## Impacts

### *Homelessness\**

- 19 Homelessness is ‘one of the most complex and distressing expressions of disadvantage and social exclusion in our society,’ impacting physical and mental health and community participation.<sup>26</sup>

### *Childhood development, education and employment\*\**

- 20 The well-being of families and the conditions they live in play an important role in shaping outcomes for children. Factors relating to income, finance and employment can affect children directly and indirectly by impacting their education, home environment, housing conditions and the household’s access to resources.<sup>27</sup>

- 21 Research suggests that poverty begets poverty:

Both general health and mental health are worse among young adults who grew up in poor households.

Children from poor households are more likely to suffer early adult poverty (3.3 times more likely), to live in social housing (up to 2.5 times) and to experience financial stress (2.5 times more likely) than children from non-poor household.

Growing up in a family with little or no wealth is an important predictor of lower educational attainment, poorer labour market performance, worse health, and lower overall life satisfaction.<sup>28</sup>

- 22 A population cohort study that has followed the development of more than 2000 Australians and their families from infancy to young adulthood reported:

The odds of being socio-economically disadvantaged in young adulthood were elevated eight-to-tenfold in those who had experienced disadvantage in the family of origin, compared with those who had not.<sup>29</sup>

- 23 The Final Report of the Senate *Poverty Inquiry* (2022–2024) also noted:

the Australian Human Rights Commission referenced findings from the Melbourne Institute’s Breaking Down Barriers research, which found ... that children from poor households are 3.3 times more likely to suffer adult poverty than those who grew up in ‘never poor’ households.<sup>30</sup>

- 24 Children in the lowest socioeconomic areas are less likely to be enrolled at preschool.<sup>31</sup>

- 25 A South Australian study that examined the relationship between children’s wellbeing, after-school activities and socio-economic status (SES) reported that students in high-SES categories

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\* See [Bugmy Bar Book](#) chapter, *Homelessness*.

26 Legislative Council Legal and Social Issues Committee, Parliament of Victoria, [Inquiry into Homelessness in Victoria](#) (Final Report, March 2021) xv; Victorian Government, [Victorian Government Response to the Legal and Social Issues Committee Inquiry into Homelessness in Victoria](#) (Parliament of Victoria Tabled Paper 8043, February 2024) 3.

\*\* See *Bugmy Bar Book* chapter ‘Unemployment’.

27 Australian Institute of Health and Welfare, [Australia’s Children](#) (AIHW Report, 2020) 161 (Web Report updated 25 February 2022).

28 Esperanza Vera-Toscano and Roger Wilkins, [Does Poverty in Childhood Beget Poverty in Adulthood in Australia?](#) (Melbourne Institute Research Report, October 2020); see also Senate Community Affairs References Committee, Parliament of Australia, [The Extent and Nature of Poverty in Australia](#) (Final Report, February 2024) (‘Senate Poverty Final Report’) 90.

29 Meredith O’Connor et al, ‘[Developmental Relationships between Socio-Economic Disadvantage and Mental Health Across the First 30 Years of Life](#)’ (2022) 13(3) *Longitudinal and Life Course Studies* 432.

30 Senate Community Affairs References Committee, Parliament of Australia, [The Extent and Nature of Poverty in Australia](#) (Final Report, February 2024) 1 [1.1] (‘Senate Poverty Final Report’) 90 [4.87]–[4.88].

31 Australian Bureau of Statistics (‘ABS’), [Preschool Education](#) (Catalogue No 4240.0, 22 March 2024, reference period 2023) Table 6.

were more likely to score higher in perseverance (62%), happiness (34%), optimism (29%) and life satisfaction (23%) than those from low SES-categories. They were also likely to score lower on worry (30%).<sup>32</sup>

26 Research on the structure of education in 2021 reported:

In broad terms the socio-economic status [SES] of Australian families makes the greatest contribution to student achievement, followed by the SES of the school itself, substantially created by which students are enrolled.<sup>33</sup>

The OECD found that around half of disadvantaged students in Australia attend disadvantaged schools, that is, schools where other students tend to be disadvantaged as well. But where they attend advantaged schools, they gain a significant achievement boost.<sup>34</sup>

27 Compared with their non-disadvantaged peers, students from disadvantaged backgrounds are less likely to progress to Year 12 and to enrol at university.<sup>35</sup> This continues into university, where disadvantaged students experience higher rates of attrition and poorer graduate outcomes.<sup>36</sup>

28 The 2014 Senate Community Affairs References Committee report, *Bridging Our Growing Divide*, found:

[A] number of factors are entrenched in schools with more students from a low socio-economic status (SES) background. These include less material and social resources, more behavioural problems, less experienced teachers, lower student and family aspirations, less positive relationships between teachers and students, less homework and a less rigorous curriculum.<sup>37</sup>

29 An Australian-based cohort study reported that ‘due to reduced access to resources and opportunities in the family, school and community, disadvantaged children are less likely to gain the cognitive, emotional and physical capacities needed for optimal educational and employment outcomes when they transition to adulthood.’<sup>38</sup>

30 Young people who are unsuccessful in transitioning from school and are not in education, employment, or training, experience high levels of poverty.<sup>39</sup>

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32 Eliza Kennewell et al, ‘[The Relationships between School Children’s Wellbeing, Socio-Economic Disadvantage and After-School Activities: A Cross-Sectional Study](#)’ (2022) 22(297) *BMC Pediatrics* 1.

33 Chris Bonnor et al, [Structural Failure: Why Australia Keeps Falling Short of Our Educational Goals](#) (Report, Gonski Institute for Education/UNSW, 2021) 6.

34 Ibid 8.

35 Anthony Manny et al, [Data Analysis: Student Disadvantage and Success at University](#) (Report, Universities Admission Centre, 28 September 2021) 3.

36 Dawn Bennett et al, [Ameliorating Disadvantage: Creating Accessible, Effective, and Equitable Careers and Study Information for Low SES Students](#) (Report, National Centre for Student Equity in Higher Education, 2022) 4.

37 Senate Community Affairs References Committee, Parliament of Australia, [Bridging Our Growing Divide: Inequality in Australia: The Extent of Income Inequality in Australia](#) (Report, 3 December 2014) 70 [3.39].

38 Meredith O’Connor et al, ‘[Developmental Relationships between Socio-Economic Disadvantage and Mental Health Across the First 30 Years of Life](#)’ (2022) 13(3) *Longitudinal and Life Course Studies* 432, 145 citing Tina L Cheng, Sara B Johnson and Elizabeth Goodman, ‘[Breaking the Intergenerational Cycle of Disadvantage: The Three Generation Approach](#)’ (2016) 137(6) *Pediatrics* 1.

39 Senate Community Affairs References Committee, Parliament of Australia, [The Extent and Nature of Poverty in Australia](#) (Final Report, February 2024) 1 [1.1] (‘Senate Poverty Final Report’) Appendix 1, [Submission No 39](#), Melbourne Institute, Applied Economic and Social Research (3 February 2023) 17.

***Health and disability***

31 Health is influenced by employment, income and wealth (among other personal and social determinants of health) and the relationship is two-way: poor health can be both a contributor to, and a result of, a lower economic position.<sup>40</sup>

32 Generally, individuals who come from lower socio-economic groups are at greater risk of poor health; have higher rates of suicide, illness, disability and death; and live shorter lives than those from higher-SES groups.<sup>41</sup> The Australian Institute of Health and Welfare notes that ‘the lower the socioeconomic position, the worse the health’ – a phenomenon termed the ‘social gradient of health’.<sup>42</sup>

33 Individuals with higher levels of education have both greater working life expectancies and health expectancies:

Women and people with lower educational attainment had less favourable trends. In both cohorts at age 50, men and those with higher education worked approximately 2 years longer in good health than women and those with lower education. When compared across cohorts, working life expectancy increased over time for all groups irrespective of their gender or educational attainment. By contrast, health expectancies only increased for men and those with higher education. For women, years in good health did not differ between cohorts, whereas for those with lower education there was an expansion of morbidity.<sup>43</sup>

34 One-third of adults in poverty have a disability. Measures of the impact of disability are likely to underestimate deprivation, as socio-economic measures do not account for the extra cost of medical and pharmaceutical needs or adjustments for disability and transport costs incurred by many people with disability.<sup>44</sup>

35 *Australia’s Health 2024*,<sup>45</sup> an Australian Institute of Health and Welfare (‘AIHW’) biennial report, found:

The amount of burden attributable to the 40 selected risk factors was higher for all risk factors as the level of socioeconomic disadvantage increased. The greatest relative difference in burden rate was for tobacco use (people living in areas of most disadvantage had 3.0 times the age-standardised rate of people living in areas of least disadvantage), followed by intimate partner violence and high blood plasma glucose (both 2.5 times) ... In terms of disease burden:<sup>46</sup>

- The burden of disease among First Nations people is 2.3 times that of other Australians.<sup>47</sup>

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<sup>40</sup> Joanne Flavel et al, ‘[Explaining Health Inequalities in Australia: The Contribution of Income, Wealth and Employment](#)’ (2022) 28(6) *Australian Journal of Primary Health* 474; Australian Institute of Health and Welfare (‘AIHW’), ‘[Social Determinants of Health](#)’, in *Australia’s Health 2024* (Topic Summary, 2 July 2024). This is the AIHW’s biennial report, comprising In Brief, Data Insights and Topic Summary components (online).

<sup>41</sup> AIHW, ‘[Health Across Socioeconomic Groups](#)’, in *Australia’s Health 2024* (n 40) (Topic Summary, 2 July 2024); AIHW, ‘[Deaths by Suicide, by Socioeconomic Areas](#)’, in *Australia’s Health 2024* (n 40) (Data Insights, 2 July 2024).

<sup>42</sup> Ibid, citing the World Health Organization (‘WHO’).

<sup>43</sup> Mitiku Teshome Hambisa et al, ‘[Gender, Education, and Cohort Differences in Healthy Working Life Expectancy at Age 50 years in Australia: A Longitudinal Analysis](#)’ (2023) 8 *Lancet Public Health* e610, e614.

<sup>44</sup> Peter Davidson, Bruce Bradbury, and Melissa Wong, *Poverty in Australia 2023: Who is Affected: A Poverty and Inequality Partnership Report* (ACOS/UNSW Partnership Report, 22 March 2023) (‘*Poverty in Australia Report*’) 55–61.

<sup>45</sup> Australian Institute of Health and Welfare (‘AIHW’), *Australia’s Health 2024* (Report AUS 249, 2 July 2024) (‘*Australia’s Health*’).

<sup>46</sup> Australian Institute of Health and Welfare (‘AIHW’), *Australia’s Health 2024* (Report AUS 249, 2 July 2024) (‘*Australia’s Health*’), ‘[The Ongoing Challenge of Chronic Conditions in Australia](#)’ (Data Insights, 2 July 2024), references omitted.

<sup>47</sup> AIHW, *The Geography of Disability and Economic Disadvantage in Australian Capital Cities* (Report, 1 April 2009) (‘*Geography of Disability Report*’) v.

- People living in rural and remote areas and people living in the lowest socioeconomic areas also often experience higher rates of disease burden than other Australians.<sup>48</sup>

These factors can build on each other, resulting in even greater inequality. For instance, First Nations people living in *Remote areas* experience a greater disease burden than First Nations people living in *Major cities*.<sup>49</sup>

36 Similarly, *Australia's Health 2022* highlighted that registered deaths from COVID-19 were higher in the lowest socio-economic areas.<sup>50</sup>

37 The AIHW report *People with Disability in Australia 2024* found that in 2018 '38% of households with a person with disability had low income (bottom three deciles of household income), compared with 18% of households without disability.'<sup>51</sup>

38 A previous AIHW report, *The Geography of Disability* (2009), had similarly noted:

- on average, people with disability and their carers have lower income than people without disability;
- disability can impose extra costs on individuals and their families;
- a high proportion of public housing tenants have disability, and public housing in some cities is concentrated in disadvantaged areas;
- many risk factors for chronic disease and disability are higher among disadvantaged people;
- people working in lower status jobs can face greater occupational hazards that contribute to disability; and
- physical and psychosocial hazards can be higher in more disadvantaged communities.<sup>52</sup>

39 Particular groups of people with a disability are more likely to have contact with the criminal justice system than other groups:

Particular groups of people with disability – for example, First Nations people with cognitive disability; women with disability experiencing violence; and people with co-occurring cognitive disability, psychosocial disability and other disabilities such as hearing impairment – are far more likely to have contact with the criminal justice system (including police, courts and corrections) than other groups.

Approximately 40 per cent of people entering prison in Australia have a mental health condition. It appears that people with cognitive disability who have more than one disability have the highest rates of contact with the criminal justice system. These rates are even higher for First Nations people and First Nations people with cognitive disability.

...

It is clear from the evidence that the disproportionate rate of imprisonment of people with disability is not the result of any inherent causal relationship between disability and crime. Rather it reflects the disadvantages experienced by many people with disability, such as poverty, disrupted family backgrounds, family violence and other forms of abuse, misuse of drugs and alcohol, unstable housing and homelessness.<sup>53</sup>

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<sup>48</sup> AIHW, *The Geography of Disability and Economic Disadvantage in Australian Capital Cities* (Report, 1 April 2009) ('*Geography of Disability Report*') references omitted.

<sup>49</sup> Ibid.

<sup>50</sup> AIHW, *Australia's Health 2022: Data Insights* (Report, 7 July 2022) ch 1, 38.

<sup>51</sup> AIHW, *People with Disability in Australia 2024* (Report, 23 April 2024) 11.

<sup>52</sup> *Geography of Disability Report* (n 48) v.

<sup>53</sup> *Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability* (Final Report, September 2023) vol 8, 33 (citations omitted).



40 Socio-economic disadvantage has been shown to have a link with poor mental health. The Senate *Poverty Inquiry* (2022–24) noted that ‘constant financial stress and hardship increased risks of depression, anxiety, and suicidal behaviour and ideation.’<sup>54</sup> Findings of an Australian cohort study suggest that ‘one potentially important mechanism through which disadvantage compromises mental health is through limiting the development and consolidation of key psychosocial competencies needed for health and well-being in adulthood.’<sup>55</sup>

### ***Loss of earning capacity***

41 The Australian Institute of Health and Welfare (‘AIHW’) found:

Longitudinal analysis can also uncover the intergenerational effects of disadvantage, especially how socioeconomic status is passed from parents to children across domains such as wealth, earnings, income, education, health and consumption patterns.<sup>56</sup>

42 The Children’s Policy Centre submission to the *Poverty Inquiry* stated:

There is overwhelming evidence that investing in children, including investment to end child poverty, enhances adult outcomes across most aspects of life – from education and earning attainment to better health and reduced participation in crime have been attributed to early childhood experiences.<sup>57</sup>

43 The Productivity Commission (2024) reported:

Low-income parents may have less resources to invest in their children’s education, skill development and health, which affects those children’s future earning potential (Becker and Tomes 1979; Loury 1981).

... In the case of low-income parents...family characteristics can affect their children’s future earnings in many different ways, including by influencing their preferences, values, early learning outcomes and socio-emotional wellbeing (including stress levels) (Barón et al. 2015; Kalil and Ryan 2020).

## **COVID-19**

44 The COVID-19 pandemic impacted poverty in Australia in multiple ways:

- Poverty increased sharply in the third quarter of 2019–20 (January to March 2020) with the onset of the COVID recession, as many people lost jobs or paid working hours;
- Poverty decreased sharply in the fourth quarter of 2019–20 (April to June 2020) when COVID income supports (especially Coronavirus Supplement and JobSeeker Payment) were introduced.<sup>58</sup>

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<sup>54</sup> Senate Community Affairs Reference Committee, Parliament of Australia, [The Extent and Nature of Poverty in Australia](#) (Final Report, February 2024) (‘Senate *Poverty* Final Report’) 5 [1.23].

<sup>55</sup> Meredith O’Connor et al, ‘[Developmental Relationships between Socio-Economic Disadvantage and Mental Health Across the First 30 Years of Life](#)’ (2022) 13(3) *Longitudinal and Life Course Studies* 432.

<sup>56</sup> Australian Institute of Health and Welfare (‘AIHW’), [Australia’s Children](#) (Report, 2020) 271 (Web Report updated 25 February 2022).

<sup>57</sup> Senate Community Affairs Reference Committee, Parliament of Australia, [The Extent and Nature of Poverty in Australia](#) (Final Report, February 2024) (‘Senate *Poverty* Final Report’) Appendix 1, [Submission No 38](#) (Children’s Policy Centre, ANU, February 2023, updated December 2023) 4.

<sup>58</sup> Peter Davidson, Bruce Bradbury, and Melissa Wong, [Poverty in Australia 2023: Who is Affected: A Poverty and Inequality Partnership Report](#) (ACOSS/UNSW Partnership Report, 22 March 2023) (‘*Poverty In Australia* Report’) 20.

- Progress in reducing poverty was reversed in the first half of 2021 as COVID supports were wound back.<sup>59</sup>

45 Research finds that employment impacts for COVID-19 particularly affected casual and part-time workers and disproportionately affected those at higher risk of poverty such as women, young people and people in low-paying jobs:

Beginning in ... March 2020 and continuing to May 2020, the first phase of COVID lockdowns induced Australia's deepest recession since the 1930s. An unprecedented number of people either lost their jobs or were laid off, and people already unemployed together with those entering the paid workforce (mainly young people and women) found it much harder to secure employment.<sup>60</sup>

46 Policy responses to COVID-19 led to rising inflation, which particularly impacted those experiencing relative poverty:

People who were struggling before the current inflation increases due to low incomes, insecure employment, or the inadequacy of welfare payments are now facing extreme hardship. The rate of non-discretionary inflation has been masked by more muted discretionary consumption price rises, and hides the reality that it is becoming more and more expensive to be poor in Australia.<sup>61</sup>

## Links to Contact with the Criminal Justice System

47 Individuals with low SES are vulnerable to criminalisation and incarceration, low SES being considered a risk factor for offending.<sup>62</sup> Additionally, experiences of dispossession, forced removal, intergenerational trauma and racism within Aboriginal and Torres Strait Islander communities contribute to a higher prevalence of risk factors for offending.<sup>63</sup>

48 Australian researchers have identified poverty as a determinant of interaction with the criminal justice system in a research paper on people with mental and cognitive disabilities:

Coming from a background of poverty with a lack of access to resources plays a significant role in contact with and entrenchment in criminal legal systems. Disadvantage in Australia, as elsewhere, is geographically concentrated, and research has highlighted the ways that characteristics associated with certain suburbs or areas can compound the disadvantageous circumstances of particular groups. Growing up and living in poorly serviced geographic locations with high concentrations of socio-economic disadvantage, unemployment, lack of access to quality education, homelessness or unstable housing, having early police contact, inadequate legal representation, low or no income and lack of training or employment are all common and identifiable in the histories of people with disability in Australian prisons.<sup>64</sup>

49 The Human Rights Commission noted in its submission to the *Poverty Inquiry*:

The punitive approach to crimes of poverty such as minor fraud, fine default, driving penalty notices, and minor crimes such as offensive language, public intoxication or disorderly

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<sup>59</sup> Peter Davidson, *COVID, Inequality and Poverty in 2020 and 2021: How Poverty and Inequality Were Reduced in the Covid Recession and Increased During the Recovery* (ACOSS/UNSW Sydney Poverty and Inequality Partnership, Build Back Fairer Series, Report No 3, March 2022) 12.

<sup>60</sup> *Poverty In Australia* Report (n 58) 68.

<sup>61</sup> Senate [Select Committee on the Cost of Living](#), Parliament of Australia, [Submission No 11](#), The Salvation Army (March 2023) 4.

<sup>62</sup> Ruth McCausland and Eileen Baldry, 'Who Does Australia Lock Up? The Social Determinants of Justice' (2023) 12(3) *International Journal for Crime, Justice and Social Democracy* 37, 38–9.

<sup>63</sup> Productivity Commission (Cth), [Australia's Prison Dilemma](#) (Research Paper, October 2021) 20, 31.

<sup>64</sup> McCausland and Baldry (n 62) 37, 46.

behavior, ultimately serve to criminalize poverty and incarcerate only those who do not have the resources to stay out of prison.

Sadly, both the Commission and other organisations have also heard that for some individuals, incarceration was preferable to freedom when their lives outside prison were characterised by poverty, homelessness and a complete dearth of opportunity to improve their circumstances.<sup>65</sup>

Trapped in poverty and with limited opportunities, many First Nations people experience diminishing hope and aspirations, which in turn deepens collective despair and the severity of impacts. The interrelationship between feelings of despair and a lack of educational and employment opportunities creates a strong determinant for substance use, poor mental health, suicide, violence and an increased likelihood of involvement in crime. These issues impact the lives of children and adults alike, entrenching a cycle of social dysfunction and community breakdown.<sup>66</sup>

50 A 2024 interview-based study found:

Importantly, participants said that most ‘crime’ committed by homeless people was survival-related, aimed at securing food and shelter. This was reflected in the offences they said they were charged with: shoplifting of food, trespass, begging, loitering, fare evasion, and offences associated with sleeping in a vehicle.<sup>67</sup>

51 The Australian Law Reform Commission reported:

The interaction of poverty and punitive criminal justice regimes can be hugely damaging for Aboriginal and Torres Strait Islander women, particularly in relation to unpaid fine regimes, penalty notices, and Criminal Infringement Notices (CINs). It can result in escalating consequences arising from what may begin as relatively minor and victimless offending.<sup>68</sup>

52 The 2013 Senate Inquiry into the *Value of a Justice Reinvestment Approach to Criminal Justice in Australia* identified numerous drivers of increased imprisonment, including:

- socio-economic conditions such as poverty;
- lack of appropriate housing;
- low level of education; and
- lack of employment opportunities.<sup>69</sup>

53 The Inquiry found that

as criminal behaviour is closely associated with disadvantage in living standards, health, education, housing and employment, the ‘failure to adequately address these issues in many urban and rural communities in Australia has ensured that people in these communities are more likely to offend and be put in prison’.<sup>70</sup>

54 The impact of unstable housing arrangements may further impact on failure to obtain bail.<sup>71</sup>

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<sup>65</sup> Senate Community Affairs References Committee, Parliament of Australia, *The Extent and Nature of Poverty in Australia* (Final Report, February 2024) (‘Senate Poverty Final Report’), Appendix 1, [Submission No 244](#) Australian Human Rights Commission (‘AHRC Submission’) (2 June 2023) 71.

<sup>66</sup> *Ibid* 66.

<sup>67</sup> Tamara Walsh et al, “‘Back Off! Stop Making US Illegal!’: The Criminalisation of Homelessness in Australia” (2024) *Social and Legal Studies* 1, 74.

<sup>68</sup> Australian Law Reform Commission (‘ALRC’), *Pathways to Justice: An Inquiry into the Incarceration Rate of Aboriginal and Torres Strait Islander Peoples* (Final Report, ALRC Report No 133, 22 December 2017) (‘Pathways to Justice Report’) 355.

<sup>69</sup> Senate Legal and Constitutional Affairs References Committee, Parliament of Australia, *Value of a Justice Reinvestment Approach to Criminal Justice in Australia* (Report, 20 June 2013) 3–17.

<sup>70</sup> *Ibid* 14 [2.52], quoting the National Association of Community Legal Centres.

<sup>71</sup> *Pathways to Justice Report* (n 68) 355 72 [2.65].

- 55 In its 2013 report *Defining the Data Challenge*, presenting statistical conceptual information and describing key concepts, sources and priorities, the ABS found:

Low socioeconomic status is a recurring factor in the incidence and prevalence of crime generally and the extent of violence in the community. It can also be a determining factor in the perpetration of family, domestic and sexual violence.

Low socioeconomic household status can place considerable strain on relationships and on communities, resulting in impaired functionality. Aspects of socioeconomic disadvantage which may affect the likelihood of an individual's propensity to use violence include unemployment, homelessness, poverty and marital relationship status. These aspects may be used as an indicator of 'connectedness' between individuals, their family and community.<sup>72</sup>

- 56 The 2024 Inquest Report into the death of an Aboriginal man, Jasmynd Gibbs, brings together all these disadvantageous factors: Mr Gibbs' death was the result of decades of disadvantage, and lack of education, disability, mental health, child protection, housing and other social services that he had a right to.<sup>73</sup>

- 57 The Gibbs case highlights that it is not just one factor – such as being poor, being a First Nations person or growing up in a disadvantaged neighbourhood – that makes it more likely that a person will end up in criminal justice management, but rather the accumulation and compounding effect of these over years.<sup>74</sup> The more such factors a person experiences, the more likely they are to be criminalised:

The more of these social determinants experienced by an individual in a negative form, the greater the likelihood of the person experiencing poorer outcomes, including becoming entrenched in criminal legal systems, with incarceration and reincarceration becoming the norm. It is this *compounding and cumulative dimension that we propose as a defining element of the SDJ* [Social Determinants of Justice].<sup>75</sup>

### ***Youth within youth justice systems***

- 58 A Special Report compiled by the Australian Institute of Criminology states:

[I]ntergenerational incarceration is associated with socio-economic disadvantage. This social disadvantage is characterised by leaving school at a younger age, unstable accommodation, placement in [out-of-home care] prior to the age of 16, and earlier contact with the justice system.<sup>76</sup>

- 59 A New Zealand-based study noted that child offending does not happen in a vacuum and that children who offend prior to age 13 are between two and three times more likely to engage in persistent, violent and chronic offending, compared with those who start to offend in adolescence. The study found that young children who had offended

<sup>72</sup> Australian Bureau of Statistics ('ABS'), *Defining the Data Challenge for Family, Domestic and Sexual Violence, 2013* (Catalogue No 4529.0, 7 February 2013, reference period 2013).

<sup>73</sup> [Inquest into the Death of Jasmynd Gibbs](#) (Case No 2021/129807 NSW Coroners Court, Magistrate Grahame, 20 February 2024).

<sup>74</sup> Ruth McCausland and Eileen Baldry, 'Who does Australia Lock Up? The Social Determinants of Justice' (2023) 12(3) *International Journal for Crime, Justice and Social Democracy* 37.

<sup>75</sup> *Ibid* 47 (italics in original).

<sup>76</sup> Marc Rémond et al, 'Intergenerational Incarceration in New South Wales: Characteristics of People in Prison Experiencing parental Imprisonment', in Rick Brown (ed), *Crime & Justice Research 2023* (Australian Institute of Criminology Special Report, 16 October 2023) ch 1, 6, 21.

experience a multitude of difficulties, including low income and unemployment, transience or housing instability (e.g., large families crammed into small houses), physical and mental health concerns, and current or past involvement with social and state services.<sup>77</sup>

- 60 Youth experiencing socio-economic disadvantage or poverty are more likely to have contact with youth justice:

A significant proportion of the young people in the Australian youth justice systems come from challenging home circumstances, including dysfunctional family environments, histories of familial offending, exposure to family violence, unstable accommodation or homelessness, and socio-economic disadvantage or poverty.<sup>78</sup>

- 61 The Australian Institute of Health and Welfare report *Youth Justice in Australia 2022–23* found:

Young people under youth justice supervision in 2022–23 most commonly lived in lower socioeconomic areas before entering supervision. More than 2 in 5 young people (38%) under supervision on an average day were from the lowest socioeconomic area (area 1), compared with only 4.9% from the highest socioeconomic areas (level 5).

On an average day in 2022–23, 25 per 10,000 young people aged 10–17 from the lowest socioeconomic areas were under supervision, compared with 3.3 per 10,000 from the highest socioeconomic areas ... This means that young people from the lowest socioeconomic areas were just over 7 times as likely to be under supervision as those from the highest socioeconomic areas.

Young First Nations Australians (43%) were more likely than their non-Indigenous counterparts (32%) to have lived in the lowest socioeconomic areas before entering supervision. This reflects the geographical distribution of the First Nations population in Australia.<sup>79</sup>

- 62 The Australian Institute of Family Studies has noted that researchers' views differ when it comes to the most significant dynamics operating in the relationship between socio-economic disadvantage and offending:

Some have argued that socio-economic disadvantage weakens a community's ability to control anti-social behaviours in their neighbourhood, while others have argued that it weakens the capacity of parents to provide quality parenting (Weatherburn & Lind, 2006). In their analysis of New South Wales data, Weatherburn and Lind (2006) argue that socio-economic disadvantage weakens both community capacity and parenting quality in ways that increase the prevalence of child neglect, which in turn leads to greater offending behaviours.<sup>80</sup>

- 63 A partnership between the Dharriwaa Elders Group in Walgett (one of the lowest SES communities in New South Wales with a high First Nations population) and the University of New South Wales is demonstrating the importance of addressing the array of disadvantageous factors experienced by First Nations families in Walgett to help keep their children away from criminal justice involvement.<sup>81</sup>

- 64 In 1997, the Australian Law Reform Commission found:

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<sup>77</sup> Jerome Reil, Ian Lambie and Ruth Allen, "[Offending Doesn't Happen in a Vacuum": The Backgrounds and Experiences of Children under the Age of 14 Years Who Offend](#)" (2022) 55(2) *Journal of Criminology* 202, 208.

<sup>78</sup> Garner Clancey, Sindy Wang and Brenda Lin, '[Youth Justice in Australia: Themes from Recent Inquiries](#)' (2020) (605, October) *Trends & Issues in Crime and Criminal Justice* 605: 1, 6.

<sup>79</sup> Australian Institute of Health and Welfare ('AIHW'), [Youth Justice in Australia 2022–23](#) (Web Report, 28 March 2024) 19 of 83.

<sup>80</sup> Adam Dean/Australian Institute of Family Studies ('AIFS'), '[The Intersection between the Child Protection and Youth Justice Systems](#)' (AIFS Policy and Practice Paper, July 2018) online menu item: select 'Youth Justice Supervision', then see under heading 'Remoteness and Socio-Economic Position'.

<sup>81</sup> Rebecca Reeve et al, '[Community-led Diversion of Indigenous Young People from the Justice System: The Role of Government Administrative Data](#)' (2024) 76 *International Journal of Law, Crime and Justice* 100650: 1.

Low socio-economic status may increase the risk of children becoming involved in the juvenile justice system. For example, one NSW study on juvenile theft offenders in detention found that the most common reasons for offending given by shoplifting offenders were to obtain clothes or money for clothes (20.6%) or food or money for food (17.6%). The most common reason for offending given by break and enter offenders was to obtain money (31.4%). Participation in juvenile crime has also been linked to unemployment and homelessness. In a study of 400 young people aged 14 to 17 in Melbourne, more than 30% thought that young people in their age group committed crimes to supplement their incomes or for survival purposes.<sup>82</sup>

## Reducing the Criminalisation of Poverty

- 65 The Human Rights Commission emphasised the importance of listening to the voices of those in poverty in the policy-making process:

Where the interests and perspectives of those experiencing poverty are excluded, their human rights across the board are at greater risk. People in poverty are more vulnerable to economic exploitation, to further political marginalisation, and to becoming the subject of public narratives which seek to justify their discriminatory treatment.

It is known that exposure to poverty-related stress and discrimination leads to poor health, trauma, substance misuse, relationship breakdowns, criminality, and institutionalisation. Yet these are issues for which people in poverty are often seen as the source—as if these traits were innate, or a deliberate choice rather than the product of structural inequalities.

This can stigmatise and further marginalise those experiencing poverty and reduce the extent to which their voices are heard. When the voices of those in poverty go unheard in the policy-making process, root causes and effective solutions are obscured, placing the appropriate supports required to exit and remain out of poverty out of reach.<sup>83</sup>

- 66 The Senate *Poverty Inquiry* (2022–2024) received submissions calling for an increase in affordable healthcare and support for mental health services, through policy initiatives such as bulk billing incentives and additional subsidies for people dependent on medication.<sup>84</sup>
- 67 The Inquiry identified a need for greater long-term investments in social and affordable housing, increased funding for specialist homelessness services, and ‘improved conditions for renters who are more likely to be on lower incomes.’<sup>85</sup>
- 68 Relating to employment, the *Poverty Inquiry* received submissions suggesting policy initiatives ensuring improved workplace conditions and protections, particularly for carers and people with a disability, and addressing forced participation in insecure work.<sup>86</sup> Additionally, while people experiencing poverty are both employed and unemployed, it was noted that reforms must include an increase in income support payments, given that ‘Currently, Australia’s social security system tends to perpetuate poverty and social exclusion, rather than protect against it.’<sup>87</sup>
- 69 The *Poverty Inquiry* highlighted the strengths of place-based approaches:

[L]ocation is one of the factors that drives the extent and nature of poverty and disadvantage ... [there are] differences across states and territories, urban and non-urban settings, and

<sup>82</sup> ALRC, *Seen and Heard: Priority for Children in the Legal Process* (ALRC Report No 84, 19 November 1997) [4.40].

<sup>83</sup> Senate Community Affairs References Committee, Parliament of Australia, *The Extent and Nature of Poverty in Australia* (Final Report, February 2024) (‘Senate *Poverty* Final Report’) Appendix 1, [Submission No 244](#), Australian Human Rights Commission (‘AHRC Submission’) 9.

<sup>84</sup> Senate *Poverty* Final Report (n 83) 123–4.

<sup>85</sup> *Ibid* 124–6.

<sup>86</sup> *Ibid* 127–8.

<sup>87</sup> *Ibid* Appendix 1, [Submission No 244](#), Australian Human Rights Commission (‘AHRC Submission’) 44.

remote and very remote areas ... local organisations delivering services in specific locations are best placed to understand local characteristics and identify the needs of disadvantaged groups – needs that often cross between the different traditional government portfolios.<sup>88</sup>

70 The *Poverty Inquiry* made a formal recommendation to adopt strengths-based, person-centred approaches within employment services programs.<sup>89</sup> This approach acknowledges individual strengths and structural drivers of poverty ‘that are not personal deficits or within the control of individuals.’<sup>90</sup> Strengths-based approaches are applicable across disciplines, with proven relevance in the sentencing of First Nations peoples.<sup>91</sup>

71 In respect of youth poverty, researchers point to a correlation between education and well-being:

Understanding the high rate of young adults not in education, employment or training is critical for addressing the high poverty rates for this group. Equally important is to address mental health conditions of youth, given a high correlation between those not in education, employment or training and mental health.<sup>92</sup>

72 The Australian Human Rights Commission (AHRC) made an overarching recommendation to reform the criminal justice system to address the drivers of poverty:

The Australian Government should undertake structural reforms of the criminal justice system by investing in community-based alternatives to custody and prison, adopting trauma-informed, therapeutic, and restorative approaches to diversion and rehabilitation, and invest in healing environments, programmes, and training to address the intersectional impacts and drivers of poverty, trauma, and violence for people in prison and youth detention.<sup>93</sup>

73 The Productivity Commission (2021), noting the links between low SES, disadvantage, and incarceration, found ‘solutions to recidivism and alternatives to imprisonment need to be tailored to individual needs.’<sup>94</sup>

74 However, Australian researchers warn against isolating the factors contributing to offending and incarceration, emphasising the importance of understanding the compounding nature of factors of disadvantage and highlighting the need for holistic support:

A social determinants approach could provide a framework to change the way crime prevention is understood and inform policies and service design to reduce criminalisation, incarceration and reincarceration ... Pathways into criminal legal systems can be set from an early age by the failure or inability of the education, health, disability, housing and community service systems to support vulnerable children and young people and their families ... The complex support needs our analyses demonstrate arise from the cumulative and compounding factors experienced by so many people who end up in prison provide the foundation for a SDJ framework. This requires measures to address the structural drivers of those determinants, including poverty, inequality, early abuse and violence, institutional racism and discrimination.<sup>95</sup>

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<sup>88</sup> Senate Community Affairs References Committee, Parliament of Australia, *The Extent and Nature of Poverty in Australia* (Final Report, February 2024) (‘Senate Poverty Final Report’) 132.

<sup>89</sup> *Ibid* 5, 39.

<sup>90</sup> *Ibid* 6.

<sup>91</sup> Anthony Hopkins et al, ‘[Indigenous Experience Reports: Addressing Silence and Deficit Discourse in Sentencing](#)’ (2023) 46(2) *UNSW Law Journal* 615.

<sup>92</sup> Senate Poverty Final Report (n 89) Appendix 1, [Submission No 39](#), Melbourne Institute (3 February 2003) 2.

<sup>93</sup> *Ibid*, [Submission No 244](#), Australian Human Rights Commission (‘AHRC Submission’) 7 [12], 72 [12].

<sup>94</sup> Productivity Commission (Cth), *Australia’s Prison Dilemma* (Research Paper, October 2021) 24.

<sup>95</sup> Ruth McCausland and Eileen Baldry, ‘[Who Does Australia Lock Up? The Social Determinants of Justice](#)’ (2023) 12(3) *International Journal for Crime, Justice and Social Democracy* 37, 48.