

# Social security systems

## Economic justice

### Recent human rights advances

The Government has committed to an annual review of the adequacy of social security payments prior to the federal budget through the Economic Inclusion Advisory Committee. Recommendations of the Economic Inclusion Advisory Committee have not been acted upon and rates of social security remain too low.

## Australia's social security system fails to uphold Economic, Social and Cultural Rights

## Economic justice

### Other priority human rights issues

Social security programs need ongoing monitoring to ensure that they are not being applied in a punitive manner or that they disproportionately penalise people in marginalised situations.

### Urgent human rights issues

Rates of social security remain too low and entrench poverty and recommendations of the Economic Inclusion Advisory Committee have not been acted upon.

The Australian social security system is inadequate and overly punitive.

In 2025, [the Economic Inclusion Advisory Committee](#) ranked Australia near the bottom of OECD advanced economic nations in terms of short-term out of work payments.

The main income support payment for unemployed Australians is the 'JobSeeker Allowance'. Despite recent increases, JobSeeker payments are below the poverty line at only 43.5% of the Australian net full time minimum wage and not high enough for recipients to afford the basic essentials of everyday life. People receiving JobSeeker payments are 14 times more likely to go without at least one substantial meal per day.

Punitive systems in Australia disproportionately affect First Peoples. There are programs like the cashless debit card for welfare recipients that restrict cash withdrawals purchases from specific stores. These schemes are justified by the

government as tools that reduce social harms like gambling and alcohol, but they undermine autonomy and financial independence. First Peoples represent 82.2% of all participants in compulsory income management systems. In 2024, the Parliamentary Joint Committee on Human Rights called for the abolition of compulsory income management, recommending it be made voluntary.

Australia's employment services system is inadequate and needs reform. People who are unemployed continue to be subjected to an employment services system that is more focused on compliance than supporting positive outcomes for people in the labour market. The Department of Employment and Workplace Relations, which is responsible for employment services, currently fails to meet its targets for moving people into employment.

Our Faces of Unemployment Report reveals there are 550,000 people who are stuck on unemployment payments for over a year. People who are disadvantaged in the labour market are overrepresented among people who are long-term unemployed, including:

- a. People with a disability (50%);
- b. People aged 55 years or older (33%);
- c. First Nations people (15%).

## **Priority action**

**The Australian Government should ensure welfare payments provide an adequate standard of living. Welfare support programs be reformed so they are not punitive.**

## Australian Taxation Systems

### Economic justice

#### Urgent human rights issues

The Australian taxation system favours high wealth individuals and investors, with a narrow tax base that limits funding to address broader social and economic inequalities across the community.

Australia's human rights obligations under the International Covenant on Economic, Social and Cultural Rights (ICESCR) are guided by a principle that the government must justify that they are making every effort to address inequalities in the enjoyment of rights, to the maximum of available resources. This is set out in Article 2(1) of ICESCR as follows:

Each State Party to the present Covenant undertakes to take steps, individually and through international assistance and co-operation, especially economic and technical, to the maximum of its available resources, with a view to achieving progressively the full realization of the rights recognized in the present Covenant by all appropriate means, including particularly the adoption of legislative measures.

This includes by ensuring that the taxation system of the country is equitable and provides sufficient capacity to address press social needs.

When Australia appeared before the UN Committee on Economic Social and Cultural Rights in February 2026, the following observations and recommendation were made by the Committee about how the government is meeting this obligation:

## 'Maximum Available Resources

21. The Committee remains concerned about the continued existence of significant tax concessions that disproportionately benefit high-wealth individuals, including preferential treatment of capital gains and deductions related to investment properties, as well as concessional taxation of substantial retirement savings. The Committee is concerned that such concessions may reinforce wealth inequalities and limit the State Party's ability to mobilize the maximum available resources necessary to adequately fund social security, housing and other Covenant rights. The Committee is further concerned about the lack of comprehensive public reporting on the fiscal costs and distributional impacts of tax expenditures and tax avoidance losses. The Committee is also concerned that fiscal consolidation measures may undermine a clear commitment to progressively increase social spending, to the maximum of available resources, for the realization of rights under the Covenant. Finally, the Committee welcomes the continued efforts to combat illicit flows and the planned establishment of a beneficial ownership register, whilst reiterating that States Parties have a duty to take measures to combat tax evasion and tax avoidance, both within and beyond their territory as they represent a significant loss of public revenue and constitute an impediment to the mobilization of domestic resources for the realization of human rights (art. 2).

**22. The Committee recommends that the State Party, in line with article 2 (1) of the Covenant, review its fiscal policies with a view to mobilizing and allocating maximum available resources in a manner consistent with equality and the progressive realization of economic, social and cultural rights, including by:**

(a) **Conducting regular and participatory assessments of the impact of fiscal and tax policies on the enjoyment of Covenant rights, particularly by disadvantaged and marginalized groups, including Aboriginal and Torres Strait Islander peoples;**

(b) **Assessing the distributive impact and fiscal cost of tax concessions, including those relating to capital gains, property deductions and superannuation, and reviewing them as necessary to enhance the progressivity of the tax system and safeguard resources for the realization of economic, social and cultural rights;**

(c) **Increasing the budget allocated to social security, housing, health, education, employment services and other areas related to Covenant rights;**

(d) **continuing efforts to prevent and combat illicit financial flows, tax evasion and fraud, including through effective implementation of a public beneficial ownership register;**

(e) **Taking into account the Committee’s Statement on Tax policy and the International Covenant on Economic, Social and Cultural Rights.’**

## Digital decision-making

### Democratic freedoms

#### Recent human rights advances

The Australian Government established a National Anti-Corruption Commission and created an Administrative Review Tribunal with mechanisms to help prevent a repeat of Robodebt or other systemic maladministration.

## The human rights risk of digital decision making

### Democratic freedoms

#### Other priority human rights issues

Concern remains that the use of AI in government decision making lacks appropriate legislative safeguards and undermines procedural fairness for Australians.

AI-informed decision making’ includes a decision-, or decision-making process, where AI is a material factor in the decision, and where the decision has a legal or similarly significant effect for an individual. AI is increasingly being used in decision making in areas as diverse as criminal justice, advertising, recruitment, healthcare, policing and social services. While the use of AI can protect and promote human rights, such as by

identifying and addressing instances of bias or prejudice that can be present in human decision making, AI is also capable of reinforcing or exacerbating biases or prejudices.

The 'Robodebt' scheme, implemented in 2017, is an example of the human rights implication of automation in social services. 'Robodebt' automated debt recovery system that used an algorithm to identify any discrepancies between an individual's declared income to the ATO, and the individual's income reported to Centrelink. Where a discrepancy was identified, this was treated as evidence of undeclared or under-reported income, and a debt notice was automatically generated and sent to the individual.

Robodebt resulted in thousands of welfare recipients being sent inaccurate debt notices following the introduction of a new digital system. The debt notices caused anguish and stress for many vulnerable and disadvantaged recipients. Some people committed suicide. An inquiry into the scheme found it was devised without regard to social security law.

## Priority action

**The Australian Government should introduce a risk-based and preventative approach to AI regulation centered on human rights, including a specific AI Act to address the need for mandatory guardrails in high-risk settings.**

# Poverty

## Too many people live in poverty

### Economic justice

#### Urgent human rights issues

Too many people live in poverty in Australia, without clear national approaches to measure or address it. There is a need for a national plan to eradicate poverty, with robust measurement of poverty and targets.

Poverty in Australia is increasing. In 2025, 14.2% of people in Australia were living below the poverty line. This is a 1.2% increase since 2021. The poverty gap (the difference between income of people in poverty and the 50% of median income poverty line) has also increased. Driven in large part by housing affordability and cost of living crises.

People living in poverty are less likely to fully enjoy other fundamental human rights, including rights to health, adequate housing, food and water, social security, education, and freedom of movement.

### First Peoples

The historical injustices experienced by First Nations people in Australia continue to have profound consequences today.

First Nations people are the group most disproportionately represented in Australian poverty statistics and there is a sizable cohort – mostly in remote and very remote areas – who are trapped in debilitating conditions well below the poverty line, often over long periods of time or even across generations.

In 2016, 30% of First Peoples were living below the poverty line. In 2021, 35% of First Peoples adults were living in households in the lowest quintile of gross weekly household income.

In very remote areas, poverty rates among First Peoples are as high as 57.1%.<sup>i</sup> People living in remote areas have fewer opportunities for employment and face extremely inflated cost of living. For example, facing up to 40% higher prices in grocery stores

than in urban areas.<sup>ii</sup> Australia's remote area allowance is inadequate, and has not increased in 25 years.

## **People with disability**

In Australia, people with disability are among the most at risk and exposed groups to 'deep and persistent poverty and disadvantage'. People with disability are more likely than those without disability to experience worse socio economic outcomes, poverty, and other forms of social exclusion. The relative poverty risk for people with disability of working age is more than two times higher in Australia compared to other OECD countries, making it one of the highest in the developed world.

Current data indicates that people with disability in Australia disproportionately experience poverty compared to those without disability, in 2018:

- 16.5% of adults with disability were living in poverty compared to 10.6% of adults without a disability.
- People with disability make up 38% of the population living in poverty despite only making up 18% of the overall population.

## **Older people**

In 2021, on average, 23.7% of older Australians aged over 65 were living in relative income poverty compared to 14.1% across all OECD countries. In Australia, poverty prevalence was greater among older women at 26.2%, compared to 21% for older men. According to the Australia Bureau of Statistics, in 2018, two-thirds of older Australians were living in a low-income household earning less than \$756 per week.

## **Children**

Monetary measurements of poverty have shown that poverty impacts disproportionately children, in Australia and globally.

According to an ACOSS report, in 2019–20 one in six children (16.6%) in Australia live below the poverty line after taking account of housing costs. In total, this equates to over 761,000 children.

The report also showed that certain children and their families are more affected by poverty:

- People living in sole parent households (34%, and 39% among children in those households), people relying substantially on Parenting Payment (72%) and those

relying on Youth Allowance (34%) are some of the groups facing the highest risk of poverty during 2019-2020.

- For children in sole parent families the risk of poverty was three times that in partnered families (39% compared with 12%). This reflects the lower incomes of parents who care for a child alone, 83% of whom were women.

## **Women and LGBTIQ+ people**

Women in Australia continue to experience unequal pay, limited opportunities for career progression, and a higher likelihood of experiencing domestic violence and homelessness. Exposure to workplace sexual harassment, can also significantly impact women's financial security. In situations of poverty, women's experiences are amplified by discrimination – they have the least access to food, health, education, training and opportunities for employment and other needs.

LGBTIQ+ persons also continue to experience discrimination on the basis of sexual orientation, gender identity and intersex status, and experience higher than average rates of violence, harassment and bullying. The increased levels of disadvantage experienced by LGBTIQ+ people as a result of discrimination, heightens their risk of poverty. The Commission is concerned at the lack of data available for populations who are not either male or female (i.e., non-binary) – who are transgender or gender diverse.

## **Culturally and linguistically diverse communities**

There is a lack of quantitative data surrounding the impacts of poverty on people from culturally and linguistically diverse communities that reflects their lived realities.

Using the benchmark of the 'poverty line', the Australian Council of Social Service (ACOSS) and UNSW Sydney's 2020 Poverty in Australia report found that there is a lower poverty rate among migrants born in a major English-speaking country (10%) compared with those born elsewhere (18%), with lower employment rates among the latter being a likely contributor.

A 2019 report by the NSW Council of Social Service (NCOSS) found that in NSW, as of 2015–2016, those with low incomes in Sydney are more likely to be culturally and linguistically diverse than the rest of NSW, with 15.5% of people who use a language other than English at home living in low-income households.

## A national plan to eradicate poverty

Australia's lack of national human rights protections acutely affects people who experience poverty, marginalisation and discrimination. It is the most vulnerable people who fall through cracks in the existing frameworks.

Australia has committed to the UN's Sustainable Development Goals, which includes a commitment to halve poverty by 2030.

Australia does not have a national poverty reduction plan and has yet to agree to a consistent national definition of 'poverty'.

Many Australian laws relate to poverty and related matters, including social security benefits,<sup>iii</sup> and housing assistance.<sup>iv</sup> However, there are gaps in Australian laws relevant to poverty. Specific groups are overlooked and approaches to poverty reduction are often siloed rather than cross-cutting.

The national poverty reduction plan should:

- recognise the multi-dimensional nature and experiences of poverty
- establish a universal definition and agreed measures of poverty, with indicators and specific targets
- provide special attention to individuals and communities most affected by poverty, including
  - First Nations people
  - culturally and linguistically diverse communities
  - women and LGBTIQ+ people
  - children
  - people with disability, and
  - older people
- set indicators and targets for the transition away from welfare and management frameworks, toward social investment models
- adopt a strengths-based, capacity-building approach to support people into meaningful jobs and careers
- address the social determinants of health and wellbeing, which include employment, education, housing, nutrition, digital devices and data, social protection and justice
- specify measures to reduce childhood poverty, in recognition of the long term and intergenerational impacts of childhood adversity
- protect human rights and promote non-discrimination

## Priority action

**The Australian Government should introduce a national poverty reduction plan, adopting a human rights-based approach and co-design with affected communities.**

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<sup>i</sup> As at 2021. Dr Francis Markham (2023) 'Submission to the Senate Standing Committees on Community Affairs' Inquiry into the extent and nature of poverty in Australia', 31 October, <https://www.aph.gov.au/DocumentStore.ashx?id=9cff3504-f70f-42a7-b379a5fda9f7b2dc&subId=750035>

<sup>ii</sup> Australian Council of Social Services, [Why the Remote Area Allowance needs to increase](#), (Briefing note, 2024).

<sup>iii</sup> See, eg, Health Insurance Act 1973 (Cth); Health Insurance Act 1973 (Cth); Social Security Act 1991 (Cth); Social Security (Administration) Act 1999 (Cth); Carer Recognition Act 2010 (Cth); Aged Care Act 1997 (Cth); New Tax System (Family Assistance) Act 1999 (Cth); Paid Parental Leave Act 2010 (Cth).

<sup>iv</sup> See, eg, Housing Assistance Act 1996 (Cth).