

Ending poverty is cheaper than keeping it. So why don't we?

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Australia is a nation rich in resources, opportunity and social ideals, yet today, around 3.93 million people, including one in six children, live below the poverty line.

This appalling figure in one of the world's wealthiest countries forces the question: why does poverty persist in a social democracy built on "a fair go"? What does this reveal about our social contract and our willingness to tackle the roots of disadvantage, particularly as the language of "cost-of-living pressures" stifles the moral urgency to take collective action against poverty?

When English author Charles Dickens wrote *A Christmas Carol* in 1843, social upheaval and grinding poverty were rife. The St Vincent de Paul Society was barely a decade old and still years away from starting in Australia. Having read a harrowing government report on child labour in the UK, Dickens was not just penning a festive tale of redemption; he was sounding a call to compassion amid the stark poverty and social injustice of Victorian England. He portrayed poverty as a societal failure, not a personal flaw, challenging the prevailing attitudes that blamed the poor for their plight.

Through the transformation of Ebenezer Scrooge, Dickens demonstrated that kindness, generosity and community responsibility are the true measures of a life well lived.

Nearly two centuries later, the same message rings true. Poverty is deepening in Australia, and it is up to policymakers, and those of us above the line, to ensure it doesn't become the new normal for even more families.

As the annual [Vinnies Christmas Appeal](#) gets underway, the Society is receiving record requests across Australia for help with essentials – from food, clothing and blankets to companionship, housing and support services. Each plea reveals how government support systems fall short, how families and individuals are pushed to the edge by forces beyond their control. It reminds us that, despite our national prosperity, Australia's laws and policies, and the mindset behind them, appear to accept poverty as part of everyday life.

The language of “cost-of-living pressures” now dominates headlines, but it obscures the reality of poverty. When the conversation centres on inflation rather than deprivation, the urgency is lost. As of July 2025, one in seven Australians lives below the poverty line. For children, the poverty rate is one in six. In some regions, such as my home state of Tasmania, one in four children lives in poverty. Each of these children has a name and each deserves an opportunity to thrive, not just survive. Each year of inaction robs them of that opportunity, costing the nation billions now and into the future.

Most people living in poverty rely on social security, often paid well below the threshold needed for a healthy life. Households dependent on JobSeeker, Youth Allowance, Disability Support Pension, Parenting Payments (Single) and Carer Payments are at highest risk. The average gap between income support and the poverty line is hundreds of dollars weekly, leaving many in constant financial stress, unable to afford basic necessities or to participate fully in society. Housing shortages and rental stress compound the challenge with more than half of low-income renters spending over 30 percent of their income on rent. As a result, many families skip meals, forgo medical care, or face homelessness.

Why, then, do governments choose to maintain a tax and welfare system that enforces scarcity at the bottom while extending concessions to those at the top, rather than to reform it? Over decades, Australia's approach has hardened, focusing on compliance, audits and punitive measures for welfare recipients, often more rigorously than it scrutinises tax concessions and loopholes for the wealthiest households. The unlawful Robodebt scheme exposed policymakers' punitive approach towards welfare recipients perversely deemed as

“undeserving” of support, while those benefiting from generous tax structures should be left largely undisturbed.

“If the real cost of ending poverty is lower than the price we already pay to sustain it, then the barrier is not affordability — it is political priority. Poverty endures because our policies allow it. It is a political choice.”

Yet the evidence shows the “welfare burden” is not driven by the poorest households, but by policy choices. Australia spends over \$50 billion a year on tax concessions for high-income earners, especially through superannuation, while essential payments for vulnerable families and individuals have been going backwards despite token increases.

Here’s the irony: economic analysis demonstrates it’s cheaper to end poverty in Australia than to maintain it. Modelling by the Australian Government’s own [Economic Inclusion Advisory Committee](#) (EIAC) indicates that for every dollar invested in increased working-age welfare payments, the nation receives \$1.24 in improved health, productivity and reduced demand for crisis services. In NSW alone, the economic cost of child poverty — through lost productivity and increased health and welfare spending into the future — is around \$60 billion annually.

The EIAC’s top recommendation is to raise JobSeeker and working-age payments to at least 90 percent of the Age Pension. This recommendation aligns with the most recent ANU report commissioned by the Society, *A Fairer Tax and Welfare System 2025*, which outlines four budget-neutral models to help those living in financial stress and poverty - mainly JobSeeker and working-age pension recipients, sole-person households, single parents and renters. It addresses the fact that the lowest 20 per cent of households receive just five per cent of all income. The models propose increased working-age payments, higher rates for the Disability Support Pension, Family Tax Benefit (Part A) and Commonwealth Rent Assistance, and — in the fourth model — a Guaranteed Minimum Income for households below the poverty line, including low-income working families. The report also opposes broadening the Goods and Services Tax, which would disproportionately affect low-income households.

Australia’s tolerance for poverty suggests a departure from the principles of equity and justice that are supposed to underpin our social democracy. The “new normal” of poverty exposes a society willing to accept deep structural

inequalities so long as they do not disrupt the broader narrative of prosperity, albeit one beset by “cost-of-living pressures”.

Public debate has been shaped by myths about the “undeserving poor”, sidelining the reality of housing shortages, systemic exclusion, unstable labour markets, disability, domestic violence and family breakdown. While the cost-of-living crisis narrative prevails, the moral imperative to eliminate poverty on our watch continues to be downplayed.

If the real cost of ending poverty is less than the current expenditure on maintaining it, then the debate is not about affordability; it’s about priorities and values. Poverty proliferates because our policies and culture allow it. It’s a national disgrace.

Every request the St Vincent de Paul Society receives for food, shelter or support is more than a call for charity; it is a plea for justice and reform. Giving a hand-up to those facing hardship and advocating on their behalf have been the dual missions of the Society since its inception. Australians must refuse to accept poverty as inevitable and demand policies that lift as many people as possible above the line - not just at Christmas, but every day.

With political will and public support, Australia can transform its social contract so no one is left behind. Ending poverty is a policy choice; one that’s both fiscally responsible and ethical. We urge the government to choose fairness without delay. One in six young Australians depend on it.

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