

18 January 2023

Committee Secretary  
Senate Standing Committees on Community Affairs  
PO BOX 6100  
Parliament House  
Canberra ACT 2600

Dear Senate Community Affairs References Committee,

**RE: Inquiry into the extent and nature of poverty in Australia**

Suicide Prevention Australia welcomes the opportunity to contribute to this inquiry. Suicide Prevention Australia is the national peak body for the suicide prevention sector. With over 390 members representing more than 140,000 workers, staff and volunteers across Australia, we provide a collective voice for service providers, practitioners, researchers, local collaboratives and people with lived experience.

The impacts of poverty are a key concern for our sector as the evidence shows that there is a strong link between poverty and suicide.<sup>1,2</sup> Worryingly, it has been established that suicide rates are between two and eight times greater in disadvantaged areas.<sup>3,4,5</sup> Australian data also finds that suicide occurs more frequently in the lowest socioeconomic areas<sup>6</sup> and has identified that problems related to housing and economic circumstances is a risk factor for suicide.<sup>7</sup>

As cost of living escalates, a growing number of Australians are experiencing financial strain. Findings from the Suicide Prevention Australia Community Tracker indicate that rates of distress in the community remain persistently high.<sup>8</sup> The survey found that 71% of people experienced an elevated level of distress in November 2022 compared to the same time 12 months earlier. Cost-of-living and personal debt was the lead cause of elevated distress, and worryingly, distress over housing and affordability grew the most among Australians in the previous three months.

We would like to provide input relating to the following terms of reference for this inquiry:

*(c) the impact of poverty on individuals in relation to: (iii) health outcomes*

<sup>1</sup> Hoffman, A, Farrell, C, Monuteaux, M, 2020, 'Association of pediatric suicide with county-level poverty in the United States, 2007-2016, *JAMA Pediatrics*, vol. 174, no. 3, pp. 287-294

<sup>2</sup> Choi, J, Kim, T, Shin, J, Han, E, 'Poverty and suicide risk in older adults: a retrospective longitudinal cohort study, *Int J Geriatr Psychiatry*, vol. 24, no. 11, pp. 1561-1571

<sup>3</sup> The Independent, 1995, *Suicide-poverty link is reinforced in new study*, viewed 5 January 2023, [Suicide-poverty link is reinforced in new study | The Independent | The Independent](#)

<sup>4</sup> O'Farrell, I, Corcoran P, Perry, I, 2016, 'The area level association between suicide, deprivation, social fragmentation and population density in the Republic of Ireland: a national study', *Soc Psychiatr Epidemiol*, vol. 51, no. 6, pp. 839-847.

<sup>5</sup> Office for National Statistics, 2020, *How does living in a more deprived area influence rates of suicide?*, viewed 9 January 2023, [How does living in a more deprived area influence rates of suicide? | National Statistical \(ons.gov.uk\)](#)

<sup>6</sup> Australian Institute of Health and Welfare, 2022, *Deaths by suicide, by socioeconomic areas*, viewed 5 January 2023, [Suicide by socioeconomic areas - Australian Institute of Health and Welfare \(aihw.gov.au\)](#)

<sup>7</sup> Australian Institute of Health and Welfare, 2022, *Psychosocial risk factors and deaths by suicide*, viewed 5 January 2023, [Psychosocial risk factors & suicide - Australian Institute of Health and Welfare \(aihw.gov.au\)](#)

<sup>8</sup> Suicide Prevention Australia, 2022, *Suicide Prevention Australia Community Tracker 2022*, viewed 9 January 2023, [Suicide Prevention Australia Community Tracker - Suicide Prevention Australia.](#)



- (d) *the impacts of poverty amongst different demographics and communities*  
(f) *mechanisms to address and reduce poverty*

We refer the committee to four reports that address the link between poverty and suicide and give recommendations for key actions that address poverty and suicide risk. A brief overview of key points and relevant recommendations from these reports is below. The reports are attached to this submission and can be downloaded here:

- [Turning Points: Imagine a World Without Suicide](#)
- [Turning the Tide: A Six Point Plan for Change](#)
- [The role of housing insecurity and homelessness in suicidal behaviour and effective interventions to reduce suicidal thoughts and behaviours: a review of the evidence](#)
- [Suicide Prevention Australia: Social Security Policy Position](#)

These four reports address key aspects of poverty and suicide: debt, insecure work, increased risks for specific populations, and inadequate welfare supports.

**Debt:**

The relationship between poverty and debt is well documented. Sadly, indebtedness can be both a cause and response to poverty.

Mortgage holders struggling to meet repayments can experience significant mental distress and worsening mental health outcomes. Housing costs can precipitate protracted financial stress and can result in loss of security due to eviction, insecure housing, and homelessness. For children and young people, housing insecurity and homelessness can have severe long-term ramifications and an adverse impact on mental health. Sadly, there is strong evidence that economic recessions and mediators such as unemployment, income decline, and unmanageable debts, are significantly associated with poor mental wellbeing, and suicidal behaviour. Living in areas with higher rates of foreclosure and evictions was also linked to an increased likelihood of depression, anxiety, psychological distress and suicide.

**Recommendation: The Commonwealth Government better regulate mortgages and lenders to prevent abuse against borrowers**

The increasing popularity of buy-now-pay later schemes such as Afterpay increases vulnerability to debt and can compound financial stress. Concerningly, 40% of buy-now-pay-later service customers are on low incomes of less than \$40,000 per annum and one in six customers engage in at least one activity which negatively affects their finances with many overdrawing, delaying repayments, or incurring additional debt to service their buy-now-pay-later debt.

Unfortunately, the health impact of indebtedness can be dire, and people who are unable to pay their debt experience suicidal ideation and depression more often than the general population. Findings indicate that levels of personal debt are associated with thinking about suicide even after adjusting for socioeconomic factors, lifestyle behaviours and other risk factors. These services are not required to verify the financial capabilities of customers which can have dire consequences as borrowers can take on more debt than they can afford. To protect consumers from financial harm, buy-now-pay later schemes should be regulated.



**Recommendation: The Commonwealth Government strengthen responsible lending practices through legislation covering the Buy-Now-Pay later industry.**

**Insecure Work:**

The growth of the freelance workforce or gig economy has major financial ramifications for employees due to loss of superannuation, paid sick leave and annual leave. Worryingly, the growing casualisation of the workforce and shift towards contract work has coincided with rising underemployment and low wage growth in Australia.

**Recommendation: The Australian Government to co-fund:**

- a. an online peer support platform for gig-economy workers
- b. toolkits to help gig companies to support better workplace mental health

**Increased Risks for Specific Populations:**

The report conveys that specific population groups are at greater risk of financial difficulties and economic disadvantage. Aboriginal and Torres Strait Islander peoples experience the highest rates of financial exclusion and are often unable to borrow for a home or car to build their future financial security. Given that Aboriginal and Torres Strait Islander peoples experience higher rates of suicide and higher rates of disadvantage the report suggests that there is a potential link between suicide and deprivation.

**Recommendation: The Commonwealth Government fund specialist financial counsellors for priority groups and a campaign to promote their services.**

**Current welfare supports are inadequate:**

Australia's income support system is failing to prevent poverty.<sup>9</sup> Sadly 55% of Australians receiving Newstart allowance and 64% of people receiving Youth Allowance are living in poverty.<sup>10</sup> The Senate Community Affairs References Committee reported significant evidence on the inadequacy of income support payments and their current ability to meet basic living needs during their inquiry into poverty and financial hardship.<sup>11</sup>

We know from previous recessions and pandemics that social safety nets play a crucial protective role in reducing distress and suicide risk.<sup>12</sup> A fair and efficient income support system which ensures that all Australians can afford necessities will lift people out of poverty<sup>13</sup> and protect

<sup>9</sup> Pro Bono Australia 2022, *Charities say inadequate income support payments are leading to poverty*, viewed 16 January 2023, [Charities Say Inadequate Income Support Payments are Leading to Poverty - PBA \(probonoaustralia.com.au\)](https://www.probonoaustralia.com.au/Charities-Say-Inadequate-Income-Support-Payments-are-Leading-to-Poverty-PBA)

<sup>10</sup> Davidson, P, Saunders, P, Bradbury, B, Wong, M, 2018, *Poverty in Australia*, ACOSS/UNSW Poverty and Inequality Partnership Report no. 2

<sup>11</sup> The Senate Community Affairs References Committee, 2004, *A hand up not a hand out: Renewing the fight against poverty*, Commonwealth of Australia, viewed 16 January 2023, [https://www.aph.gov.au/Parliamentary\\_Business/Committees/Senate/Community\\_Affairs/Completed\\_inquiries/2002-04/poverty/report/index](https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Community_Affairs/Completed_inquiries/2002-04/poverty/report/index)

<sup>12</sup> Stuckler, D, Basu, S, 2013, *The Body Economic: Why Austerity Kills*, Basic Books.

<sup>13</sup> Romig, K, 2022, *Social security lifts more people above the poverty line than any other program*, Centre on Budget and Policy Priorities, viewed 16 January 2023, [Social Security Lifts More People Above the Poverty Line Than Any Other Program | Center on Budget and Policy Priorities \(cbpp.org\)](https://www.cbpp.org/social-security-lifts-more-people-above-the-poverty-line-than-any-other-program)



against suicide. This was evident in 2020 when poverty levels in Australia were reduced and suicide rates contained following the roll out of additional COVID-19 support payments.<sup>14</sup> We support the Raise the Rate campaign championed by ACOSS<sup>15</sup> and recommend that Australia's welfare system is reformed in line with the recommendations of their campaign.

**Recommendation: The Commonwealth Government permanently increase the base rates of income support payments to adequate levels as outlined in the Raise the Rate campaign.**

Given the accelerating cost of living across Australia it is imperative that there is increased investment in Government services and initiatives to support vulnerable Australians who are experiencing financial stress to prevent a potential increase in the suicide rate. If the Committee requires any further information please contact Christopher Stone, Policy and Government Relations Manager, [chriss@suicidepreventionaust.org](mailto:chriss@suicidepreventionaust.org).

Yours sincerely,



Nieves Murray  
Chief Executive Officer

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<sup>14</sup> UNSW Sydney, 2022, *Reducing poverty and inequality in Australia is possible, report says*, viewed 16 January 2023, [Reducing poverty and inequality in Australia is possible, report says | UNSW Newsroom](#)

<sup>15</sup> ACOSS, 2020, *Raise the rate for good*, viewed 16 January 2023, [Home - Raise The Rate](#)

