

13 September 2019

Committee Secretary
Senate Community Affairs References Committee
Department of the Senate
PO Box 6100
Parliament House
CANBERRA ACT 2600
AUSTRALIA

Dear Committee Members

Adequacy of Newstart and related payments and alternative mechanisms to determine the level of income support payments in Australia

Uniting Vic.Tas welcomes the opportunity to provide input into the Senate Community Affairs References Committee's Inquiry into the Adequacy of Newstart and related payments and alternative mechanisms to determine the level of income support payments in Australia.

Uniting Vic.Tas is the community services organisation of the Uniting Church in Victoria and Tasmania. We are more than 8,000 people delivering hundreds of services accessed nearly 200,000 times each year across Victoria and Tasmania. We work across the full spectrum of community services, intervening early to help people avoid crisis, as well as supporting those who live life at the margins.

The attached submission reflects our expertise and longstanding experience in supporting people experiencing financial hardship including those who access Newstart, Youth Allowance and related payments. Every area of our organisation is affected by the inadequacy of income support payments, from our services in financial counselling, emergency relief, energy concessions, employment, disability, homelessness and mental health through to supports for families and young people leaving out of home care. We know that we have a compelling story about these wide-ranging impacts for people struggling in our community.

As an organisation Uniting is also deeply committed to voicing the lived experience of our consumers. As such, this submission includes the insights of consumer focus groups to highlight how the current policies impact people's daily lives, wellbeing and sense of dignity.

Thank you for the opportunity to provide feedback to support this important inquiry into the adequacy of Newstart and related payments and alternative mechanisms to determine the level of income support payments in Australia. We would be pleased to provide further input on any of the areas covered in this submission, if requested.

Yours sincerely,



Paul Linossier
Chief Executive Officer



Submission by Uniting Vic.Tas

Inquiry into Adequacy of
Newstart and related payments
and alternative mechanisms to
determine the level of income
support payments in Australia

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Uniting's experience

Who are we?

Uniting Vic.Tas is the community services organisation of the Uniting Church in Victoria and Tasmania. We are more than 8,000 people delivering hundreds of services accessed nearly 200,000 times each year across Victoria and Tasmania. We work across the full spectrum of community services, intervening early to help people avoid crisis, as well as supporting those who live life at the margins. As a significant provider of services and programs for people experiencing disadvantage, Uniting is well positioned to inform the committee about the wide-ranging impacts of inadequate income support payments on individuals and families in Australia.

What do we stand for?

"It all gets back to what the government considers a reasonable cost of living. It's about basic human rights.... Newstart payments should be based on what you need to live."

Consumer Focus Group Participant

Uniting aims to inspire people, enliven communities and confront injustice. We believe that every Australian should have access to basic services such as housing, food, transport, utilities and healthcare. This means that no matter whether people are working or not, they should be able to live free from poverty, homelessness and destitution.

Fundamentally, we believe that an income support system which enables and empowers people to create change in their lives will benefit all Australians. Our welfare system should reflect the kind of Australia we want to be: a country that treats everyone with dignity and respect and inspires its people to participate in social, cultural and economic life.

Societies are defined by how they treat their most vulnerable. We know, based on international comparisons, that other countries have welfare models that maintain people's integrity, autonomy and sense of pride while supporting them into employment. Australia can have that too.

We believe that raising the rate of Newstart, Youth Allowance and related payments is the single most effective step to reducing poverty in Australia.

What do we need?

As a member of the Raise the Rate campaign we actively called for this Senate inquiry on the adequacy of income support payments in Australia. We stand united with the Australian Council of Social Service (ACOSS), business groups, unions, leading charities and community organisations, the Committee for Economic Development, Deloitte Access Economics, KPMG, Australian Industry Group, the Australian Medical Association, and the Business Council of Australia with a clear message:

As a bare minimum, the Australian Government should increase the single rates of Newstart, Youth Allowance and related payments by \$75 per week to reduce poverty and inequality in Australia.

We also recommend that Australian Government:

- Index Newstart, Youth Allowance and related payments to wages as well as CPI to ensure they maintain pace with community living standards

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- Increase Commonwealth Rent Assistance by at least 30% or \$20 per week for a single person on Newstart
- Establish a Single Parent Supplement to help single parents with the cost of raising children
- Establish a Social Security Commission to guide the Parliament on payment settings
- Abolish a range of paternalistic conditions attached to payments including compulsory income management, cashless debit, and third-party verification of relationship status
- Streamline payment application processes to reduce waiting times and prevent people having to provide the same information twice
- Strengthen the capacity of Centrelink to meet need by increasing permanent staffing levels and introducing robust advisory and referral arrangements.

Together, these reforms would improve people's health, wellbeing and security and boost the economy because every cent would be spent in local communities.

Where has our input for this submission come from?

Our submission draws on the experiences and service data of Uniting's program and service staff and consumers predominantly across metropolitan and rural Victoria and Tasmania. It demonstrates how every area of our organisation is affected by the inadequacy of income support payments, from our services in financial counselling, emergency relief, energy concessions, employment, disability, alcohol and drugs, homelessness and mental health through to supports for families and young care leavers. The experience of our financial counsellors features strongly in this submission, given their critical role supporting people experiencing financial insecurity.

At Uniting we advocate for, with and alongside our consumers to help confront injustice and effect real change for vulnerable people and communities. We know that quite often it is the power of people's personal stories that have the most impact in this work. We are grateful to the people who share their personal stories with us. And we often hear from them about how empowering and positive the experience is for them.

The voice of our consumers is, therefore, central to this submission. We held two consumer focus groups in Melbourne through our Enterprise Partnerships and Development area and our Employment Services to ensure the Committee hears firsthand from the people receiving Newstart, Youth Allowance and related payments. We hope that the consumer feedback, personal stories and case studies featured in our submission allow the Committee to understand what it is really like to survive on income support payments in Australia. Those taking part have asked us to tell their stories using assumed names, to respect their privacy. The names have been changed but the facts have not.

"How can you have a 'new start' if your electricity and gas have been disconnected, you have no shower and no warmth, you haven't eaten, you have no money for petrol or a myki fare, you haven't got any decent clothes for a job interview, you have no confidence because you've been socially isolated because of your lack of money, you can't top up your phone, and your front tooth is missing? This is not a 'new start', it's a bad start..."

Uniting Financial Counsellor

Increasing income support payments benefits everyone

"An extra \$75 equals self-esteem and self-worth..."

"The extra money would go to buying my children school clothes."

Consumer Focus Group Participant

We asked our consumers and program staff to tell us what meaningful changes an increase to income support payments would bring to the Australian community. Collectively, we believe this change would:

- **Improve quality of life** as people could afford daily living expenses such as rent, food, transport, medication, school fees, and utility bills
- Help people to manage their basic day to day living expenses which then **prevents applying for payday loans** that cause further hardship
- Improve **family relationships** by relieving some of the financial stress placed on families
- Reduce **homelessness** as there would be better access to appropriate accommodation
- Improve **health outcomes** due to achievement of basic living standards and people being able to afford health costs (eg medication, dental, optometry, rehabilitation and specialists)
- Improve **mental health and wellbeing** by decreasing the stress of financial pressures
- Increase **meaningful participation** in the community through, for example, reducing risk of depression and social isolation associated with poverty
- Lead to a **decrease in re-offending** as there would be less need to supplement incomes through anti-social behaviour
- Improve **child wellbeing and family functioning** as parents could afford extracurricular activities for children
- Improve life outcomes via **participation in employment and education**
- Benefit local communities as extra money is spent there and would help **stimulate the economy** in the long-run
- Help people living in unsafe living conditions, such as family violence or overcrowded and uninhabitable houses, to **live a safe life** with the financial means to live independently
- Enable **self-esteem and self-worth** by treating people with dignity and compassion
- Allow young people to **dream** without the barriers that poverty imposes
- Improve individual's **autonomy, control and self-determination** over their own lives as people on income support payments would be more self-sufficient and less reliant on welfare services, particularly crisis support and accommodation
- Help **break the cycle of poverty** and intergenerational disadvantage in Australia.

An increase to income support payments would help people afford food and housing, reduce homelessness, destitution and the need for charity. These reforms would improve people's wellbeing, job prospects, security and health, and benefit the entire Australian community.

Reducing poverty while boosting the economy

Recent figures from the National Centre for Social and Economic Modelling (NATSEM, 2019) show that a \$75 a week lift in Newstart would reduce the poverty rate in Australia by 0.8% while also reducing inequality. Deloitte Access Economics (2018) reported that lifting allowances by just \$75 a week could help boost the economy, 12,000 extra jobs in 2020-21 and increase wages by 0.2% in 2018.

What are the impacts of current policies?

Background

The latest figures indicate that 712,184 people in Australia live on Newstart payments and 90,286 people live on Youth Allowance payments (Department of Social Services, 2019). More than one third of Newstart recipients are on the payment for less than a year. However, 46% of Newstart recipients are on the allowance for more than two years and just over 20 per cent are still on benefits after five years (Deloitte Access Economics, 2018).

Newstart payments are indexed twice yearly, with increases in line with CPI. There has been no increase in the allowance, in real terms, since 1994. Yet, the cost of living has risen dramatically, especially for housing and utilities (ABS Household Expenditure Survey, 2017). Newstart and Youth Allowance have both slipped well behind other government payments (including the Age Pension or Disability Support Pensions) over the past 25 years. Unemployment benefits have also failed to keep pace with rises in the minimum wage (Deloitte Access Economics, 2018).

How much do people really live on?

Single unemployed adults on Newstart payments receive \$555.70 each fortnight. Everyone on Newstart payments receives the Energy Supplement, which is \$4.40 per week. Combined with Newstart at \$278 per week, this brings the payment up to \$282 per week, or less than \$40 per day. People aged sixty or over receive the slightly higher rate of \$601.10 a fortnight and move to that higher rate after nine continuous months on Newstart. In total, the payment is less than half the minimum wage.

Only 40% of single people receiving Newstart receive Commonwealth Rent Assistance, the maximum of which is \$68.50 per week if the person spends at least \$150 per week on rent. About 18% of single Newstart recipients receive Family Tax Benefit to help cover the cost of children.

Some groups are disproportionately impacted by this policy

As identified in the Terms of Reference, geography, age and other characteristics influence the number of people receiving payments, experiencing long term unemployment and living in poverty. Some groups are disproportionately impacted by this issue such as older unemployed workers, families, single parents, people with a disability, students, jobseekers, Aboriginal and Torres Strait Islander people, people from culturally and linguistically diverse backgrounds and people in rural and regional areas.

However, our extensive consultations with program staff highlighted that specific groups are particularly vulnerable, often due to their inability to work or the additional barriers they face to securing long-term employment. They are:

- Mature age job seekers over 55 years of age who are less likely to couch surf than younger people (Australian Institute of Health and Welfare, 2018) and face additional challenges gaining employment such as issues with age discrimination or computer literacy. Currently, about one in four Newstart recipients is older than 55 years of age (ACOSS, 2019a)
- Single older women who have little or no superannuation to support themselves
- Single parents, particularly single mothers with children at school and with caring responsibilities, who often spend their income on their children and child-care fees, and themselves skip meals. This group has difficulty finding suitable employment that offers the flexibility for school pick-up/drop-off and other caring arrangements (Centre for Excellence in Child and Family Welfare, 2019)

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- Families living solely on income support payments who are unable to meet basic needs
- People living in rural and remote areas with limited public transport, job opportunities and social services
- Single people living alone and paying private rent
- People with a disability, chronic health condition or a significant mental health issue (including as a result of trauma) who have not met the threshold for the Disability Support Pension, as well as people undergoing the lengthy process of applying for the Disability Support Pension
- People experiencing family violence who often feel unable to leave violence situations as income support payments are not enough to sustain them and their children
- Care leavers who have no family supports to supplement Youth Allowance payments
- People with criminal convictions or who have been recently released from prison
- Anyone who is without family supports
- People who are experiencing homelessness
- Individuals and families from culturally and linguistically diverse backgrounds, particularly those with low English proficiency, recent arrivals to Australia with limited access to computers, internet and transport, and those who are unfamiliar with Centrelink's job seeking requirements or who lack computer literacy skills.

The current arrangements have wide-ranging impacts

Every day we see evidence that Newstart, Youth Allowance and related payments are inadequate to cover basic living costs. As a large social services provider spanning metropolitan and rural areas of Victoria and Tasmania, we see the many ways in which living on \$40 per day has long-term, far-reaching impacts on people's health, mental health, social inclusion, economic participation and emotional wellbeing. Drawing on our experience and the experience of our consumers, the following section will illustrate the wide-ranging impacts, including:

1. Poverty, destitution and rising need for crisis support
2. Barriers to employment
3. Health, mental health and social inclusion
4. Homelessness and housing affordability
5. Child development, family functioning and intergenerational disadvantage
6. Youth engagement, employment and participation
7. Rural and regional inequities

1. Poverty, destitution and rising need for crisis support

"Newstart is at the centre of a whole range of problems."

Consumer Focus Group Participant

People relying on Government allowance payments such as Youth Allowance and Newstart are the group of people most likely to experience poverty in Australia (ACOSS & UNSW, 2019). While income support payments have stayed relatively the same since 1994, the cost of living has dramatically increased for all Australians, including the cost of rent, groceries, energy bills, healthcare, transport, childcare and other essentials. The ABS Household Expenditure Survey (2017) reported that Australians are spending \$190 more per week on the basic necessities than six years ago and household debt has doubled to \$169,000 since 2003-04.

The University of New South Wales found that social support payments for unemployed or low-wage families are below the minimum standards required to provide an adequate social safety net, with the shortfall varying between \$47 and \$126 per week (UNSW, 2017). When rent assistance is included, Newstart is the lowest unemployment payment in the OECD (Whiteford, 2019).

a) Rising need for emergency relief

"I just get by, day to day... And I think that's disgusting, being a grandmother and looking after my grandson."

"You want to look good and have new clothes and to feel proud."

Consumer Focus Group Participants

Living on around \$40 a day is a demoralising and undignified experience for people in our community. For many people, they will have less than \$100 left to survive per week after paying housing costs (ACOSS & UNSW, 2019). Through our emergency relief programs we see people going without food, medications, healthcare or basic school supplies. People often cannot afford the public transport, fuel or new clothes required to go to job interviews. This deprivation isolates people from their communities, as they often cannot join or participate in activities due to a lack of funds.

Our consumers show extraordinary resilience and resourcefulness in managing tight budgets. People reported that getting by on Newstart relied on specials, second-hand goods, shopping at discount stores or relying on charity services (if they were able to access them without too much paperwork). Consumers found concession cards helpful, as well as businesses that let them pay annual bills in monthly instalments.

"I had to access my superannuation to pay my son's school fees."

Consumer Focus Group Participant

According to the ABS household expenditure survey (2019), Australians are spending 16.6% of their household budgets on food, rising to 18.7% for the lowest income households. A survey by the Financial and Consumer Rights Council (FCRC, 2019)¹ found that 83% of people surveyed had to access food relief assistance to get by, and many others did not have enough money to buy adequate, fresh or healthy food. Similarly, ACOSS found that 84% of survey respondents skip meals to save money, with 44% skipping more than 5 meals a week, 63% not eating meat and 54% not buying fresh produce (ACOSS, 2019b).

"Some weeks I only have \$150 to feed a family of four (for a fortnight)."

Consumer Focus Group Participant

Snapshot of Uniting emergency relief programs across Victoria

Prahran

Our emergency relief program in Prahran provides free or low-cost meals, food aid and material aid and vouchers for clothing from our Opportunity Shops to people on income support payments. Last year, we provided food and material aid services to 600 people on Newstart payments in Prahran. Of this group, 52 people were referred to our Disability Employment Services.

Ringwood

Our services in Ringwood deliver emergency relief, housing supports, outreach, youth work, case management for families and tenancy advice programs. Last financial year there were over 11,000 presentations for food assistance through our emergency relief program due to low income. The previous year there was just over 10,000 presentations. Of the 11,000 presentations this year, 37.5% of people were on Newstart. Key populations accessing Ringwood's emergency relief include care leavers; unemployed people; single parents; people with a disability or mental health issues; anyone without family supports; people who are homeless; and people from culturally and linguistically diverse backgrounds.

¹ Uniting is an active member of the Centrelink Working Group of FCRC. Through FCRC, financial counsellors across Victoria collected information from 111 different people on Newstart about their expenses and what the current income support rate means in practical terms.

Bendigo region

Our program in Forest Street, Bendigo provided 6,405 emergency relief services to 1,707 people in 2018-19, with 94% being for food, 2% for travel costs and 1% for clothing needs. 49% were new consumers and around 18% (310) of people accessed emergency relief more than 5 times. The majority (44%) were aged between 36-45 years old. 100% of people were on government benefits, with 545 (32%) receiving Newstart payments, 191 (11%) receiving Family Payments, 133 (8%) receiving Parenting Support Payments and 39 (2%) receiving Youth Allowance. The majority of people seeking assistance were public renters (24%), private renters (28%), boarding (10%) or experiencing homelessness (9%).

In Kangaroo Flat, we provided 2,677 emergency relief services to 284 people in 2018-19, with 98% being for food and 2% for Christmas hampers. While 35% were new consumers, over 27% accessed assistance more than 5 times. 100% of people were on government benefits, with 2% receiving Newstart payments. The majority of people seeking assistance were public renters (58%) and at least 11% were over 65 years old.

Broadmeadows

Our emergency relief program in Broadmeadows delivered 1,718 emergency relief services to 989 people in 2018-19, with 74% being for food, 13% being for Christmas hampers and 9% being for travel costs. 51% were new consumers. 94% of people were on government benefits, with 254 (26%) receiving Newstart payments and 166 (17%) receiving Parenting Support Payments. Of those seeking assistance, 40% were public renters, 29% were private renters, 6% were boarding and 2% were experiencing homeless.

St Albans

In St Albans, we provided 685 emergency relief services to 353 people in 2018-19, with 100% being for food. 46% had not accessed the service previously. 100% of people were on government benefits, with 7% receiving Newstart. The majority of people seeking assistance were private renters (60%). A high proportion (27%) were over 65 years old.

Sunshine

In 2018-19, we provided 1,417 emergency relief services to 900 people in Sunshine, with 98% being for food. 48% were new, with people who speak a main language other than English making up a large proportion (41.9%) of these people had not accessed our emergency relief service before. 100% of people receiving emergency relief were receiving government benefits, with 34.8% receiving Newstart payments and 7.8% on Parenting Support Payments. The majority of people seeking assistance were public renters (13%) or private renters (55%).

b) Financial counselling

It's not reasonable to expect people to live on such low incomes and have the things all people would want (eg food, utilities) to have a quality of life."

Uniting Financial Counsellor

As part of our Financial Inclusion Services, financial counsellors review budgets; discuss money management; referral to Emergency Relief Programs for food and bill payment assistance; advocate for a hardship (reduced payments) arrangement with utility providers and other creditors; and discuss other hardship options.

We held a workshop with some of our financial counsellors who are based in Victoria, New South Wales and Queensland. They work with people experiencing financial insecurity and poverty. These discussions revealed that:

- The continuous rise in the cost of living without an increase in welfare benefits is causing families and individuals to struggle to pay for basic essentials. Our consumers often have to choose between paying their mortgage/rent and buying food.
- People on income support payments do what they can to survive. Examples provided include selling furniture, turning off the hot water, not using heaters in winter and not buying essential items like winter jackets and boots. However, when unexpected costs

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emerge these cannot be met and people go into debt. Having debt collectors involved affects people emotionally.

- The anxiety of falling behind rent or mortgage repayments or having received eviction notice to vacate property causes relationships to breakdown and impacts families.
- Men feel ashamed as they cannot provide for the family and find employment. Feelings of helplessness can exacerbate mental health conditions and suicidal thoughts.
- Centrelink requests documents which the consumer may not be able to provide hence delaying benefits or even stopping payments.
- Our financial counsellors question how a person could get a job in the situation of poverty experienced by many people on Newstart and related payments.

Stories from financial counselling

Maree is a single mum of two children who is totally reliant on Centrelink. She receives no child support. She pays private rent of \$360 per week, which is approximately 60% of her income. Her Newstart allowance is \$583. She also receives Family Tax Benefit A and B of \$474, Rent Assistance and supplements. Her total income including rent assistance is \$1253.68 per fortnight. Maree presents for emergency relief food for herself and her children each month. She has had difficulty understanding contracts that Telstra have tried sell her, despite her not having capacity to maintain. Maree had six Telstra contracts when she presented for financial counselling. It is a daily struggle for Maree to keep up with education costs for her children and other basic needs.

Jill is a single mum of one child in primary school. She has a history of experiencing family violence. She is totally reliant on Centrelink for her income, including Newstart and Family Tax Benefits. As well as paying rent and utilities, she pays fines, a Centrelink debt, consumer leases and a payday lender. Life is a battle for Jill and her son.

Louise is 63 years old and lives in a private rental. An adult son lives with her but due to his own unemployment and personal issues does not contribute financially. Louise was also left with a large debt after becoming guarantor for her former daughter-in-law. This debt has since been waived which is a relief but life on Newstart remains a struggle and isolates her from participating in society.

Newstart is the only income that Henry receives, \$570 per fortnight. He lives in public housing. His rent is \$137 per fortnight. Other fortnightly expenses include utilities and phone at \$140, groceries (including pet maintenance, cleaning, and toiletries) at \$200, cigarettes at \$40, bus fares at \$30, pharmacy at \$10, clothing and shoes at \$15. Henry was also paying off two credit card debts (which have now been waived) when he presented for financial counselling. He was feeling defeated and depressed.

*Names have been changed to protect the identities of our consumers.

Financial counselling data

In 2018-19, we had 3,929 referrals into our financial counselling services, of which 65% were on Centrelink income support payments and 28% had an insufficient income. Key financial difficulties experienced related to utility debts, credit card debts, housing arrears, personal loans, car loans, Centrelink debts and unpaid fines. The key vulnerabilities faced involved life events, limited capability to manage finances, mental health, family violence, economic abuse, disability and substance addiction.

Of those seeking financial counselling, 68% were women, 44% were living in private rental and 80% had an income under \$40,000. The majority of people were aged between 20 and 59 years of age. However, 12% were over 60 years old. The majority of referrals were for single parents (34%), single people (29%) and couples with children (20%).

Of the people on Centrelink payments in our financial counselling program, the demographics and trends in financial difficulties and vulnerabilities were similar to the broader referral group.

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CareRing program

Our CareRing program provides an extensive range of support services for individuals and families experiencing financial issues across Australia through a centralised, co-ordinated point of contact. Uniting has partnered with community agencies, government and utility and financial service providers to develop the CareRing model. Services include Financial Counselling; Financial Literacy (eg MoneyMinded); Microfinance (eg No Interest Loan, StepUP); and Child, Youth and Family Support (eg ChildFIRST, Men's Behaviour Change program).

In 2018-19, 65% of people accessing CareRing were receiving Centrelink payments and 75% of people in the program were women. The majority (70%) were aged between 30 and 59 years of age, although 17% were over 60 years of age. In terms of family composition, 30% were single parents, 25% were single and 20% were families with children.

Family violence, unemployment, homelessness, mental health issues, severe illness and divorce/separation were the key vulnerabilities experienced. The main causes of financial difficulty that led people to access CareRing were insufficient income/poverty, family or personal problems, utility bills, job loss or mortgage arrears.

Of the people accessing CareRing receiving Centrelink payments, 79% were women. The vulnerabilities faced and financial difficulties experienced were similar to the broader consumer group, with family violence and credit card debt being more prominent.

c) Energy costs

One of the most dramatic changes over recent years is the increase in financial pressure on households related to energy costs. According to the ABS Household Expenditure Survey (2017), the amount Australians spend on energy has risen 26% since 2009-10, an increase of 11% in real terms. In our experience, people on allowances are living without utilities in their homes or under constant threat of disconnection. Almost three quarters of people surveyed by FCRC in 2019 were in arrears for utilities. Of the people ACOSS surveyed 66% could not afford to use heating in winter and 64% could not afford to use cooling in summer (ACOSS, 2019b).

Energy program

In 2018-19, we had 1,428 referrals into our energy program, of which 58% were on Centrelink income support payments. Most people referred into the program were single parents (29%), couples with children (27%) and single persons (20%) who were experiencing severe illness, unemployment, mental health issues or were elderly. Private rental and public rental were the most common tenures, at 44% and 24% respectively. The majority of referrals came from people who lived in New South Wales (48%) and Victoria (36%).

Of the people on Centrelink payments in our energy program, 76% were women and most were renting. The main causes of financial difficulty related to utility bills and insufficient income and common vulnerabilities included severe illness, unemployment and mental health.

2. Barriers to employment

a) Impacts of living in poverty

"How can someone perform well in a job interview if they haven't eaten properly in days?"

Uniting Financial Counsellor

Australia's income support system should be enough to cover the basics so that people can focus on finding suitable employment, rather than dealing with financial crisis. Yet \$40 a day, the equivalent of less than \$15,000 a year, is not enough to survive on to look for work without having to worry about food, shelter, healthcare, electricity and other basics. According to the Business Council of Australia (2019), the rate of unemployment payments is so low it is acting as a barrier to work. In the initial stage of unemployment, Australia has the lowest rate

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of unemployment payment in the OECD, with 53.5% of Australia's unemployed now living in poverty (NATSEM, 2019).

Our services tell us that once people access Newstart it can take a long time to build to a point of exit because they cannot afford the transport, clothing, training, internet and computer costs that help people back into work. Living in poverty has huge impacts on the ability to search for work and gain employment. For example:

- A jobseeker with no mobile phone credit may be penalised by Centrelink for missing an appointment but may not be able to afford to buy mobile credit to contact Centrelink (and Centrelink does not offer free calls from mobiles)
- A jobseeker who attends an interview wearing inappropriate clothing or who has an obvious need for dental work may feel embarrassed and self-conscious
- A person from a refugee background may not have access to basic resources early in settlement such as internet, computer or a car or have related skills to help them search for jobs
- A mature age jobseeker require support to improve computer literacy skills, but limited assistance is available through Centrelink to help support skill development.

Currently, there are 712,900 people nationally who are unemployed (Labour Market Information Portal 2019). Yet, there is just one job for every eight people looking for paid work, with the majority of people receiving unemployment payments for 12 months or more (Department of Social Services, 2019).

Our consumers advise that constantly searching for jobs and being knocked back, without any response from employers, is disheartening. Consumers report going to interviews knowing that employers have already made a judgement about them being on Newstart before they walked in the door. For some, being capable but having barriers to employment was depressing. For example, the stigma associated with having a criminal record, which shows up on a police check and a Working With Children Check, makes it difficult to gain employment.

Karim's story

Karim is a 43 year old man from a culturally diverse background who lives with his wife and two young children. Karim ceased employment due to mental health concerns and other conditions. He is currently receiving Newstart and his wife is also on Centrelink benefits. Karim lives in mortgaged home and is currently behind in mortgage repayments. He is behind on his payments for two credit cards and is currently on a hardship (reduced payments) arrangement with utility providers and other creditors but this is due to expire. Karim is looking for employment but is finding it hard to access employment. Karim and his wife are having relationship issues due to financial stress and the couple are seeing a counsellor. He is feeling overwhelmed and helpless. He is afraid he may need to sell the family home; but may not be able to find affordable housing on Newstart income. His Newstart is insufficient and he is in deficit. Karim does not have enough income to meet the minimum repayment on mortgage account and pay for loans and buy the essentials such as bills, food and other costs of daily living. Karim reached out to a Uniting Financial Counsellor. She advocated and successfully negotiated to place a temporary hold on one credit card, while the other credit card was partially waived and a long-term payment plan set up. Karim's mortgage was placed on hold for three months and then reduced payments were set up for a further three months to be reviewed. He was offered food parcels but refused because of his sense of pride. Karim wishes to find employment, however, due to his mental health condition he has been finding it difficult to access employment. A rise in Newstart will mean Karim is able to manage basic needs, such as food, bills and mortgage. It will relieve some financial stress and assist in his emotional wellbeing, which, in turn, will support him to feel well enough to look for work.

*Name has been changed to protect the identity of our consumers.

b) Impacts of disability, mental health and chronic health conditions

One in four people on Newstart only has a partial capacity to work because of chronic illness or disability (ACOSS, 2019a). According to the Labour Market Information Portal (2019), as of 31 August 2019, 75% of people who accessed Disability Employment Services are on Newstart and Youth Allowance payments, while only 11.5% received Disability Support Pension. Of these, 76.9% are activity tested under mutual obligations and, therefore, must look for work.

The number of Disability Support Pensions has fallen from a peak of 89,000 in 2009-10 to 32,000 in 2016-17, due largely to new compliance and assessment measures in 2012 which tightened eligibility criteria (Parliamentary Budget Office, 2018). This reflects the experience of our consumers, as many people are unable to meet the difficult requirements for accessing the Disability Support Pension, and the wait times for assistance are lengthy. Finding suitable employment is often challenging for this group. Our consumers report that the moment employers know a jobseeker has a disability or health issue they are not interested in hiring that person because they are viewed as a liability.

"It's about how you are treated...."

Consumer Focus Group Participant

Uniting's consumers reported that Centrelink staff often lack awareness and training to enable them to understand how people's chronic health conditions, mental illness and/or disabilities impact their daily life and consequently do not provide adequate support. Many consumers feel that applications for the Disability Support Pension are routinely rejected under recent policy changes and that the application process is extremely long, during which time supports are inadequate. However, people in this situation are often not well enough to work or look for jobs when trying to manage a critical health issue and ongoing treatment (eg dialysis) but Centrelink is pressuring them to look for work.

The data below from our Jobactive and Disability Employment Services demonstrate how many jobseekers on income support payments are living with a disability, mental health condition or chronic illness, experiencing homelessness, negotiating the stressors of settling in a new country, living as a single parent or struggling to find a job while confronting technological change as a mature aged jobseeker.

Jobactive services

At our Jobactive site, 87.8% of jobseekers are receiving Newstart allowance. Around 12% of jobseekers are on either Parenting Payment, Youth Allowance and Austudy.

According to data available publicly on the government's Labour Market Information Portal, we provided Jobactive services to 122 people as of 31 August 2019, of which:

- 64% have been unemployed for greater than 12 months
- 55% were female
- 9% were under 25 years of age
- 42% were over 50 years of age
- 34% had a disability
- 10% were from a refugee background.

Disability Employment Services

Around 70% of consumers in our Disability Employment Services are on a Newstart allowance. The most vulnerable jobseekers in our Disability Employment Services are people from culturally and linguistically diverse backgrounds, Principal Carers, mature aged jobseekers and people who reported depression and other mental health issues as their primary disability.

3. Health, mental health and social inclusion

a) Health impacts

"I hardly ever drank before I became unemployed. It has a big effect."

"It costs money to lose weight – you need to go to the gym, to eat healthy food. Instead, I could become a burden on the public health system in the future."

Consumer Focus Group Participants

Recent research by Monash University found that Newstart recipients were 6.8 times more likely to describe their own health as poor (Collie, Sheehan & McAllister, 2019). Newstart recipients were also 1.5 to 2 times more at risk of hospitalisation than wage earners. Our consumers reported difficulty in eating healthily and losing weight on such low incomes, as well as not being able to afford the cost of leisure activities (eg leisure centres or gyms) which served a physical as well as social purpose. Medical expenses are a significant cost for people on income support payments. Appointments with private doctors and medicines (especially over the counter medicines not covered by concession cards and medicines not listed on the PBS) were seen as expensive but a necessity rather than a luxury.

b) Mental health and financial stress

"All you want is the extra money to do something nice for yourself sometimes, like go to the movies or buy new clothes."

Consumer Focus Group Participant

Living on income support payments has profound impacts on people's mental health, emotional wellbeing and ability to engage socially. Nearly half (48.6%) of Newstart recipients reported mental or behavioural problems, compared with 21% of wage earners (Collie, Sheehan & McAllister, 2019). FCRC (2019) also found that 68% of people surveyed on Newstart were experiencing mental health issues over the last year. Mental health was also a key concern of consumers participating in our focus groups, who reported feeling anxious, stressed, frustrated and overwhelmed by managing life on such low incomes, especially combined with potential debts under Centrelink's compliance program.

"Mentally, it's taxing and it gets you down."

Consumer Focus Group Participant

Our program staff report that our consumers are constantly stressed and worried about how they will manage with future bills and expenses. Being overwhelmed and living in survival mode is mentally taxing and makes it difficult to think clearly. When people become so socially isolated that they stop participating in life then the idea of getting a job is too hard to imagine.

However, people living on low incomes are often unable to gain the preventative mental health services and medications they need because they cannot afford these services. When crisis supports (eg CAT team or ambulance) are needed they are also not readily available. In this way, the current welfare policies act as a barrier to economic participation.

NDIS Support Co-ordination and Mental Health Services

Our people who provide NDIS Support Co-ordination and Mental Health Support Services in metropolitan Melbourne report that the mental health of consumers receiving Newstart is impacted by the insufficiency of these payments. Staff report that the stress of living in poverty greatly impacts consumers' mental health, self-esteem and their sense of belonging in the community. These policies exacerbate mental health issues rather than support pathways to recovery. As a not-for-profit organisation, Uniting has limited funds to support consumers receiving a Disability Support Pension or income support payments. Yet we know that lifting people out of poverty is the best way to improve mental health outcomes.

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c) Social isolation

"When they don't respect you, it burns you inside."

Consumer Focus Group Participants

Overwhelmingly, our consumers report that living on Newstart is an isolating experience that impacts their mental health and wellbeing. Of people surveyed by FCRC (2019), 68% experienced social isolation. Not being able to afford the costs of socialising, such as eating out, new clothes, getting a haircut or buying birthday presents, meant that they lost touch with friends or family. Losing these supports, coupled with the shame and embarrassment of not being able to buy something, often led to depression.

For example:

- A gentleman in his 50's recalled how, when he started work again, the first thing he bought was new clothes, because looking good for him meant having a sense of pride and being able to accept invitations from friends to go out.
- A single mother discussed the feeling of deprivation in not being able to do something nice for herself like getting a haircut.

d) Losing dignity and respect

"The worst experience of my life was going into Centrelink - it's a degrading experience giving your details in a cubicle and being judged."

Consumer Focus Group Participant

It cannot be underestimated how disempowering it can feel to ask for help. Participants in our Consumer Focus Groups described feeling ashamed, degraded and judged by Centrelink staff, employers, other employment services and the wider community. Consumers also reported experiences of stigma and discrimination when applying for jobs or private rentals. For job seekers with a disability, in particular, there was a need for appropriately trained staff who could understand and be responsive to their disability.

"It's degrading, you feel bad enough in that situation and then to have someone judge you.... I came here for help, not to have someone judge me."

"They (Centrelink) make you feel like a beggar... They make you feel like you are nothing and you have to grovel to them..."

Consumer Focus Group Participants

The attitude of Centrelink staff left the most lasting impact on our Consumer Focus Groups. Instead of feeling supported, consumers described Centrelink's customer service approach as resistant, demeaning, disrespectful, misinformed and inconsistent - all of which diminished their sense of dignity and worth. Many consumers were upset by the lack of privacy and confidentiality at Centrelink when they share their private details in open plan office cubicles. There was also a sense that Centrelink had control over their livelihood because of the limited recourse for change or complaint.

Good customer service is important to our consumers, who felt that staff at Centrelink who could show empathy and compassion, foster personal connections and remember people's names made a huge difference to their wellbeing. Generally, our consumers believed that what is really needed from the government is a system that motivates, inspires hope and "enables people to feel better about themselves."

Alex's story

Alex was introduced to an Emergency Relief Program by one of our volunteers in early 2015. He wanted to make an appointment to see a lawyer. While making this appointment, Alex made clear that his reason to see the lawyer was to organise his Will, as he was contemplating suicide. At the time, Alex had recently lost his partner to suicide and he too no longer wanted to live. Alex was not only dealing with grief and loss but also guilt from feeling he was not enough for his partner. He had been estranged from his family who were not approving of his sexuality.

Emergency Relief staff were able to put in place mental health crisis support as well as introduce Alex to our Diversity Coordinator for additional support. Alex sees his mental health support worker regularly, as well as a psychologist, and is continuing to take medication for depression. Alex has continued to be supported by Emergency Relief as he is on Newstart. Since 2015, Alex has accessed Emergency Relief a total of 12 times. Recently, he was looking at returning to work but he was not having any success.

Emergency Relief staff were able to suggest the Market Your Skills course which Alex recently completed. We have just received heard that after two interviews Alex has accepted a new job.

*Name has been changed to protect the identity of our consumers.

4. Homelessness and housing affordability

"Our rents keep going up, but our payments don't..."

Consumer Focus Group Participant

The lack of affordable housing in Australia is a key reason why people on income support payments are at high risk of experiencing disadvantage and homelessness. For example:

- The ABS Household Expenditure Survey (2019) revealed that, on average, 19.6% of household expenditure is spent on housing, an 18% increase from 2009-10. For low income families average household spending on housing is much higher, at 23.4%.
- Anglicare Australia found, in March 2019, that of 69,000 rental properties surveyed, just two properties Australia-wide were considered affordable for single people on the Newstart allowance. For a single parent on Newstart with one child, only 75 rental listings were affordable (Anglicare Australia, 2019).
- FCRC (2019) found that 52% of people surveyed were spending well over half of their income on rent, with some people having to spend as much as 97% of their income on rent (a key poverty benchmark is rent expenses should not exceed 30% of income). 52% of respondents were in housing arrears, and 42% had experienced homelessness.
- ACOSS's (2019b) survey of 489 people on Newstart or Youth Allowance found that 59% of respondents have less than \$100 left per week after housing costs and 39% were left with \$50 or less a week after housing
- A Grattan Institute analysis reported that the cost of housing is widening the gap between rich and poor, despite income inequality remaining mostly steady (Fitzsimmons, 2019).

Our experience reflects the evidence above – our consumers spend much of their basic income to try to stay housed and this impacts their ability to afford other necessities. We are especially concerned for the safety of our consumers who are forced to live in unsafe living conditions in overcrowded or uninhabitable houses or sleeping rough on the streets because the current allowances do not provide them with the financial means to be independent.

"Rent takes up all my income..."

Consumer Focus Group Participant

Ballarat homelessness services

Our Ballarat homelessness services provide rental support for rent arrears to save tenancies, assistance with rent in advance, bonds and funds for crisis accommodation. Of the 2,060 people who presented to the Ballarat service entry point last year 691 were on Newstart - this equates to 33.5%. Staff report that consumers are struggling to get by because the allowance does not cover the costs of rent or emergency accommodation. When people are lucky enough to have secured a private rental, they often sacrifice using essential services as they cannot afford to pay both utility bills and rent on Newstart. People are accessing crisis accommodation after evictions and emergency relief to assist them in maintaining their tenancies in Ballarat.

Ringwood homelessness services

Our Ringwood services deliver emergency relief programs, housing supports, outreach, youth work, case management for families and tenancy advice programs. Staff at our Ringwood homelessness service report that people on Newstart and related payments are being squeezed out of the private rental market. Further, the allowances provide such a small income that if people do not spend it wisely, they can feel forced to take unsafe options to live.

Tenancy Assistance Program

In 2018-19, we had 897 referrals into our tenancy assistance program, of which 79% were on Centrelink income support payments and 16% had an insufficient income. Of referrals, 62% were women and 90% were private tenants. The majority of consumers (87%) were aged between 20 and 59 years of age, with 10% over 60 years of age. 31% of referrals were single parents and 35% were single persons. The key vulnerabilities were life events, disability, mental health and family violence. The tenancy matters related to possession or notice to vacate, rent arrears, bond claims, compensation claims and urgent repairs. Of the people on Centrelink payments in our financial counselling services, 91% were private tenants.

Tim's story

Tim is 29 years old and receiving Newstart. Tim presented to one of our homelessness services requesting help to find accommodation having left his previous accommodation after separating from his girlfriend. Tim had couch surfed between friends for a few weeks before coming to our service. He had worked casually as a factory hand over the past few months but the work had ended. Tim recently sold his car after he stopped being able to afford to run it and get necessary repairs completed. His lack of transport had limited his work options. Tim's brother took his own life 6 months ago, his grandmother had recently died and Tim had become very depressed as a result. Tim and his brother had spent much of his adolescence in various forms of Out of Home Care after growing up in a family violence setting but his grandmother had been their 'constant' support during this time. Tim did not have contact with any other members of his family. Tim stated that he had struggled at school, had unsuccessfully tried various training courses and had never had work for longer than a few months. The worker who met with Tim discussed available accommodation options which included a room in a rooming house for \$210 a week, \$420 a fortnight. On Newstart, this would not leave much for other living expenses such as food, travel costs and the medication prescribed for his depression. Tim reported he had stayed in rooming houses previously and had felt unsafe because of the other residents. He reluctantly accepted the rooming house option on this occasion as he needed somewhere to store his belongings and needed a place to have a shower so he could keep looking for work. There were no private rental options in the region for less than \$320 per week and while share-house options were cheaper, Tim found the process very competitive and did not believe he presented well in interviews. Tim described himself as 'stuck'.

*Name has been changed to protect the identity of our consumers.

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5. Child development, family functioning and intergenerational disadvantage

a) Family functioning

"If I go to sleep hungry it's okay. But it affects me if my kids miss out. My kids don't deserve this... They have to have a life as an Australian, not as an Afgan child. In Australia there should be a good system."

"A lot of time I question myself as a mother when my kid goes without. I'm setting him up for failure... [Newstart] is a cycle that can't be broken".

Consumer Focus Group Participants

Living on income support payments profoundly impacts the wellbeing and development of children in Australia. The current policy settings contribute nothing to breaking the cycle of intergenerational disadvantage or improving the circumstances and safety of our children. For example, a recent survey of 169 child and family service providers conducted by the Centre for Excellence in Child and Family Welfare (2019) highlights the intense pressure financial strain places on child-mother relationships for single mothers on income support payments.

Further, UnitingCare Australia's (2018) report on Child Social Exclusion, Poverty and Disadvantage in Australia revealed that:

- One in six (17.2%) of Australian children aged 0-14 years live in poverty.
- Many children are experiencing disadvantage on multiple fronts and are unable to participate fully in their community.
- A local community's risk of child social exclusion is highly persistent over time.
- Excluding Northern Territory, the highest rates of child poverty occurred in areas in Victoria outside of greater Melbourne (23.1%) and in NSW outside Sydney (18.9%).
- Child social exclusion means lost opportunity, marginalisation from the life of a community and the risk of leading lives of unfulfilled potential. The key drivers of improvement in child social exclusion were 'above-average' improvement in the socio-economic well-being of families in these areas and in their educational attainment, and reduced exposure to increases in housing stress.

These findings mirror Uniting's experience: we have witnessed single parents making tough budgetary decisions about how and whether to pay for basic needs and/or childcare, school fees and schooling costs. Our consumers report often having no choice but for their children miss out on school excursions, new school clothes or extracurricular activities such as sports. There is a profound sense of guilt, stigma and shame associated with not being able to provide for your family. Parents felt their burdens and stressors impacted their children and worried that the disadvantage they experienced would become intergenerational. To protect their children from seeing their disadvantage or being bullied at school, single parents often prioritised spending their income on their children, while they skipped meals because they regularly have run out of food before their next income support payment.

"You personally go without so your kids can afford things... Kids never see the disadvantage and they never should"

"I look for specials for my kids but I never buy anything more than \$20 for myself."

Consumer Focus Group Participants

There is a useful child-care subsidy which parents can attract when they are looking for work. Parents can receive a maximum of 26 weeks of this additional subsidy for a job search activity, and they do not have to use this all at once. This kind of flexibility supports better outcomes.

John's story

John is a single dad on Newstart living regional Victoria with a 12 year old in his care. He cannot afford private rental in this regional area. John has accessed support with housing, emergency relief, school, medical issues, and NDIS support. The lack of funds has had a serious impact on John's mental health and he has had to cease attending specialist medical appointments in Melbourne, leading to increased ill health. John has a chronic health condition that requires specialist medical treatment, and not attending his medical appointment could have major implications for his health. He does not attend these appointments as he prioritises his child's needs first. Raising the rate of Newstart would mean that John would not have to choose between his health and the health of his child.

*Name has been changed to protect the identity of our consumers.

b) Family violence

At Uniting, we share the deep concern of the Centre for Excellence in Child and Family Welfare (2019) that many women on income support payments have experienced family violence and found it necessary to reconnect with a violent partner rather than struggle alone to meet family needs with minimal and highly conditional family support.

Our Intake and Case Management Services in Gippsland, for example, have been involved in multiple cases whereby a woman has left a violent situation but felt it was easier to go back into the violent situation than try to support their children on Newstart payments. These women feel helpless and stuck. Raising the rate of Newstart and related supports would help women experiencing family violence to live a safe life with financial independence and improve their sense of self-esteem and self-worth.

6. Youth engagement, employment and participation

Young people under 22 years of age receive a lower payment on Youth Allowance than those on Newstart, regardless of their living arrangements and family support. A recent report by the Grattan Institute (2019) found that poorer young Australians have less wealth than their predecessors and are far less likely to own a home. In contrast, older households' wealth has grown by more than 50% over the same period because of the housing boom and growth in superannuation assets. Young people make up 24% of the homeless population in Australia, with youth homelessness rising 26% between 2006 and 2016 (Council to Homeless Persons, 2018). Financial difficulties was one of the key reasons young people aged between 15 and 24 access homelessness services.

The inadequacy of Youth Allowance is particularly problematic for young people leaving Out of Home Care without employment. In general, the HILDA survey found that young people increasingly live with their parents for longer, simply because they cannot afford the private rental market (Wilkins, Laß, Butterworth & Young, 2019). Young care leavers, however, lack this family support and have no means to supplement their Youth Allowance payments. This situation makes it almost impossible for young people leaving care to rise out of poverty, gain future employment and break the cycle of entrenched disadvantage. Young people in foster care and juvenile justice settings are at increased risk of becoming homeless than other young people (Council to Homeless Persons, 2018). For example, the Create Foundation's (2011) Transitioning from Care report card reveals how as many as 40% of young people discharged from statutory care experience homelessness within the first 12 months of exiting.

We believe the Youth Allowance payment for young people looking for work, studying or both, needs to be enough for young people to study and find employment without worrying about where their next meal will come from or how they will pay for rent.

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Ciara's story

Ciara is a 16 year old who has suffered a history of trauma and abuse due to parental substance misuse, mental health and exposure to family violence. Ciara has had numerous placements in both Foster Care and Residential Care since she was a small child. The Victorian Department of Health and Human Services (DHHS) stipulate that young people must contribute to their rent and utilities to prepare them for independent living. As Ciara has no job, she is solely reliant on Centrelink payments to live, despite being only 16. She receives around \$450 per fortnight from Centrelink. She is required to pay \$61.80 as a contribution to rent and utilities. This leaves her with \$388.20 (\$194.10 per week) for everything else. DHHS provide funding for recreation activities and one form of therapy, but the expectation is that Ciara uses Centrelink money for other expenses such as groceries, clothes and personal items. Ciara's Key Worker supports her to budget. However, she is often unable to do this effectively and will be left with no money by the end of the fortnight.

*Name has been changed to protect the identity of our consumers.

7. Rural and regional inequities

There is a disproportionate number of people living on income support payments in regional Australia, largely because there are fewer job opportunities. While the majority of people who receive Newstart live in capital cities, a greater proportion of working-age people receive Newstart in rural and regional areas (6.6%) in comparison to major cities (4.9%) (ACOSS, 2019a). This means that a large proportion of people in regional Australia are struggling to pay for essentials like food, housing and fuel while they try to find paid work or care for children.

According to Foodbank, people in regional Australia are 33% more likely to have accessed food relief in the past 12 months than people in cities, with 1.5 million people in regional Australia accessing food relief in 2018. According to Deloitte Access Economics (2018), a \$75 per week increase to these payments would greatly benefit regional Australia, not only because of the number of people receiving allowances in these areas, but because people would spend the majority of their income locally.

"It's never easy for a person to swallow their pride and have to access a service such as ours when a person is under pressure. They are already overwhelmed by their situation, and it's further demoralising to have to ask for assistance. Raising the rate of Newstart would mean that people are living less hand-to-mouth and have the capacity to absorb expenses that come up out of the ordinary".

Uniting's Ballarat homelessness support services

Community services in Tasmania

In Tasmania, rural populations can access emergency relief services, financial literacy, No Interest Loan Scheme and recreational services provided by Uniting. Our Tasmanian staff report that people on Newstart do not have enough money to meet basic standards of living, leading to isolation, homelessness, unsecure employment, poor nutrition and mental health. In Tasmania, Newstart was the second most commonly received payment for individuals and families accessing Uniting's emergency relief services this year, after the Disability Support Pension. Over 80 percent of individuals and families accessing emergency relief services this year did not have enough funds to pay for food.

Wimmera region

Within the rural and remote locations across the Wimmera region there is an increasing amount of vulnerable people relying on the financial support of Newstart. In our family and children's services, a large proportion of families struggle to meet all the financial necessities

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on Newstart support. The larger distances to travel for support services and specialist medical support add to the complexity as they mean spending more money on fuel or travel costs. The Wimmera also has a little to no affordable housing and rental prices are not attainable for individuals and families on Newstart. There is currently a wait list of approximately 60 people for emergency housing support, including families with children. Due to increasing need for both our Emergency Relief service and Child FIRST Flexible Packages funds, we are unable to support all applications for families seeking this assistance who are struggling with the income support payments they receive.

Gippsland region

Uniting staff from Sale in Gippsland provide support for finding affordable housing, financial support for rent in advance or rent arrears, emergency relief, brokerage (eg Flexible Support Packages) to assist with other costs (eg children social activities, medical appointments, clothing, furniture), transport to medical and other appointments and financial counselling. They also connect consumers into services such as mental services or day care services.

Our staff report that consumers in the Gippsland region experience some unique challenges from a rural and regional perspective, including:

- The lack of affordable housing in regional areas like Wellington Shire.
- The lack of jobs in regional areas.
- Difficulty accessing services in the Gippsland area especially because most services require travel to Morwell or Melbourne, as well as difficulty travelling to appointments (eg job interviews or medical services).
- The cost of maintaining a car, so critical in regional areas with limited public transport, is a challenge. A lack of funds to maintain road-worthiness puts families and children at risk.
- Challenges relating to people being released from prison into regional areas who then struggle to gaining housing or employment due to stigmatisation, other vulnerabilities (eg mental health, substance abuse), or parole requirements. Newstart payments are not sufficient to sustain them, and this puts them at higher risk of engaging in anti-social behaviours – which in turn impacts on local police, court and prison systems.

Rural and regional voices

Lisa from Tasmania

Lisa is a mother living on Newstart in regional Tasmania. She is often employed in casual work due to health and other issues. This leaves Lisa and her son unable to pay for basic living expenses such as power bills, rent or food. She regularly experiences threats of electricity disconnection. Feeling tired, hungry, cold and stressed are becoming the norm for Lisa and her son.

Norman from Goulburn East region

Norman lives in a remote Victorian town. He is 43 years old and has been on Newstart for 23 years. He pays private rent. There are limited job opportunities in this district and he has no transport of his own or access to public transport. He relies on Emergency Relief services for food supplies.

Bill from Gippsland region

Bill is an elderly gentleman who is residing in a home that he cannot afford. This increases his stress level and impacts on his mental health. He is unable to work due to his age and mental health, so he currently lives solely on Newstart. He is a highly educated man and a registered nurse. Yet, his mental and physical issues mean he cannot obtain work. He struggles on such a low income as he says it makes him feel like he isn't worth anything.

Tracy from Wimmera region

Tracy is a single mum of four children. She is currently living in a private rental that she moved into with her ex-partner who was a perpetrator of family violence. Tracy's second eldest child requires paediatric behavioural assessment which has a local waiting list of more than 18 months. Tracy cannot get any specialised support for him until he is assessed. She has the option of attending an appointment in Ballarat, several hours away, but will have to pay. During this same support period, Tracy found out that her eldest son who attends a local primary school needed specialised counselling due to his experience of family violence. Tracy's significant family violence history and mental health issues mean she hasn't been able to find sustainable employment, though she still continues to apply for jobs. Tracy is unable to cover the general living costs for her family let alone any additional much-needed support on her Newstart allowance.

*Name has been changed to protect the identity of our consumers.

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