



**Briefing for Federal MPs and Senators** 11/10/19

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# Message from our National Co-Chairs

Welcome to Anti-Poverty Week and this 2019 Briefing we have prepared. Anti-Poverty Week supports the Australian community to have an increased understanding of poverty and to take action collectively to end it. We are a diverse network of individuals and organisations who share this purpose. Since 2002 we've been focusing our activity each year in the week around the United Nations Day for the Eradication of Poverty on 17 October.

Australia, along with 192 other Member States, agreed to the 2030 United Nations Sustainable Development Goals in September 2015. The goals apply equally to Australia and Australians as they do internationally. The number 1 Goal is 'No Poverty'.

This year our key message is **Poverty exists. Poverty hurts us all. We can all do something about it.** It is a message of hope, not despair. More than 90% of us agree, that "In Australia, no one should go without basic essentials like food, healthcare, transport and power". Yet one in six Australian children are living in poverty and too many of their parents are skipping meals to give them enough nourishment.

Anti-Poverty Week 2019 will run from **13 to 19 October** this year. We are encouraging our network to support the **Raise the Rate** campaign to increase unemployment payments as the single most effective solution to reducing poverty in Australia. Increasing Newstart and linked payments would help reduce poverty for around 1 million Australians including about 160,000 children whose parents depend on these payments. Newstart at around \$40 a day traps people in poverty and many employers say it acts as a brake on job search. Raising Newstart by \$75 a week would also provide a much-needed stimulus for the economy, especially in regional areas.

Two national research reports will be released during Anti-Poverty Week: the **2019 Hunger Report** by Foodbank and the **2019 Jobs Availability Snapshot** by Anglicare Australia. The Governor General and Mrs Hurley will also be hosting an afternoon tea to announce the winners of the 5th Pens against Poverty writing competition for ACT and Southern NSW students in grades 3-10. Nationally, The Big Issue will release a special poverty focused edition on October 18th which will be sold by their vendors until October 31.

Many more events and activities will take place in local communities across Australia as well as through a vibrant online community. See our **Calendar** for more.

Please see our series of Fast Facts on different aspects of poverty on the following pages. You can also visit our refreshed website or contact the Anti-Poverty Week's Executive Director, Toni Wren at ed@antipovertyweek.org.au for more.

Professor Eileen Baldry National Co-Chair

1 Bulan

Ian Carter AM
National Co-Chair



# Select list of events during Anti-Poverty Week 13-19 October 2019

#### **NATIONAL**

- The ACOSS Raise the Rate campaign to increase unemployment payments will be sharing individual stories from campaign supporters who have experience struggling to get by on Newstart and Youth Allowance throughout Anti-Poverty Week. Supporters are continuing to contact their MPs and explain why Newstart should be raised after 25 years without a real increase.
- Two national research reports will be released: Foodbank's 2019 Hunger Report on Sunday 13th
  October and Anglicare Australia's 2019 Jobs Availability Snapshot on Wednesday 16th (both will
  have State/Territory data break downs).
- The Life Course Centre has a number of events running throughout Anti-Poverty Week. See their special APW edition newsletter for details.
- The Business Council of Australia is featuring an inspiring story of an asylum seeker to ANZ
  employee based on the Brotherhood of St Laurence's Given the Chance program in their 10 October
  CEO newsletter.
- The Big Issue will publish a special poverty edition which will be on sale with their vendors from 18-31 October.

#### **ACT**

- St Vincent de Paul Canberra/Goulburn will host a breakfast for CEOs on Monday 14th to brief them on the Raise the Rate campaign. Speakers include ACOSS CEO Cassandra Goldie and a Canberra resident with lived experience.
- The Governor General and Mrs Hurley will also be hosting an afternoon tea at Government House Canberra to announce the winners of the 5th Pens against Poverty writing competition for ACT and Southern NSW students in grades 3-10.

#### **NSW**

- Mission Australia, Youth Action and NCOSS will host a forum on a Future Without Poverty for Young People
- Salvation Army, Moneycare Day Breakfast and Briefing



- National Older Women's Network will host their bi-annual National Conference 'A Place to Call Home' in Sydney. Speakers including Jane Caro, Susan Ryan AO and Dame Quentin Bryce.
- Parliament House, Putting regional needs on the map (speakers include CWA and Mayors and leaders from NSW regional towns) and launch of 'Mapping Economic Disadvantage in NSW' report undertaken by NCOSS in conjunction with the National Centre for Social and Economic Modelling (NATSEM)
- Dubbo: Service Provider Information Event, number of local service providers such as Centrelink, financial counsellors etc will be available to provide information regarding support, and tips on savings. Organised by Mission Australia.
- Goulburn: Poverty is No Picnic in the Park organised by Mission Australia.
- Newcastle: Poverty in the Shadows A series of stories from the real lives of the many women who
  face poverty and homelessness displayed in Newcastle and Wallsend Public Libraries during AntiPoverty Week.
- Hunter Workers, Poverty in the Hunter, We all know someone worse off rally.
- Wagga Wagga: Neighbourhood Nibbles in a community centre is a free lunch event aimed at bringing the community together. Note also SBS Struggle St (regional edition covering the Riverina) will screen over 4 Wednesdays from 9 October.
- Wyong: Anti-Poverty Action, St Vincent de Paul Wyong Regional Office alongside external
  organisations are coming together to raise awareness and offer assistance to the community affected by
  poverty.

#### **Northern Territory**

- Alice Springs: Creating Art
- Darwin: Bills and Brekkie events in Palmerston and Casuarina, expecting ~200 people for assistance with their energy bills and other aspects of budgeting and practical support. Event is co-hosted by Jacana Energy (NT energy provider), NTCOSS, Jesuit Social Services, St Vincent de Paul Society, Foodbank NT and United Voice NT.

#### Queensland

- Brisbane: Raise the Rate Forum, Hon Jackie Trad MP, Deputy Premier, Treasurer and Minister for Aboriginal and Torres Strait Islander Partnerships and ACOSS CEO Dr Cassandra Goldie
- Mackay: Many Voices 1 Message Raise the Rate, hosted by The Neighbourhood Hub, includes sausage sizzle, info and support.



 Maroochydore: Hearing Australia brings hearing services to the doorstep of The Salvation Army Maroochydore (also in Nambour).

#### South Australia

- Murray Bridge: A free Sausage sizzle will be held in the carpark at front of Salvos Stores.
- Adelaide: **Uniting Communities SA** will host an info session on ways to save on utility bills, learn about hardship programs, concessions and financial counselling.
- Adelaide: **SA Commissioner for Children and Young People** will launch her *Poverty Report: Leave No One Behind.*
- Adelaide: Poverty Simulation for ~300 students at University of Adelaide Faculty of Health and Science.

#### **Tasmania**

- Hobart: State APW Launch: City of Hobart Lord Mayor Anna Reynolds will be joined by CEO of TasCOSS Kym Goodes and Stacey Milbourne from the Salvation Army in kick starting APW 2019.
- Hobart: Eddie Woo, internationally-renowned high school mathematics teacher and Internet sensation, will lead a Power of Education Panel including The Smith Family's national manager, research and evaluation and a Tasmanian academic at the University of Tasmania.
- Bridgewater: Connect the Brain event aimed at young people aged 17-25 years organised by Uniting, The Bridgewater PCYC, Australian Red Cross, and the Link Youth Health Centre. Combining nutrition with mental health information, young people had the opportunity to chill out with friends while making their own healthy lunch wraps.
- Free Pizza lunch for Colony 47 clients in Tasmania
- East Devonport: The Big Table Community Lunch organised by **East Devonport Community House** and **Housing Choices Tasmania** with support from **Anglicare**, **SafeChoices** and **The Smith Family**.

#### **Victoria**

• The Brotherhood of St Laurence will have a team of runners in the Melbourne Marathon with bibs featuring "No child left behind." Uniting Vic/Tas will also have a team running in the Marathon with a focus on ending poverty.



- Poverty, Vulnerability and a Focus on Children: Messages from the Margins, Catholic Social Services
- The Brotherhood of St Laurence will host Looking back, looking forward, looking across the Tasman focusing on reducing child poverty, speakers include NZ academic Dr Michael Fletcher and Australian child poverty experts and practitioners.
- Shepparton: **Shepparton Family Care** will host a community sausage sizzle but only serve half a sausage to acknowledge the inadequacy of the Newstart payments.



#### Western Australia

- The WA Anti-Poverty Week Facilitating Group in partnership with 100 Families WA will release the latest project Bulletin, on the impact of poverty in the lives of 100 Families WA participants.
- Perth: APW Street Soccer Cup: **The Big Issue's** regular Street Soccer program is hosting a relaxed round-robin style 5 a-side tournament for players of all abilities and fitness.
- Albany: bus tour of Op Shops for residents to learn about how they can support people in need.

There are lots more events happening all over the country. See our <u>calendar of events</u> for a full list.





Australians are sensitive and sympathetic to people experiencing poverty and support government action to reduce it. A 2018 survey for Anglicare Australia found very high levels of compassion towards people experiencing poverty, and that most believe people should not experience poverty in Australia. It found:



86%

agreed that nobody deserves to live in poverty



85%

agreed that nobody who works full-time should live in poverty



**85%** 

agreed that Australia should be a country that looks after those in need



**79%** 

agreed that people can experience poverty through no fault of their own

Just 11% agreed that those who rely on government support deserve to live in poverty.

70% rejected the statement.

People living in rural and regional areas were even more sympathetic than those in metropolitan locations, for example, a significantly higher proportion of people in rural areas (64%) said that there are no differences between them and those experiencing poverty (55% metro).

Other surveys" in 2018 found similar results:

92%

agreed with the statement,

"In Australia, no one should go without basic essentials like food, healthcare, transport and power."

### How widespread is poverty?

The Anglicare research found that 16% of respondents couldn't afford a basic necessity in the last 12 months – this is higher than the 13.2% in poverty according to ACOSS-UNSW Poverty in Australia 2018 research based on poverty as 50% median income. This may explain why there is widespread identification and empathy - experiences of poverty are more common than official statistics.

Many of us become unemployed, ill or disabled and separate from our partner at some time during our working lives. 70 percent of households had at least one person who needed to receive income support (not age pension or family payments) between 2001-2015. If the payment is too low, people can fall into poverty and find it hard to escape without other supports.





#### Australians think Government has an important role to play to reduce poverty

A 2018 Essential poll found that:

77%

77% agreed with the statement, "The Government's has a responsibility to ensure every Australian has enough money to put a roof over their head and food on their table."

64%

64% supported the statement, "I support an increase in Newstart, the benefit paid to unemployed people, as it has not been increased in real terms for 24 years."

Polling for The Australia Institute in 2018vi found:

64%

64% of people want more public spending funded by tax revenue and less inequality. Only 11% want lower taxes and less public spending.

The Per Capita Annual Tax Survey\*\* conducted in 2019 found:

53.5%

A majority of respondents (53.5%) support an increase in spending on social security, a significant shift in support for more government spending on pensions and other income support measures than was recorded in the early years of this decade, when the number sat around 40%.

Produced by Anti-Poverty Week as part of its Fast Facts series. Data correct as of 22 July 2019.

For more, see our website at www.antipovertyweek.org.au

Nationally representative sample of 1,236 Australians conducted by Ipsos, <u>Anglicare Australia State of the</u>
Family 2018

Link to Anglicare Australia media release, Report shows Australians want an end to poverty.

https://www.essentialvision.com.au/statements-about-newstart

"Davidson, P., Saunders, P., Bradbury, B. and Wong, M. (2018), <u>Poverty in Australia 2018</u>. ACOSS/UNSW Poverty and Inequality Partnership Report No. 2, Sydney: ACOSS. 13.2% is based on a poverty line of 50% of median income.

\*The welfare state touches the lives of many more Australians than is commonly thought Professor Peter
Whiteford analysed recent Household Income and Labour Dynamics in Australia (HILDA) data and found

that "around 70 per cent of working-age households include someone who received an income support payment at some point between 2001 and 2015" (not including Age Pensions or any family payments). Citing HILDA data 2001-2010, he says "over 9 years, 22 per cent of men and 16 per cent of women were dismissed from their job. Around 40 per cent of the Australian population experience a serious personal injury or illness each year over a 10 year period, and nearly 70 per cent of men and 64 per cent of women experience serious injury or illness to a close relative or family member over a 10 year period."

"https://www.essentialvision.com.au/statements-about-newstart

"Small Government has small support, The Australia Institute, April 2018.

Per Capita 2019 Tax Survey, March 2019.





## What is it like for children to grow up in poverty?

#### Growing up in poverty impacts the hopes and dreams of young people.

Kids growing up in poverty too often go to bed or school hungry; they can feel left out if they can't afford to join a local sport team or go on school camps; they may be living in an overcrowded home where there's no quiet place to do homework and they worry about their parents.

It also means not having enough to eat or not having enough healthy food – a 2016 study of more than 5,000 children aged 8 to 14 years found that of those who were materially deprived were frequently going to school or bed hungry.

Foodbank provided relief to 710,000 Australians per month in 2017-18, 15% were aged under 15. Single parents often make personal sacrifices to ensure their children can eat: 3 in 5 single parents experiencing food insecurity skip a meal at least once a week to make sure there is enough food for their family and 1 in 3 go a whole day without eating at least once a week.



They're used to hearing,
'I'm OK, I ate while I was cooking'

- single mum from Melbourne.i

# How many children are living in poverty in Australia?

739,000 children or 1 in 6 Australian children aged 0-14 years lived in poverty in 2015-16 (the latest available data). At 17.3%, the percentage of children living in poverty is higher than the percentage of any other age group – including those aged 65 years and over."

# What can we do to reduce child poverty?

Child poverty in Australia isn't inevitable – we made great strides in the 1990's when the former PM Bob Hawke and his government committed to end child poverty. Child poverty wasn't eliminated but it was reduced by 30%.

A very high proportion of children experiencing poverty are living in families who rely on government payments. Increasing those payments - family payments, Newstart and single parent payments - will reduce poverty.





A House of Representatives Committee of the Federal Parliament recommended in February 2019 that "the Australian Government review the effects of government policy, including the adequacy of payments, on young people and single parent families in the 46th Parliament." It also recommended considering delaying single parents moving onto Newstart (from the higher Parenting Payment) until their youngest child reaches 12 years old, (rather than 8 as it is currently)."

ARACY has called for an increase in Newstart of at least \$75 a week and improved health, preventative and early intervention programs, anti-bullying programs in schools, more inclusive education and improved data. vi

In addition to increased income, UnitingCare Australia has said that completing Year 12 education or equivalent and reducing exposure to housing stress (where families spend more than 30% of their income on rent) would also help reduce child social exclusion.<sup>vii</sup>

# Investing in reducing child poverty also saves money for society in the longer term

The evidence is clear that by investing in helping kids get off to a good start, the costs to the community in areas such as healthcare, homelessness and unemployment can be massively reduced.

- Elaine Henry OAM, ARACY Board Chair

### Is poverty just about not having enough money?

"Money isn't the only thing but having some money to buy food and to pay for your rent and stuff is really good." viii

Multiple studies have found that poverty isn't just about not having enough to eat and a secure home. A lack of money limits children and young people's lives and learning and seeps into other aspects of their life.

ARACY's research based on a long term study of children born in 2004 and published in 2019, found children living below the poverty line were more likely to experience deprivation in terms of their relationship with friends, yelling in the home, enjoyment in exercise, adequate fruit and vegetables, mental health, school attendance, learning at home, and involvement in extracurricular activities like sport.<sup>ix</sup>

Other research has found that children who grow up in poverty are more likely to be behind in school – at least 1 year behind in reading and numeracy even by Year 3.\*The 2016 Child Well-Being study found a strong association between going to bed or school hungry and less school attendance and satisfaction. Food or clothing deprivation was associated with low school engagement.\*i

My mum struggles, she gets paid on Thursdays but struggles on the Wednesday. Me and my brother, if there is not food for school, we don't go to school at all. She has never sent us to school with no food.

Young people are also often keenly aware of what they are missing out on. Research undertaken by The Smith Family and UNSW\*\*ii found that it was clear that the 14 year olds had a good understanding of what a healthy diet meant but often lacked the ability (due to a lack of money in the household) to ensure that they had a healthy diet. It also found that while many young people acknowledged that a quiet space or desk was the ideal, this was not the case for them.





# Does experiencing poverty in childhood restrict secure employment, health and well-being later in life?

If poverty is not addressed early and it continues into later life, children can carry the scars with them into adulthood.

"A significant number of young Australians who grow up in poverty find it difficult to engage with formal education; they leave school early or cannot navigate from education to the world of work."xiv

"Disadvantage early in a child's life reverberates throughout childhood and youth and the risks associated with disadvantage and academic adjustment continue and accumulate over time, ultimately affecting the child's socioeconomic status in adulthood."\*

ARACY has found that when kids grow up in deprivation, they are more likely to be negatively affected throughout their lives. This includes adult health conditions such as coronary heart disease, stroke, diabetes and cancer.\*\*

### Who are most at risk?

# Children living in sole parent families have a poverty rate of 39.4%, 3 times that of couple families (13.1%).xvii

Children whose parents are reliant on Newstart - there are more than 107,000 families with nearly 160,000 children reliant on Newstart or Youth Allowance Other at December 2018, 79% are in sole parent families.xviii

When children are growing up in poverty during the first 5 years of their life - the years from birth to age 5 have been identified as the most important developmental period during childhood. ARACY states: "Brain development in the first years of life lays the foundation for language development, literacy acquisition, cognitive processes, emotional development, self-regulation and problem-solving skills and has a lasting impact on health, future learning and life success."

If poverty persists over time. Academics have found children who had been living in persistent poverty until age 8 or 9 were more than 3 times likely to be at risk of psychological clinical problems than children who had never experienced poverty (27% compared to 8%).xix

ARACY looked at deprivations based on a long-term study of children born in 2004. It found in addition to living below the poverty line, children experienced more deprivations

in families where no parent had a job (unemployed or not looking for work) and for children with a disability. The 2016 Child Well-Being project found food and clothing deprivation was concentrated among children with disability, young carers and Indigenous young people.\*\*

By neighbourhood - UnitingCare Australia found there are clear clusters of neighbourhoods at risk of high child exclusion and others where the risk is very low. It found 1 in 3 children living in remote and very remote Australia experienced the highest rate of social exclusion. The Child Social Exclusion Index 2018 also found that 87% of local communities with the highest risk of child social exclusion in 2011 had no improvement in 2016.

Australian communities have people that are really doing it tough, particularly people in remote and regional areas of Australia and in many instances, single mothers and their children.

- Russell Broadbent

Liberal MP in forward to Living on the Edge, Final Report of Parliamentary Inquiry into Intergenerational Welfare Dependency.





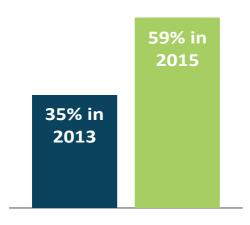
### Why is child poverty increasing?

After 80,000 sole parents were transferred to Newstart Allowance in 2013 the rate of poverty among unemployed sole parents increased from 35% in 2013 to 59% two years later. (Payments for a sole parent with school-age children reduced by at least \$60 a week.)<sup>xxi</sup>

Professor Peter Whiteford has concluded that cuts in family and sole parent payments have significantly increased poverty among children in Australia.

"Since 2006, the cumulative effects of changes mean that for single parents still on Parenting Payment Single with two younger children have lost nearly \$85 per fortnight; about 6% of their disposable incomes. For families with older children (receiving Newstart), the loss is about \$271 per fortnight; a cut in disposable income of nearly 19%." "XXII

UnitingCare Australia concluded that life became harder for all families between 2011 and 2016 due to housing stress and labour market changes.\*\*\*



The rate of poverty among unemployed sole parents increased from 35% in 2013 to 59% two years later.

Produced by Anti-Poverty Week as part of its Fast Facts series. Data correct as of 22 July 2019. For more, visit our website at <a href="https://www.antipovertyweek.org.au">www.antipovertyweek.org.au</a>.

See also: <u>2018 Submissions to the House of Representatives Committee on Intergenerational Welfare Dependence</u>, in particular from the Brotherhood of St Laurence and The Smith Family.

The Child Social Exclusion Index provides data at a small area level - by suburb in a city (technically called Statistical Area 2)

- 'The Hunger Report 2018, Foodbank, October 2018.
- Davidson, P., Saunders, P., Bradbury, B. and Wong, M. (2018), Poverty in Australia 2018.
- ACOSS/UNSW Poverty and Inequality Partnership Report No. 2, Sydney: ACOSS.
- <sup>™</sup> Davidson, P., Saunders, P., Bradbury, B. and Wong, M. (2018), <u>Poverty in Australia 2018</u>.
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  Dina Warren, Low-Income and Poverty Dynamics: Implications for Child Outcome,
- Social Policy Research Paper Nos 47, Commonwealth of Australia (Department of Social Services) 2017.
- Recommendation 14, Living on the Edge, February 2019

opportunity in Australia, 2019.

- \*ARACY summary report: <u>To Have and To Have Not Measuring child deprivation and opportunity in Australia</u>, 2019.
- <sup>48</sup> <u>Poverty, Social Exclusion and Disadvantage in Australia, UnitingCare Australia in partnership with The University of Canberra's, National Centre for Social and Economic Modelling, October 2018.</u>
- "Quote from child participant, cited in Redmond, G., Skattebol, J., Saunders, P., Lietz, P., Zizzo, G., O'Grady, E., Tobin, M., Thomson, S., Maurici, V., Huynh, J., Moffat, A., Wong, M., Bradbury, B. and Roberts, K. (2016), 

  Are the Kids Alright? Young Australians in their Middle Years, Final Report of the Australian Child Well-Being 
  Project, Flinders University, University of New South Wales and Australian Council for Educational Research.

  Sollis, K. (2019). Measuring Child Deprivation and Opportunity in Australia: Applying the Nest framework 
  to develop a measure of deprivation and opportunity for children using the Longitudinal Study of Australian 
  Children. Canberra: ARACY. Summary report: To Have and To Have Not Measuring child deprivation and
- \*Dina Warren, Low-Income and Poverty Dynamics: Implications for Child Outcome, Social Policy Research Paper Nos 47, Commonwealth of Australia (Department of Social Services) 2017.
- <sup>st</sup> Redmond, G., Skattebol, J., Saunders, P., Lietz, P., Zizzo, G., O'Grady, E., Tobin, M., Thomson, S., Maurici, V., Huynh, J., Moffat, A., Wong, M., Bradbury, B. and Roberts, K. (2016), *Are the Kids Alright? Young Australians in their Middle Years*, Final Report of the Australian Child Well-Being Project, Flinders University, University of New South Wales and Australian Council for Educational Research.
- xii Billie aged 14, cited in Redmond, G., Skattebol, J., Saunders, P., Lietz, P., Zizzo, G., O'Grady, E., Tobin,

- M., Thomson, S., Maurici, V., Huynh, J., Moffat, A., Wong, M., Bradbury, B. and Roberts, K. (2016), Are the <u>Kids Alright? Young Australians in their Middle Years</u>, Final Report of the Australian Child Well-Being Project, Flinders University, University of New South Wales and Australian Council for Educational Research.
- Material Deprivation and Social Exclusion Among Young Australians: A child-focused approach,
- Peter Saunders, Megan Bedford, Judith E. Brown, Yuvisthi Naidoo and Elizabeth Adamson, November 2018.

  \*\*\*Jennifer Skattebol and Gerry Redmond. *Troubled kids? Locational disadvantage, opportunity structures*
- <sup>™</sup> Dina Warren, <u>Low-Income and Poverty Dynamics: Implications for Child Outcome</u>, Social Policy Research Paper Nos 47, Commonwealth of Australia (Department of Social Services) 2017.
- mi Dina Warren, Low-Income and Poverty Dynamics: Implications for Child Outcome, Social Policy Research
  Paper Nos 47, Commonwealth of Australia (Department of Social Services) 2017.
- wii Davidson, P., Saunders, P., Bradbury, B. and Wong, M. (2018), <u>Poverty in Australia 2018</u>. ACOSS/UNSW Poverty and Inequality Partnership Report No. 2, Sydney: ACOSS.
- See APW Fast Facts and Newstart data derived from Department of Social Services, December 2018..
- \*\* Dina Warren, Low-Income and Poverty Dynamics: Implications for Child Outcome, Social Policy Research Paper Nos 47, Commonwealth of Australia (Department of Social Services) 2017.
- \*\*Redmond, G., Skattebol, J., Saunders, P., Lietz, P., Zizzo, G., O'Grady, E., Tobin, M., Thomson, S., Maurici, V., Huynh, J., Moffat, A., Wong, M., Bradbury, B. and Roberts, K. (2016), *Are the Kids Alright? Young Australians in their Middle Years*, Final Report of the Australian Child Well-Being Project, Flinders University, University of New South Wales and Australian Council for Educational Research.
- <sup>wi</sup> Davidson, P., Saunders, P., Bradbury, B. and Wong, M. (2018), <u>Poverty in Australia 2018</u>. ACOSS/UNSW Poverty and Inequality Partnership Report No. 2, Sydney: ACOSS.
- wil Peter Whiteford, It's not just Newstart: Single parents are \$271 per fortnight worse off, The Conversation, December 3, 2018.
- wiii Poverty, Social Exclusion and Disadvantage in Australia, UnitingCare Australia in partnership with The University of Canberra's, National Centre for Social and Economic Modelling, October 2018.





#### What is Poverty?

The World Bank states that 'Poverty is hunger. Poverty is lack of shelter. Poverty is being sick and not being able to see a doctor. Poverty is not having access to school and not knowing how to read. Poverty is not having a job, is fear for the future, living one day at a time. Poverty is losing a child to illness brought about by unclean water. Poverty is powerlessness, lack of representation and freedom.

Lack of income is not the full story – living in poverty can mean limited access to safe water, good schools, health care, stable and clean housing, and electricity.

In Middle East and North Africa, Latin America, and the Caribbean, despite the low prevalence of monetary poverty, almost 1 in 7 people lack adequate sanitation. Even though South Asia has made progress in poverty reduction, shortfalls in education remain high for both adults and children. The number of people in the region living in households without access to electricity is far greater than those living in monetary poverty.

### How many people live in poverty globally?

IN 201

# 736 million people

- nearly 10% of the global population lived in extreme poverty on less than \$1.90 US a day.

Over 1/4 of the world's population survived on \$3.20 US per day and nearly half of the world lived on less than \$5.50 US per day.

#### How are children affected?

Children are disproportionately affected by poverty. In 2016, half of the population living in extreme poverty were children. Of those children, three-quarters lived in Sub-Saharan Africa and Asia.

Even in the world's richest countries, there are 30 million children growing up poor.

## Where is poverty worse?

413 million people were living on less than

5100
a day

More than half of the extreme poor live in Sub-Saharan Africa. This is the region in which extreme poverty is growing most rapidly. In this region, 413 million people were living on less than US\$1.90 a day in 2015, more than all the other regions combined.

High poverty rates are often found in small, fragile and conflict-affected countries and the majority of the global poor live in rural areas, are poorly educated, employed in the agricultural sector, and are children under 18 years of age.



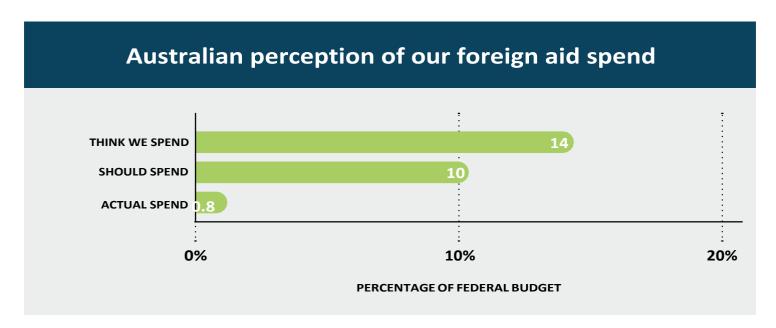


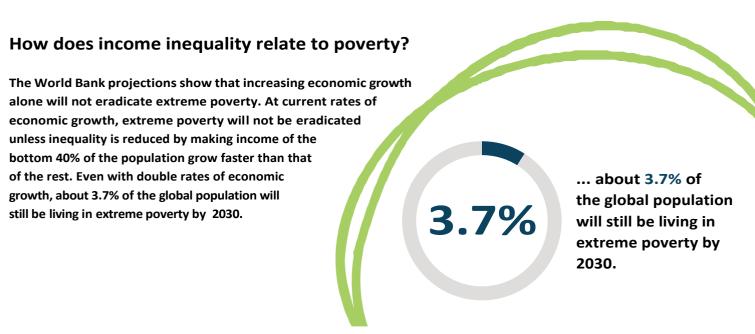
#### How much does Australia spend on development aid?

In April 2019 the Organisation for Economic Cooperation and Development (OECD) released their global aid rankings. Australia is 19 out of 29 wealthy OECD nations that give aid. Yet we're the 13th largest economy.

The Coalition government has cut Australia's foreign aid budget each year since it came to power in 2014, to just 21 cents in every \$100 of gross national income. In comparison, the United Kingdom spends 70 cents in every \$100 while Switzerland spends \$1.10". Continuing cuts to the aid budget will continue this downward trajectory to a historic low of just 19 cents of every \$100 of Gross National Income in 2021-22.

The average Australian believes we invest about 14% of the federal budget on foreign aid and that we should actually invest about 10%. In reality, we invest 0.8%.









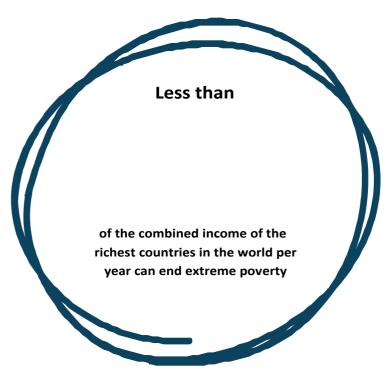
### How do we reduce poverty globally?

Nearly 1 billion people have escaped poverty, thanks to political leadership, inclusive economic development and international cooperation since the world commemorated the first International Day for the Eradication of Poverty in 1992.<sup>iv</sup>

In 1990 1.85 billion people or 36% of the world's population lived in extreme poverty. The world attained the first Millennium Development Goal target—to cut the 1990 poverty rate in half by 2015—five years ahead of schedule, in 2010.

The percentage living in extreme poverty further reduced to 11% in 2013 and then 10% in 2015.

193 governments formally endorsed the set of 17 United Nations Sustainable Development Goals in 2015. The #1 Goal is to End extreme poverty worldwide by 2030 (this would mean extreme poverty was cut to 3%). In half of the countries in the world, extreme poverty is already at or below 3%. In two regions, East Asia and Pacific (47 million) and Europe and Central Asia (7 million) extreme poverty has already been reduced to below 3%, achieving the 2030 target.



# How much would it cost to end extreme poverty globally?

The total cost per year would be about \$175 billion - this is less than 1% of the combined income of the richest countries in the world.

Produced by Anti-Poverty Week as part of its Fast Facts series. Data correct as of 23 July 2019. For more, see <u>Global Poverty Teaching Resources</u> on our website at <u>www.antipovertyweek.org.au</u>

See also:

**Sustainable Development Goal 1: End Poverty Facts and figures** 

Why it matters, UN Social Development Goal 1; End Poverty

World Bank FAQs Poverty and Shared Prosperity 2018

World Bank Poverty Overview 3 April 2019

World Vision Australian Aid Works

World Bank 19 September 2018

"Tim Costello in <u>SMH 10 June</u>

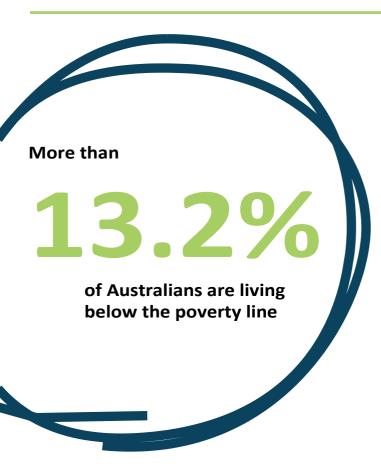
"Jonathan Pryke, <u>Australians grossly over-estimate how much is spent on overseas aid</u>, The Conversation, 26 June 2018.

\*Message from António Guterres, UN Secretary General, 2018 International Day for the Eradication of Poverty.

\*Calculated by economist Jeffrey Sachs and cited in <a href="Why it matters">Why it matters</a>, UN Social Development Goal 1; End Poverty for the United Nations.







#### What is the poverty line in Australia?

In Australia, the poverty line is generally defined as 50% of median household income.

This was \$433 a week for a single adult or \$909 for a couple with two children in 2015-16.

# How many people are living in poverty in Australia?

The ACOSS/UNSW Poverty in Australia 2018" report found:

- In Australia, there are more than 3 million people or 13.2% of the population living below the poverty line. That includes 739,000 children or more than 1 in 6.
- Many of those affected are living in deep poverty on average \$135 a week below the poverty line.

## What has happened to poverty rates over the last 30 years?

Research by the Productivity Commission has found that despite 27 years of uninterrupted economic growth, the proportion of Australians living on very low incomes (9-10%) has not changed.

"It has varied a bit throughout that period but today, for 2 million or so people, we are where we were thirty years ago. It is not the same 2 million, as the mobility data shows. But the proportion of our society apparently doing very poorly should have reduced over that thirty years."

Their report shows that "forms of poverty for children in particular have actually risen over the last twenty years."

#### What does living in poverty really mean in Australia?

Poverty is about a lack of money – both income for now and savings or wealth. But it can also be about not having a lot of other things - affordable housing, access to good education or health services.

While many Australians juggle payments of bills, people living in poverty have to make difficult choices – such as skipping a meal to pay for a child's textbooks or not heating or cooling their home.

16%

### of Australians

surveyed in June 2018 said they could not afford to buy basic necessities such as food or shelter in the last 12 months. <sup>iv</sup>





The Foodbank Hunger Report 2018 found a similar proportion, (14% of Australians), are eating less food than they need because they lack the money or other resources to obtain food. All around Australia there are people who don't know where their next meal is coming from. In 2018, more than 4 million Australians (18% of the population) have been in a situation where they have run out of food and have been unable to buy more. When food becomes a discretionary item - many are forced to either cut down on the size of their meals (56%) or skip a meal (54%) at least once a week to make the food last longer.

People seeking help from The Salvation Army Moneycare program in 2017-18 needed to prioritise housing and utilities and spent less on food, transport and health than other Australians. The study looked at 30,000 clients over 10 years from 2008-9 and found a doubling in the percentage of people with a pay-day loan (from 6% to 13%), the value of that debt had tripled in real terms and were spending more than 10% of their income servicing pay-day loans.<sup>vi</sup>

I'm a single mum who's studying and trying to survive and support my son on Austudy. It's so hard. I have to go to charities for help with food. I worry a lot about how to pay my bills and this takes away from my ability to study successfully. Sometimes I can't afford the fuel to get my son to school. The poverty is extreme and heartbreaking and sometimes seems insurmountable.

11

It's always a focus on rent and food for me. I don't like to look like I'm struggling with money. You need to set aside money to buy a jacket for a job interview. That comes out of groceries. You have to compromise a lot. It can make you feel quite isolated because you can't go out with your friends and you're always worried about money...Things like Christmas and Easter and people's birthdays, you feel bad not being able to give someone a present. But it's just the way you live.

# What groups of people are more likely to be living in poverty?

The ACOSS/UNSW Poverty in Australia 2018 report found:

Those experiencing poverty at the highest rates are those unable to find paid work, relying on government allowances – Youth Allowance (64%) and Newstart (55%).

Many Indigenous communities have substantially higher levels of income poverty than non-Indigenous communities. Across Australia around 30% of Indigenous people live in poverty, with this rate increasing to as high as 50% in remote communities.

A major source of child poverty is the high poverty rate (32%) among soleparent families, who must generally rely on a single income. There were nearly 1 million (968,000) people living in poverty who relied on wages as their main source of income. Data from the Centre for Future of Work published in May 2018, showed in 2017 for the first time, less than half of all people employed were in paid full-time employment with leave entitlements.\*

Relying on income support and renting in the private market also increases the risk of poverty, for example the poverty rate for people aged over 65 is 11.6% but if privately renting, this rises to 43.4%.

Since 2006, poverty has been falling in major cities while increasing in remote communities.xi

Don, a Newstart recipient in his 60's who previously worked as a mechanic for 40 years, manages bill payments by not using heating, goes to bed early to cope with the cold and visits libraries and supermarkets to cool down on extreme heat days.

"The only welfare payment that is currently keeping pace with the poverty line is the pension. Newstart and other payments are falling substantially behind the poverty line. In 2000, people on Newstart were on the poverty line, but by 2014 they were almost 20% worse off than the poverty line."xiii



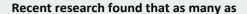


## What about persistent or entrenched poverty?

Many Australians experience economic disadvantage at some stage in their lives - often as a result of unemployment, illness or disability or a relationship breakdown. For most of us, it is temporary and we are back on our feet in a short time especially if we have savings and/or family and friends to help.

However about 3% of Australians (roughly 700,000 people) have been in income poverty continuously for at least the last 4 years. People living in single parent families, unemployed people, people with disability, Indigenous Australians and children living in jobless households where no one has paid work are at risk of entrenched poverty.xiv

#### What are the triggers for poverty?





had at least one person who needed to receive income support because of unemployment, illness or relationship breakdown between 2001-2015.\*\*

If these payments are too low and the person or family doesn't have other supports, they can fall into poverty. Of all Australians living below the poverty line, 53% relied on social security as their main source of income. \*vi The payment for people who are unemployed (Newstart) has not increased in real terms since 1994 and researchers at UNSW found it would need to increase by at least \$96 per week to meet the cost of housing, food, basic healthcare and transport. \*viii

I experienced a lot of family violence which meant I couldn't live at home. It was not a choice. People don't end up in a situation where they're homeless or living on their own, for nothing. It's not a small, menial thing that gets them there.

"And if you're on a low income, one bill can spin you so out of control so that you've lost everything." Helen, in her 60's, now retired and reliant solely on Newstart.xvii

More infrequent life events such as the onset of a severe mental illness or domestic violence can be a trigger for severe poverty and homelessness if supports are not available.

Domestic violence is the single largest contributor to homelessness (40%) according to the inaugural Australian Homelessness Monitor published in 2018.





## Are there other measures or indicators of poverty?

- Material deprivation: Medical treatment when needed, warm clothes and bedding if it's cold, a substantial meal at least once a day, medicines when prescribed by a doctor, a decent and secure home these are things that most Australians regard as essential. When people cannot afford these things, researchers describe them as being materially deprived.<sup>xxi</sup>
- Financial stress indicators: not being able to raise \$2,000 in an emergency, not being able to heat one's home, and not being able to pay bills on time. \*xxii\*
- Social exclusion: Disadvantage is much more than just poverty or lack of financial security. Limited social engagement, connection, access and opportunity are equally detrimental to health and wellbeing. The Brotherhood of St Laurence states that deep social exclusion is when people experience at least 4 different sort of disadvantage, such as being on a low income, having little work experience, not being involved in community clubs or associations and not being socially active. Their latest <a href="Social Exclusion Monitor">Social Exclusion</a> Monitor finds that more than 1 million Australians deal with deep social exclusion.

# Do Australians think people should be living in poverty?

- An Essential Poll taken in June 2018 found 92% agreed with the statement, "In Australia, no one should go without basic essentials like food, healthcare, transport and power."
- 77% agreed with the statement, "The Government has a responsibility to ensure every Australian has enough money to put a roof over their head and food on their table."

Produced by Anti-Poverty Week as part of its Fast Facts series. Data correct as of 13 July 2019. For more, see <a href="Poverty in Australia">Poverty in Australia</a> on our website at <a href="https://www.antipovertyweek.org.au">www.antipovertyweek.org.au</a>

- 'This measure is used by the OECD and many other countries although the European Union uses the 60% of median household income measure.
- \*Davidson, P., Saunders, P., Bradbury, B. and Wong, M. (2018), <u>Poverty in Australia 2018</u>. ACOSS/UNSW Poverty and Inequality Partnership Report No. 2, Sydney: ACOSS. The report used poverty estimates from the Survey of Income and Housing conducted by the Australian Bureau of Statistics referring to income data for the financial year 2015-16. ACOSS and UNSW also published an accompanying <u>methodology report</u>.
- \*\*National Press Club Address Peter Harris, Chair of the Productivity Commission Jonathan Coppel,

  Commissioner, Productivity Commission Canberra, Tuesday 28 August 2018. Based on Rising Inequality?

  Productivity Commission
- <sup>™</sup> Anglicare Australia, <u>State of the Family 2018</u>, November 2018.
- \*Foodbank 2018 Hunger Report. Answered yes to the question "In the last 12 months, was there any time when you or anyone in your household ran out of food and did not have enough money to purchase more?"
- Moneycare 10 Years on A Decade of Challenge and Resilience, The Salvation Army, October 2018.
- will mogen cited in <u>Poverty in Australia 2018</u>, see also <u>Raise the Rate</u> for many more
- Quote provided by Anglicare Tasmania as cited in Anglicare Australia State of the Family, November 2018.
- <sup>16</sup> Davidson, P., Saunders, P., Bradbury, B. and Wong, M. (2018), <u>Poverty in Australia 2018</u>. ACOSS/UNSW Poverty and Inequality Partnership Report No. 2, Sydney: ACOSS.
- \*Centre for Future of Work May 2018
- <sup>a</sup>The National Sustainable Development Council, <u>Transforming Australia: SDG Progress Report</u>, February 2019.
- \*\*UCOSS, Power Struggles, Everyday Battles to Stay Connected, 2017 and Battling On, Persistent Energy Hardship, 2018
- which Mational Sustainable Development Council, <u>Transforming Australia: SDG Progress Report</u>, February 2019.

- xiv <u>Rising Inequality?</u> Productivity Commission, August 2018
- "The welfare state touches the lives of many more Australians than is commonly thought Professor Peter Whiteford analysed recent Household Income and Labour Dynamics in Australia (HILDA) data. He found that "looking at data 2001-2010, "over 9 years, 22 per cent of men and 16 per cent of women were dismissed from their job. Around 40 per cent of the Australian population experience a serious personal injury or illness each year over a 10 year period, and nearly 70 per cent of men and 64 per cent of women experience serious injury or illness to a close relative or family member over a 10 year period."
- <sup>xd</sup> Davidson, P., Saunders, P., Bradbury, B. and Wong, M. (2018), <u>Poverty in Australia 2018</u>. ACOSS/UNSW Poverty and Inequality Partnership Report No. 2, Sydney: ACOSS.
- xvii ACOSS, Raise the Rate Briefing Note, citing 2017 UNSW research.
- vcoss, Power Struggles, Everyday Battles to Stay Connected, 2017.
- xix Quote provided by Anglicare Tasmania as cited in Anglicare Australia State of the Family, November 2018.
- \*Launch Housing, Australian Homelessness Monitor, 2018.
- xxii Peter Saunders & Yuvisthi Naidoo, Mapping the Australian Poverty Profile: A Multidimensional
- Deprivation Approach, The Australian Economic Review, vol. 51, no. 3, pp. 336–50 xxiii Melbourne Institute's HILDA survey and ABS Household Expenditure Surveys.
- will poverty, Social Exclusion and Disadvantage in Australia, UnitingCare Australia in partnership with The University of Canberra's, National Centre for Social and Economic Modelling, October 2018. Analyses the 2016 Census and other data using the Child Social Exclusion Index and captures the multi-dimensional nature of disadvantage in Australia and its impact.
- we's Brotherhood of St Laurence and the Melbourne Institute of Applied Economic and Social Research Social Exclusion Monitor
- \*\*\* https://www.essentialvision.com.au/statements-about-newstart





# On Newstart with a child I am always at risk of being homeless and go without food for days at a time. Centrelink don't listen to my doctors who say I should be back on DSP.

36 year old woman from WAi

How do we reduce poverty for people with disability? We must urgently increase the rate of unemployment payment by at least \$75 per week so that it does not leave people destitute. We must ensure people who need the DSP receive it. And we must do better in employing people with a disability.

- ACOSS CEO Cassandra Goldie

With NATSEM and Australia Federation of Disability Organisations (AFDO): "An additional payment of around \$100 per fortnight for single persons on the DSP and \$310 per fortnight for a couple in a household has a significant impact on poverty reduction with the proportion of DSP recipients living below the poverty line dropping from 17.8% to 9.7%.""

Australian Network on Disability and People with Disability Australia made a joint statement, <u>Inclusive employment the key to reducing poverty</u>, in Anti-Poverty Week 2016:

- "We need to break the link between disability and poverty and the way to do that is through work. I strongly encourage employers from the private, public and not-for-profit sectors to open up their jobs to people with disability.
- Evidence shows that businesses employing people with disability benefit in many ways. Employees with disability have fewer workplace accidents, make fewer Workers' Compensation claims, take fewer days off and have longer tenure than employees without disability.
- Some people with disability with the same, or even superior skills and attributes to other candidates without disability are often overlooked because of prejudice or low expectations."

# How many Australians with disability are living in poverty?

According to the ACOSS/UNSW report Poverty in Australia 2018iv:

- Just under 2 of the 5 Australians living in poverty have a disability (739,200 or 38% of the nearly 2 million adults Australians who are living in poverty).
- 1 in 6 people with disability were living in poverty, compared with just over 1 in 10 Australians without disability.
- ACOSS/UNSW said "these numbers are likely to under-estimate poverty among people with disability as the poverty line doesn't take into account the extra costs of disability which many people experience: adjustments to the home, personal support and care, medical and pharmaceutical expenses and additional transport costs such as taxis."





NATSEM<sup>v</sup> has since estimated the extra costs of living for households with

- an adult with profound or severe disability as \$173 a week on average over and above their 2015-16 net income, and
- households with adults with mild or moderate disability needed an extra \$87 per week on average.

A significant number of Australians with disability and their families are now living in poverty.

- NATSEM, 2019

## What are the main causes of poverty for people with disability?

Lack of paid employment •

- Less than 5 out of 10 Australians with disability are employed (48%) compared with nearly 8 in 10 (79%) people without disability. People with disability are more likely to want more hours of work as well.<sup>vi</sup>
- The number of people receiving
   Disability Support Pension (DSP) and
   working part-time is low and declining.
   In 2009, just over 9 in 100 (9.3%)
   received earnings<sup>vii</sup>; in December 2018,
   it was less than 8 in 100 (7.6%)<sup>viii</sup>.

People with disability have not benefitted from the positive employment trend in Australia over the last two decades...and that employment is the most important factor in reducing poverty risks.

- OECD, 2017ix

Low levels of income support payments

- Income support payments for people with disability (especially Newstart) are too low, relative to the poverty line.
- High housing costs are also a source of poverty for people with disability, as for many Australians living in poverty. Rent Assistance payments for people who are living on income support and rent privately only cover one third of the actual cost of rent.
- Households surviving on government allowances such as Newstart or Youth Allowance are twice as likely to be living in poverty than 25 years ago. In 2017, 4 in 5 households with government allowances as their main income (not including payments like the aged or disability pensions) were living in poverty after their housing was paid for compared with less than 2 in 5 in 1993.\*

was stuck living in my car for 5 months so that I could afford one medical treatment a fortnight, but I could not afford rent on Newstart.

- 29 year old woman from QLDxi





# Why are such large numbers of people with disability receiving the low Newstart payment?

40%
of adults who rely on Newstart or
Youth Allowance have a disability.

- APW estimates nearly 2 out of 5 of the ~800,000 adults
   Australians who rely on Newstart or Youth Allowance have a
   disability. At December 2018 there were 336,800 Newstart &
   Youth Allowance (Other) recipients with disability participating
   in labour market programs.\*ii This includes ~210,700 people with
   a partial capacity to work (more than 1 in 4 of all recipients of
   Newstart and Youth Allowance Other).
- At December 2014, 1 in 5 people receiving Newstart were assessed as having only a partial capacity to work (less than 30 hours per week). By December 2018, more than 1 in 4 or nearly 200,000 Newstart recipients were in this category.

didn't go anywhere. I didn't do anything. I just stayed home. As far as food goes, I was eating baked beans, cheese, yoghurt. Just trying to survive really. I was getting behind on all these normal bills, which is something that's never happened to me or my husband. We've always prided ourselves on being ahead.

 Trish, on her experience of living on Newstart before she won her appeal to receive Disability Support Pension<sup>xvi</sup>

• The number of people with disability receiving the lower Newstart payment has increased as the eligibility for receiving the Disability Support Pension (DSP) has tightened. For example, there were 86,000 new DSP recipients in 2010-11 and 32,000 in 2016-17.\*\* The number of successful grants per applicants has also fallen dramatically\*:



# What about children with disability?

long-term study of children born in 2004. It found in addition to living below the poverty line, children experienced more deprivations in families for children with a disability and where no parent had a job (unemployed or not looking for work). The 2016 Child Well-Being project found food and clothing deprivation was concentrated among children with disability, young carers and Indigenous young people.xvii





Indigenous people with a disability are 14 times more likely to be imprisoned than the rest of the population... Most of the Aboriginal prison population we would say have some form of disability.

– Damian Griffis, CEO First Nations Disability Network Australia, 2019 \*\*\*\*\*

# Are Indigenous Australians more likely to have disability and live in poverty?

- Indigenous Australians are 1.8 times more likely to have disability<sup>xix</sup> and 2.5 times more likely to receive DSP than non-Indigenous Australians.<sup>xx</sup>
- More than 2 in 5 Indigenous households with a family member receiving the DSP reported they had run out of money for basic living expenses in last 12 months.xxi

# Are people with disability more at risk of persistent or entrenched poverty?

- Many Australians experience economic disadvantage at some stage in their lives often as a result of
  unemployment, illness or disability or a relationship breakdown. For most of us, it is temporary and we are back on
  our feet in a short time especially if we have savings and/or family and friends to help.
- About 3% of Australians (roughly 700,000 people) have been in income poverty continuously for at least the last 4 years. People with disability are one of the 5 groups of people who are at risk of this entrenched poverty. The others are single parent families, unemployed people, Indigenous Australians and children living in jobless households where no one has paid work.xxii

#### Produced by Anti-Poverty Week as part of its Fast Facts series. Data correct as of 20 September 2019.

Quote provided to APW by People with Disability Australia, August 2019.

"The Guardian, Access to disability pension slashed by more than half, data shows, 8/6/18.

Li, J., Brown, L., La. H.N., Miranti, R., and Vidyattama, Y. (2019). Inequalities in Standards of Living:

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\*Davidson, P., Saunders, P., Bradbury, B. and Wong, M. (2018), Poverty in Australia 2018. ACOSS/UNSW Poverty and Inequality Partnership Report No. 2, Sydney: ACOSS.

"The first Australian study to apply the Standard of Living approach where households with a member with disability are matched to households with similar characteristics but with no member with disability. Li, J., Brown, L., La. H.N., Miranti, R., and Vidyattama, Y. (2019). Inequalities in Standards of Living: Evidence for Improved Income Support for People with Disability. NATSEM, Institute for Governance and Policy Analysis, University of Canberra. Report commissioned by the Australia Federation of Disability Organisations.

September 2019.

"AIHW, Disability in Australia: changes over time in inclusion and participation in employment, 2017

vii COAG Reform Council, Disability 2011-12: Comparing performance across Australia, May 2013.

VIII DSS Demographics December 2018

\*OECD, Connecting people with jobs: key issues for raising labour force participation in Australia, 2017.

\*Poverty rates in Newstart households rising, Centre for Social Research and Methods report finds, Canberra
Times 15/9/19

<sup>41</sup> Quote provided to APW by <u>People with Disability Australia</u>, August 2019.

\*\*According to the Federal Government's <u>Labour Market Information Portal</u>, 163,600 people (or 77%) of all in the <u>Disability Employment Service (DES) program</u> and 173,200 people (or 27%) of all in the <u>jobactive program</u> had a disability at December 2018. <u>DSS Demographics December 2018</u> only counts the number of Newstart and Youth Allowance Other recipients with a partial capacity to work (defined as less than 30 hours per week). At December 2018, there were 210,690 Newstart (199,907) and Youth Allowance Other (10,783) with a partial capacity to work (26% of all recipients of Newstart and Youth Allowance Other). Note that qualifying for DES or *jobactive* depends on whether it has been assessed that your disability is your primary barrier to employment. For the 77% of people in DES receiving Newstart & YAO, their disability has been

assessed as the *primary* barrier to employment; for the 27% in *jobactive* with a disability, it must have been assessed as manageable and not the primary barrier.

Lil., J., Brown, L., La. H.N., Miranti, R., and Vidyattama, Y. (2019). Inequalities in Standards of Living:

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The Guardian, Centrelink wrongly denies disability support pension to severely ill woman, 26/8/19.

Parliamentary Budget Office, <u>Disability Support Pension Historical and Projected Trends</u>, 2018.

▼Li, J., Brown, L., La. H.N., Miranti, R., and Vidyattama, Y. (2019). Inequalities in Standards of Living:

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Policy Analysis, University of Canberra. Report commissioned by the Australia Federation of Disability

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wi The Guardian, <u>Centrelink wrongly denies disability support pension to severely ill woman</u>, 26/8/19.

well Redmond, G., Skattebol, J., Saunders, P., Lietz, P., Zizzo, G., O'Grady, E., Tobin, M., Thomson, S., Maurici, V., Huynh, J., Moffat, A., Wong, M., Bradbury, B. and Roberts, K. (2016), *Are the Kids Alright? Young Australians in their Middle Years*, Final Report of the Australian Child Well-Being Project, Flinders University, University of New South Wales and Australian Council for Educational Research.

Radio National Breakfast, Concerns over Disability Support Pension brought to the UN, 11/9/19.

\*AIHW, Australia's Welfare 2019, Disability Support for Indigenous Australians, 2019.

<sup>xx</sup>Li, J., Brown, L., La. H.N., Miranti, R., and Vidyattama, Y. (2019). *Inequalities in Standards of Living:*Evidence for Improved Income Support for People with Disability. NATSEM, Institute for Governance and Policy Analysis, University of Canberra. Report commissioned by the Australia Federation of Disability Organisations. September 2019.

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xxiii Rising Inequality? Productivity Commission, August 2018.

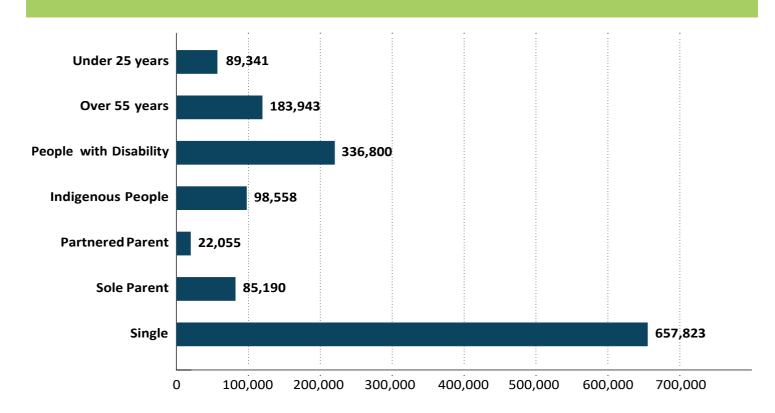




### How many Australians are living on Newstart Allowance?

There were nearly 1 million Australians living on Newstart or Youth Allowance (Other) at December 2018 - around 800,000 adults plus around 160,000 children. This includes over 377,000 people who have been out of work for 2 or more years.





# How would increasing Newstart reduce poverty?

A \$75 a week increase (or just over \$10 a day) in Newstart and Youth Allowance would make a huge difference to lives of nearly 1 million Australians. It would mean they would be able to afford to eat 3 meals a day, have the bus or train fare to go to job interviews and be confident they could pay their electricity bill.

We can afford it.

I'm an ex-Australian soldier who returned to Australia, couldn't find work and was shunted into Newstart and (Work for the Dole). I have a three year-old and barely have enough to feed/clothe him and I. The extra money would help us 'survive' until I can get back on my feet, employment-wise."

Without government action to increase Newstart Allowance, everyone loses: governments, the community, front-line services and, most of all, people receiving Newstart and their families.

- St Vincent de Paul Society.





# How does the rate of Newstart cause hardship and poverty?

In 2018 ACOSS and UNSW research found that while the poverty rate for all Australians was 13.2%, the poverty rate was 64% for young unemployed people who rely on Youth Allowance and 55% for people who rely on Newstart.<sup>iv</sup>

Foodbank found the main reason people were unable to buy food was because they were living on a low income or pension. Single parents often make personal sacrifices to ensure their children can eat: 3 in 5 single parents experiencing food insecurity skip a meal at least once a week to make sure there is enough food for their family and 1 in 3 go a whole day without eating at least once a week.

How does the low rate of Newstart affect job search?

The Business Council of Australia, as long ago as August 2012, viii said:

"The rate of Newstart no longer meets a reasonable standard of adequacy and may now be so low as to represent a barrier to employment" – trying to survive on the payment is "likely to erode the capacity of individuals to present themselves well or maintain their readiness for work."

In 2018, their CEO Jennifer Westacott said she had been calling for increases to unemployment benefits for years.

"You cannot live on \$39 a day. We really have to get our head around this, but not just in terms of tinkering with the allowance. We've got to make sure that allowance is adequate... we've got to make sure the programs are there, the literacy programs, the numeracy programs, that the jobs services networks are doing their jobs properly."

Current payment rates do not cover basic living costs, let alone the additional costs of looking for work (e.g. internet expenses; clothing/transport costs to attend job interviews). The ongoing stress and struggle to make ends meet can detract from job search activities and undermine health and wellbeing, further diminishing employment prospects.\*

Melissa, a mother of four receiving Newstart, said that it was difficult to provide her children even with basics like fresh fruit:

"He's asking for a banana. I should be able to provide that."vi

According to Anglicare's 2019 Rental Affordability Snapshot, not 1 rental property or share house was affordable for a single person on Newstart or Youth Allowance in any major city or regional centre. Across Australia, only 2 private rental properties were found to be affordable for a single person on Newstart with no children.vii

How would a \$75 a week increase to Newstart help our economy?

Deloitte Access Economics found a \$75 a week increase in Newstart and associated allowances (described by them as a 'catch up increase') would have a strong fairness and prosperity dividend. Adding \$10 a day to the existing base rate of unemployment benefits would cost \$3.3 billion but would create a bigger economy and also would help the regional economies most in need of help.xi Economist Chris Richardson told Radio 2GB:

Of that direct cost of \$3.3 billion, because it's going to people who will basically spend every cent... it tends to have a bigger boost to the size of the economy than some other things do.xii

The Governor of the Reserve Bank, Philip Lowe, confirmed in June 2019 that increasing Newstart would be at this time "good for the economy", in order to boost growth. xiii





### Around 1 million people in Australia rely on Newstart and Youth Allowance.

December 18 (a)	Newstart Allowance	Youth Allowance (Other)	Total	%
Total	722,923	89,341	812,264	
Single	572,224	85,599	657,823	81%
No Earnings	84,943	72,571	664,700	82%
Single Parent (Principal carer of children)	21,981	247	85,190	
Couples with Children (Partnered principal carer of children)	106,974	74	22,055	
Total with Children (b)	80,718	321	107,245	13%
Indigenous	199,907	17,840	98,558	12%
Partial capacity to work (<30 hours week) (c)	183,943	10,783	210,690	26%
Aged over 55 years		0	183,943	23%
Aged under 25 years		89,341	89,341	11%
Average duration on NSA/YA	156 weeks	79 weeks		
Received Newstart for 2 or more years	353,369	24,087	377,456	46%

- (a) <u>DSS Demographics December 2018</u>, note categories are not exclusive, some people may be counted in more than one category.
- (b) Families with children (single and partnered) total 107,245. Estimate 1.5 children per family from Question on Notice SQ19-000049, so approx. 160,000 children living in a family who rely on Newstart.
- (c) People with disability are not separately identified in DSS Demographic Data but according to the Federal Government's <u>Labour Market Information Portal</u>, at December 2018 there were 336,800 (41%) Newstart & Youth Allowance (Other) recipients with disability participating in labour market programs:
- 163,600 people (or 77%) of all in the <u>Disability Employment Service</u>
  (<u>DES</u>) <u>program</u> and
- 173,200 people (or 27%) of all in the jobactive program who had a disability.

(Note: Qualifying for DES or jobactive depends on whether your disability is your primary barrier to employment. For the 77% of people in DES receiving Newstart & YAO, their disability has been assessed as the primary barrier to employment; for the 27% in jobactive with a disability, it has been assessed as manageable and not the primary barrier.)

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For more, see Raise the Rate or our website at www.antipovertyweek.org.au

DSS Demographics December 2018, note categories are not exclusive, some people may be counted in more than one category. People with disability based on numbers of people with disability in jobactive program and DES labour market programs at December 2018. Estimate of 1.5 children per family with children from Question on Notice SQ19-000049.

"Ross, cited in <u>Poverty in Australia 2018</u>, sourced from Your Stories, Raise the Rate.

"St Vincent de Paul, Briefing Raising the Rate of Newstart, 21 May 2019.

<sup>™</sup>Davidson, P., Saunders, P., Bradbury, B. and Wong, M. (2018), <u>Poverty in Australia 2018</u>. ACOSS/UNSW Poverty and Inequality Partnership Report No. 2, Sydney: ACOSS.

<u>\*The Hunger Report 2018</u>, Foodbank, October 2018.

"http://www.powertopersuade.org.au/blog/i-should-be-able-to-provide-that-how-welfare-to-work-affects-low-income-single-mothers-food-provision/19/2/2019

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BCA submission to Senate Inquiry, August 2012.

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\*St Vincent de Paul, <u>Briefing Raising the Rate of Newstar</u>t, 21 May 2019.

<sup>xi</sup>Deloitte Economics report at: "<u>Analysis of the impact of raising benefit rates</u>", 4 September 2018.

xiiRadio 2GB, Raising Newstart has to become a priority 26 September 2018.

xiiiACOSS Media Release, 20 June 2019.





# Poverty rates and food relief demand are higher in our regional and rural communities

Australian communities have people that are really doing it tough, particularly people in remote and regional areas of Australia and in many instances, single mothers and their children

- Russell Broadbent, Liberal MP in forward to <u>Living on the Edge</u>, Parliamentary Inquiry published February 2019.

The ACOSS/UNSW <u>Poverty in Australia 2018</u> finds that poverty is higher (at 13.8% using the 50% of median income poverty line) among people living outside capital cities than among those who live in them (12.8%).

Foodbank's <u>Hunger Report 2018</u> found that people in the bush are 33% more likely to have accessed food relief in the past 12 months compared with people in the city. 1.5 million people in regional Australia accessed food relief in 2018 alone.

Anglicare NT stated the following in their submission to the Senate Inquiry into the adequacy of Newstart:

The cost of living in the Northern Territory is high. Food, electricity, transport and rent all feature as some of the highest in the country. The Household Expenditure Survey shows NT Households spend more on goods and services per week than anywhere else in the country. For remote communities, the cost is even higher. For example, a healthy food basket costs 60% more from remote stores than urban supermarkets.

Disadvantage is more prevalent and persistent in regional and remote parts of Australia... all the population groups at higher risk of poverty and social disadvantaged are present in greater proportion in rural areas.

- National Rural Health Alliance submission to the Living on the Edge inquiry.

# In the bush we're even more sympathetic to people experiencing poverty

Australians are much more aware of and sensitive and sympathetic to poverty and people experiencing poverty than some politicians and commentators believe. An Ipsos survey conducted in June 2018 for Anglicare Australia and published in their <a href="State of the Family 2018">State of the Family 2018</a> found high levels of compassion towards people experiencing poverty, and that most believe people should not experience poverty in Australia.

More than 4 in 5 people agreed that nobody deserves to live in poverty and that Australia should be a country that looks after those in need. People in rural and regional Australia have even stronger empathy than those in metropolitan locations. Nearly two thirds of people in rural areas said that there are no differences between them and those experiencing poverty, compared with just over a half of people living in metropolitan areas.





# Unemployment and low Newstart payments bite hard in our regional and rural communities

Unemployment is often higher in rural communities

In regional and rural areas there is often not the availability and opportunities of a vibrant job market compared to city areas. Housing costs to live in the city have become unaffordable, and as a result many people have been forced to the regional areas in search for cheaper housing. However, this also means that there are fewer job opportunities in these areas.

- The Salvation Army's submission to the <u>Living on the Edge inquiry</u>.

Indigenous Australians aged 15–64 were more likely to be employed the closer they lived to major cities (54% compared with 31% in Very remote areas) according to <u>Australia's Welfare 2019</u>.

## Stories of Newstart poverty from regional Australia

David Tennant, CEO of Shepparton Family Care said in an <u>ABC Interview</u> earlier this year that Newstart which has not risen in real terms in 25 years, is devastating rural and regional communities, where unemployment was widespread, and had become a structural level of poverty almost impossible to escape. Mr Tennant said many Australians could not survive on Newstart alone and had to resort to family or emergency outreach — a problem that harmed single women with children more than other demographics.

It's just a bizarre, slightly cruel conundrum that we're requiring people to go to government funded agencies to get emergency relief, when what really should be happening is they're paid a respectful amount of money that they can constantly survive on.

- David Tennant, CEO of Shepparton Family Care

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. Cited in Uniting Vic/Tas submission to the <u>Senate Inquiry into the adequacy of Newstart</u>.

# Increasing Newstart would be an economic boost for regional and rural Australia

Deloitte Access Economics Analysis of the impact of raising benefit rates, found a \$75 a week increase in Newstart and associated allowances (described by them as a 'catch up increase') would have a strong fairness and prosperity dividend. Adding \$10 a day to the existing base rate of unemployment benefits would cost \$3.3 billion, but would create a bigger economy and also would help the regional economies most in need of help.





### Health outcomes are worse in the bush

National Rural Health Alliance say there are 7 million people in rural and remote Australia experience who experience:

Up to

Up to

1.3x

2x

2.5x

burden of disease

rate of preventable hospitalisations

rate of preventable deaths

40%

50%

higher suicide rate

less spent on mental health



There's an avalanche of chronic disease emerging in rural and remote Australia. If you look at diabetes, mental health, obesity, cardiovascular disease, deaths from cancer, suicide responses to mental health, all of those have increased compared to what we see in the cities.

- Dr Paul Worley, Rural Health Commissioner speaking on the 7.30 Report - regional health, 3/7/19

According to the Royal Far West Annual Report 2017-18, children living in rural and remote areas of Australia are up to 5 times as likely as children living in urban areas to have challenges with their developmental health and greater difficulty getting the support they need.

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While 'paid employment can be a route out of a state of disadvantage, it does not guarantee an absence of recurrent disadvantage as some jobs, particularly low-skilled jobs, are low-paid and hours of available work not assured.'

House of Representatives Committee 2019 report Living on the Edge citing findings from the Productivity Commission.

How many people in Australia can be classified as the 'working poor'?

The ACOSS/UNSW <u>Poverty</u> <u>in Australia 2018</u><sup>ii</sup> report found that in 2015-2016:

The majority of people living below the poverty line rely on government benefits as their main source of income and are either unemployed, have a disability or are retired and renting privately.

968,000 people or 38% of the 2.6 million people living in poverty (excluding self-employed people) came from households where wages were the main source of income. At 38%, this is a significant increase in the level of poverty from wage-earning households, up from 32% in 2013-14.

More than half of these working households living below the poverty line were families with children (55% of households living below the 50% poverty line).

15% of all people who worked parttime were living in poverty.

#### How do people make ends meet?

In late 2018, more than 1 million Australians were having to work multiple jobs. In the last half of 2018, 30% of the new jobs created were going to those already working in another job. Women and younger workers are more likely to hold multiple jobs. Around 17% of women aged 18 to 24 and 1 in 10 women aged between 25 and 34 have 2 or more jobs.

# 38% of the 2.6 MILLION

people living in poverty came from households where wages were the main source of income.

As a casual, I'm at the bottom of the pecking order, and at times my shifts get cancelled because of a lack of work. One of the disadvantages of being casual. That's why I have a second job.





#### What are some reasons poverty is increasing for people who mainly rely on wages?

#### The minimum wage is worth less in real terms

 In 1996 the minimum wage was 61% of the median fulltime wage. In 2018, the minimum wage was just 49% of the median fulltime wage (a relative decline of 18%).

# Wage growth is low or stagnant, especially at the bottom

- In the 4 years to 2007–08, average weekly household income grew by \$220 in real terms. In the 10 years to 2017-18, it grew by only \$44.<sup>vii</sup>
- The labour share of total GDP peaked in the mid-1970s about 58% and in 2017 and 2018, it fell below 47%.

  Nominal wages have been growing about 2% a year since 2015, or "barely half the traditional pace of growth experienced over the preceding 50 years", a group of 120 experts stated in an open letter to the Australian Financial Review.

#### There are less low-skilled entry-level jobs

 Anglicare Australia found only 14% of the job vacancies advertised in May 2018 were for low-skilled entry-level jobs. This is half that of the low-skilled job vacancies advertised since 2006. There were at least 4 jobseekers competing for each low-skill entry-level job vacancy - nearly 111,000 jobseekers and just 26,000 vacancies at that skill level.ix

#### Part-time work is increasing

- Since the late 1970s, part-time work has increased from representing around 15% of all employees, doubling to 31% in 2018. Part-time work for men has increased almost fourfold in the past 40 years – from 5% to 18%.<sup>x</sup>
- A report published by the Brotherhood of St Laurence in December 2018 xi found that young Australians are far more likely to work part-time than 40 years ago. More than a quarter of a million young people aged 20 to 24 who were not in full-time study had a job but only worked part-time.

Some people have less hours of work than they need to stay out of poverty

- More than 1 million Australians were under-employed (they had some work but wanted more) in July 2019.
   This was more than the number counted as officially unemployed – 713,000 or an unemployment rate of 5.2%<sup>xii</sup>
- Australia's youth unemployment rate for 15 to 24 year olds remains stubbornly high at 11.2% and the underemployment rate for this age group exceeded 18% per cent.xiii

644,000
15 to 24 year olds were unemployed or underemployed in October 2018.

I would give up casual for full-time, no questions asked.

Tried to get credit as a casual; need to be working three times as long, try to get a mortgage; need more deposit, get sick and don't get paid! Take two weeks off work and lose out, cause you still have to pay your bills.\*\*





## Increase in insecure or precarious work

- The prevalence of non-standard employment (which includes people on fixed-term contracts, casual employment, labour hire employment and permanent parttime employment) increased for men from 31% in 2008 to 37% in 2017, while increasing from 57% to 61% for women.<sup>™</sup>
- A Future of Work report published in 2018 showed for the first time, less than half of all working Australians were in full-time work with leave entitlements<sup>xvi</sup>.

Bankwest Curtain Economics Centre used 3 indicators - job insecurity, lack of control and working conditions to

construct their Index of Precarious Work published in April 2018. They found\*\*\*ii:

- 11.6% of the Australian workforce are independent contractors, equivalent to around 1.27 million workers.
- Since 2009, precarious employment has increased for both genders, but more rapidly for men than women. Women are still much more likely to be in precarious work.
- Higher-skilled occupations such as professionals and managers have more stable employment, while traditionally male-held positions such as labourers and machinery operators and drivers are in the most precarious job circumstances.
- The accommodation and food services sector records the highest index value of precarious employment, which has also been increasing over time.

# **How does Australia compare?**

- In 2015, the OECD concluded that about 40% of all employment in Australia is 'non-standard' meaning work
  that does not conform to the norm of full-time, regular employment with a single employer over a long time
  span. Non-standard work can include work that is temporary, part-time, on-call, or arranged through an agency or
  subcontractor.
- Australia's rate of non-standard work was the 3rd highest rate among the 36 OECD countries, behind the Netherlands and Switzerland.

People are more likely to be poor or in the struggling bottom 40% of society if they have non-standard work, especially if they live in a household with other non-standard or non-employed workers.\*Viii

Produced by Anti-Poverty Week as part of its Fast Facts series. Data correct as of 14 August 2019. For more, see our Resources on our website at <a href="https://www.antipovertyweek.org.au">www.antipovertyweek.org.au</a>

R McLachlan et al, Deep and Persistent Disadvantage in Australia, Productivity Commission Staff Working Paper, Canberra, 2013, p. 135.

<sup>®</sup>Davidson, P., Saunders, P., Bradbury, B. and Wong, M., <u>Poverty in Australia 2018</u>. ACOSS/UNSW Poverty and Inequality Partnership Report No. 2, Sydney: ACOSS. 2018.

"Greg Jericho, More people than ever need a second job to help pay the bills, The Guardian, 18 March 2019.

\*Bankwest Curtin Economics Centre, <u>The Future of Work in Australia</u>, 2018. Note some people are working multiple jobs as a choice not simply as a result of few too hours.

\*Rachel, casual food and beverage attendant, Melbourne cited in ACTU <u>Insecure work, anxious lives:</u>
the growing crisis of insecure work in Australia, 2011. See also ACTU, <u>Australia's insecure work crisis: Fixing</u>
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vii ABS 2017-18 Survey of Income and Housing, July 2019.

\*\*\*The New Daily, <u>This isn't going to fix itself': Economists demand end to slow wages growth</u>, **19** March

Lobs Availability Snapshot 2018, Anglicare Australia, October 2018.

\*Bankwest Curtin Economics Centre, <u>The Future of Work in Australia</u>, 2018. *Note some people may choose to work part-time, for others it is all the hours they can get*.

<sup>24</sup> Brotherhood of St Laurence, <u>Part-time purgatory: young and underemployed in Australia</u>, December 2018.

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<sup>\*\*</sup>Andrew, casual storeman, Perth WA, cited in ACTU <u>Insecure work, anxious lives:the growing crisis of</u> insecure work in Australia, 2011.

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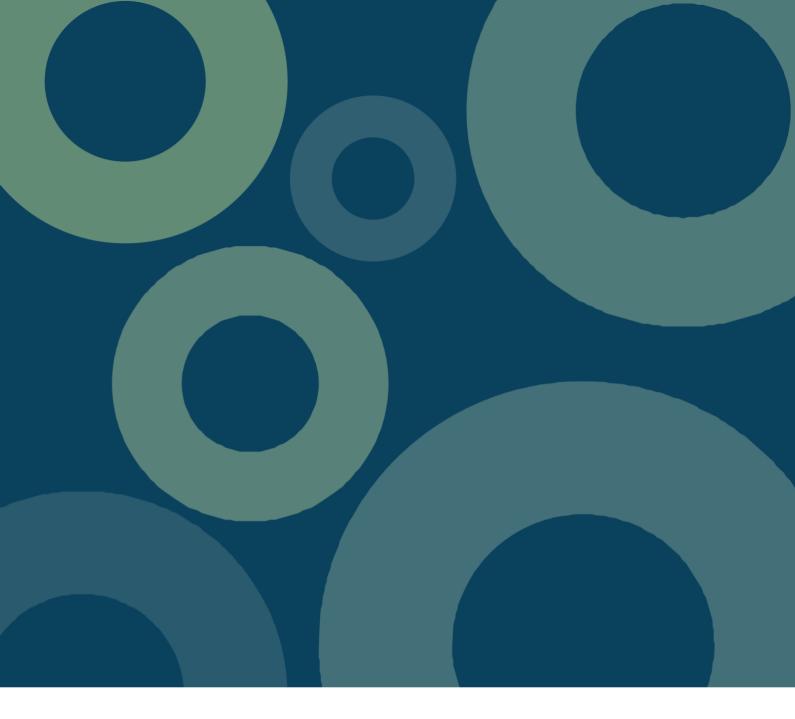
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