



17 – 23 October 2021

anti-poverty week

act on poverty

The Hon Josh Frydenberg MP
Treasurer
Parliament House
CANBERRA ACT 2600

Via email Josh.frydenberg.mp@aph.gov.au

28 July 2021

Dear Treasurer,

I am writing on behalf of Anti-Poverty Week to express our concerns about the hardship being felt by over 550,000 individuals, families and children receiving the lowest social security payments locked down in NSW. We have estimated this total to include 355,000 adults and 195,000 children.

Unfortunately, we expect this lockdown to continue for many weeks. These are individuals and families receiving working age payments including JobSeeker and Parenting Payments which are as low as \$44 (JobSeeker) and \$36 (Youth Allowance) per day. Around 25% of them usually have earnings from part-time work and are likely to have lost this income.¹

The Coronavirus Supplement was \$550 a fortnight from March to September 2020. It no longer exists, replaced by \$50 per fortnight permanent increase from 1 April 2021, so they are doing this lockdown with \$500 per fortnight less and without access to the new COVID-19 Disaster payment. Two recent reports by the Australian Council of Social Service illustrate the hardship being experienced: [Financial distress in lockdown](#), 27/7/21 and [Locked out in lockdown](#), 23/7/21.

In particular, please note the example of single parent Clare who has a 10 year old daughter with autism, featured in [Thousands seek aid from Foodbank as lockdowns plunge families into poverty](#), 27/7/21:

“Fifty-year-old single mother Clare, from locked-down Bankstown in western Sydney, can barely afford to buy food after losing two of her three part-time jobs, and is selling her own clothing and children’s toys online to raise cash.

¹ At 30 April, of those who would have been eligible for CVS nationally, 25% had earnings from employment and likely to have lost that (22% is JobSeeker number, Parenting Payment Single is 30%).

Clare, who did not want to be identified, said she had lost part-time work in a factory, and then in a creche inside a gym, as a result of lockdowns and now survives on JobSeeker.

Working part-time for a food charity, she has \$200 a week to spend on food, electricity, transport and medical bills after paying \$450 a week on her mortgage, which was paused during last year's lockdown.

"Groceries and petrol have increased so much over the last year, I used to be able to feed us for \$50 a week but it is easily double that now," she said. "I'm trying to find things I can sell in the house - kids' toys and clothes and personal belongings."

Clare and her 10-year-old daughter, who has autism, eat cheap cuts of meat a couple of times a week, and often just steamed potatoes for lunch. "If I lose another job I don't know how I'm going to buy potatoes," she said.

Clare, who does not qualify for any federal government disaster payments despite losing work, said she wished people would "stop being so judgemental".

"People really need help," she said.

"There are plenty of people who cannot work from home."

There are also many thousands of individuals and families who are struggling to pay rent. Commonwealth Rent Assistance hasn't increased in real terms in more than 20 years' and it only covers a quarter or a third of rent paid. People relying on JobSeeker were paying \$230 per week rent in March 2021 and only receiving ~\$66 per week in Commonwealth Rent Assistance (median figures) – that is a \$164 a week gap. For a single parent with two children, the median rent paid in March 2021 was \$305 per week, the median CRA received was ~\$74 per week – a gap of \$231 per week.²

Families with children reliant on these low payments will also be struggling with home schooling and online learning – perhaps not even able to afford the internet access; others will not have enough laptops or devices resulting in multiple children having to share a single device. Experience of the extended Victorian lockdown captured by The Smith Family found some students reduced their daily lesson attendance and many students including those with learning difficulties and disabilities, struggled because they do not have sufficient individualised learning support. Their recent report found that for families in Australia's most disadvantaged communities were affected by a *"a housing crisis affecting children's ability to learn; some students struggling to reengage in their schooling; the ongoing negative impacts of the digital divide and compounding mental health issues."*³

We know that more than one in six Australian children are growing up in poverty and this diminishes their lives both now and in the future.⁴

² [DSS Demographic Data, March 2021.](#)

³ [The Smith Family reports on experience of lockdown and *Emerging from COVID-19: Insights Snapshot*](#)

⁴ Davidson, P., Bradbury, B., Hill, T. and Wong, M. (2020), [Poverty in Australia 2020: Who is affected?](#) ACOSS/UNSW Poverty and Inequality Partnership Report No. 4, Sydney: ACOSS. See also [Anti-Poverty Week Child Poverty Fast Fact](#), 20/9/20.

The extra income provided by your Government to low-income families doing it tough during 2020 really made a difference. It meant they had enough to cover the basics like healthy food, warm clothes in winter and after school activities like sport and music. Importantly it relieved stress on parents and children which compounds hardship.⁵

The full Coronavirus Supplement halved poverty for the poorest families - those headed by single parents. According to ANU research commissioned by the Brotherhood of St Laurence and Social Ventures Australia, poverty rates for these families reduced from 39 to 17% (the loss of all payments is expected to more than double these rates to 41%.)⁶ Numerous other surveys showed the benefits for individuals and families as well as the boost to the economy with every dollar spent.⁷

We support the call from the Australian Council of Social Service (ACOSS) *“to immediately extend Disaster Payments to lift all incomes up to \$600 per week (especially for those renting). When Federal Parliament returns, we need to fix social security arrangements for lockdowns to deliver an income floor for all. This would ensure everyone can cover the basics, including a roof overhead, to keep everyone safe. This means lifting social security payments above the poverty line: at least \$475 per week (single rate), increasing Rent Assistance by 50%, and additional supplements for people with disability or chronic illness and single parents.”*

To treat all of Australia’s children fairly, we need to ensure every family has enough money to cover the basics and a secure roof over their head.

Yours sincerely

Toni Wren

Executive Director, Anti-Poverty Week, ed@antipovertyweek.org.au

www.antipovertyweek.org.au

⁵ See [We must not let a million children fall off the cliff into poverty in September](#), 13/7/21

⁶ Ben Phillips and Vivikth Narayanan, [Financial Stress and Social Security Settings in Australia](#), ANU Centre for Social Research and Methods, April 2021

⁷ See for example [Household Impacts of COVID-19 Survey November 2020](#) published 14/12/20.