

**Toni Wren “Be alarmed: The COVID economic recovery will leave many more Australians in poverty.” Address to the National Press Club, 17 November 2021.**

I acknowledge the Ngunnawal people as the traditional custodians of the ACT and surrounding areas.

I am very pleased for the invitation to join you, especially to be able to travel from Gadigal country and be together in person. It’s an exciting sign of our success as a nation as we emerge from this pandemic with now one of the highest vaccination rates in the world.

Unfortunately, the reason I have been given this opportunity is because we need to talk about poverty. When we all would probably prefer to focus on the joy of seeing our loved ones in person, planning our Christmas holidays and even going back into the office.

But we need to talk about poverty because there were more than 3 million Australians locked in poverty before this pandemic struck and that number will continue to rise as the consequences of the pandemic and our inadequate responses to it, unfold. Wealth inequality was also already too stark before the pandemic - the ACOSS/UNSW report [Inequality in Australia 2020](#) finding the highest 20% had six times the average wealth of the middle 20% and **90 times that of the lowest 20%**.

And that’s just not right in one of the wealthiest countries in the world,<sup>1</sup> one that prides itself on giving everyone a fair go. For the Australians living in poverty, (and while we may not see them, they live in our towns, cities and regions), the lockdown has not ended, it grinds on. Not having enough money to cover the basics including housing, restricts daily life and crushes hope for the future. It restricts their chance to prosper and thrive. Living in poverty is like living in permanent lockdown.

Andrew has outlined who was most affected but one of the stark figures is the death rate. Compared to many nations we got off lightly but the Institute of Health and Welfare have released the death rate for the first part of the pandemic: people on the lowest incomes died at a rate four times that of people on the highest incomes. And they caught COVID at a higher rate as well.<sup>2</sup> I won’t spend time now speaking about the policy decisions taken. However, I believe the biggest policy impact – the one that will have the largest consequence on us as a nation and on increased poverty and inequality is what we didn’t do. We failed to procure vaccines in 2020 and ensure their rollout in the first quarter of 2021. The large-scale 2021 lockdowns were totally avoidable. The harm done by our failure to even be *in the race*, let alone *win the race*; for business, individuals, families and governments at all levels will flow through for many years to come.

Today I want to discuss three drivers increasing poverty as we emerge from this pandemic, recognising that today there is a serious outbreak affecting particularly our First Nations people in the Northern Territory.

### **1. The housing affordability crisis**

A failure to invest in social housing over decades and increased house prices have been driving an increased reliance on private rental for some time. The pandemic seems to have,

---

<sup>1</sup> The [Credit Suisse annual Global Wealth Report 2021](#) says Australia now has the highest median wealth per adult of any country (\$US238,070), followed by Belgium, Hong Kong SAR and New Zealand.

<sup>2</sup> AIHW, [Health insights from the first year of COVID-19 in Australia](#), 10/9/21.

despite predictions to the contrary, super charged that fact. Prices are going up whether you're renting or buying. Rents increased in the cities by 5 percent and in the regions more than 11 percent and close to 30 percent in coastal Qld to June 2021. Updated analysis undertaken by my colleague Kate Colvin from [Everybody's Home](#) for the year to October 2021 shows these increases are continuing both in regions directly affected by lockdowns and those that have not – 30% in Sunshine and Gold Coasts; 27% WA Goldfields and Northern WA; 21% in Far North QLD. In terms of capital cities, Melbourne and Hobart are outliers with a 3% and 4% increase respectively; Adelaide 8%; other capital cities all over 10% - Canberra 17%, Darwin 16%, Sydney 15%.

Commonwealth Rent Assistance – the support available to people receiving income support and low-income families - hasn't had a real increase since 2000 and covers only a fraction of rent paid. The gap between Rent Assistance and the actual cost of rents can be well over \$200 per week. I'm pleased Kasy Chambers, CEO of Anglicare Australia, is here today. They release an annual [Rental Affordability Snapshot](#) which shows yes, things improved slightly in 2020 due to the Coronavirus Supplement, but again in 2021, there are hardly any properties a person receiving income support can afford. Almost 1.5 million households needed Rent Assistance in June this year. We expect to see this number rise.

Having secure housing is a basic human right and something should all expect. Yet housing is a major concern right now for too many individuals, young and old, and for families with children. It's also alarming that as more people enter retirement without owning their own home, we will see more retirement poverty. We've relied on high levels of home ownership to cushion people from poverty in retirement – the poverty rate for those who rent privately was already 4 times higher for than for homeowners back in 2017-18. It will be worse now and continue to escalate if we don't do something about it. While many of us have been warning about this for some time, it's good to see both the Treasury Retirement Income Review published in November 2020 and as recently as Monday, the Reserve Bank, acknowledge this concern.

## **2. The number of people needing unemployment payments will rise**

The number of people who need unemployment payments (now called JobSeeker) has increased by 220,000 or around 30% since the bushfires and pandemic, and it's not peaked yet. To live on these payments is to live in poverty. They are as low as \$45 (JobSeeker) and \$36 (Youth Allowance) per day – well below the poverty line for singles of \$65 per day. \$165 a week lower than the age pension which no one believes is too high.

There were just over 1 million (1,030,346) people receiving these payments in October 2021.<sup>3</sup> This is before we see the impact of the ending of the COVID Disaster Payment. It's hard to imagine all of the 2 million people who lost work during those largely avoidable 2021 lockdowns, will immediately retrieve those lost jobs and hours of work.

I contend that even with strong employment growth, Jobseeker numbers will rise. This is because, despite its name, the payment has become a catch-all for

- a) People who are sick (including those having cancer treatment) as we have abolished sickness benefit. We expect an increase when the number of illnesses rise due to reductions in screening/testing during the pandemic. For example, there were

---

<sup>3</sup> ACOSS analysis in the [Faces of Unemployment 2021](#) report shows at June 21, 80% receiving unemployment payments for more than a year, 44% were aged over the age of 45 and 11% (mostly single parents) were caring for young children.

145,000 fewer mammograms through BreastScreen Australia in the first 6 months of 2020 compared with the same period in 2018.<sup>4</sup>

- b) People who have a disability or impairment that impacts their ability to work who made up a third of all recipients in June 21 (I've been shocked to learn from welfare rights colleagues that it is virtually impossible now to make a successful claim for the disability support pension without legal representation).
- c) Older men and women who have been laid off later in their working years and are just waiting to claim the higher age pension. People like Ashlie who was the story and face for our Petition to the Treasurer this Anti-Poverty Week; and
- d) Single-parents, predominantly mothers, with children over eight years of age.

### **3. Increasing relationship breakdown will fuel further poverty**

Like the other 2 factors, domestic violence was already too high before the pandemic struck. It has been exacerbated by financial pressures and because lockdowns compounded coercive controlling behaviours. Alcohol consumption for those who previously drank alcohol increased by around 20% in lockdowns compared with before COVID-19 restrictions. (AIHW Sept 2021). Perpetrators and victims were under pressure living under the same roof for close to 24 hours a day. We have data to show domestic violence increased in prevalence and severity in the 2020 lockdowns and we expect the 2021 lockdowns to compound this human tragedy.

Yet even where there was no violence or coercive control, millions of families have been under extreme pressure coping with lockdowns juggling home schooling with working from home, home schooling without adequate devices or data, increasing mental health presentation in children, financial concerns and loss of supports such as the ability to see friends and extended family including grandparents and let off steam with after school or weekend sport. These pressures will play out in increased numbers of relationship breakdowns and the emergence of new single parent (mainly female headed) families. These families are at risk of poverty and homelessness due to the inadequacies of our policy responses.

As my colleagues at the front line of emergency relief in natural disasters tell me, there is always a lag in need for services, once the crisis has passed. Some people are only now emerging and asking for help. (Note [Ask Izzy](#) online help searches for October 2021: women's services – second highest ever and the highest ever searches for mental health and well-being.)

***If we consider the three factors together and ask the question who does this harm, my answer is Our Children.***

Prior to the pandemic it was a source of shame that 1 in 6 Australian children were growing up in poverty<sup>5</sup> - that's an average of 5 in a classroom of 30.

Today I contend that number is at least 1 in 5. This includes APW estimates that 940,000 children are living in families reliant on the lowest social security payments at June 21. It

---

<sup>4</sup> AIHW, [Health insights from the first year of COVID-19 in Australia](#), 10/9/21.

<sup>5</sup> Davidson, P., Bradbury, B., Hill, T., and Wong, M. (2020), [Poverty in Australia 2020: Part 2 – Who is Affected?](#) ACOSS/UNSW Poverty and Inequality Partnership Report No. 4, Sydney: ACOSS.

also correlates with the shocking figures revealed in [Foodbank Australia's 2021 Hunger Report](#) that more than **a million children who went hungry** during the last year.

Our housing policies don't ensure they are protected from living in a car; sharing accommodation with extended family members or friends, and moving regularly, losing friends and necessitating changes of school.

Our threadbare social security net doesn't protect them from poverty when their parent loses their job, gets sick or the marriage ends. It locks them in it.

Our broken child support system doesn't ensure they have as close as possible, the standard of living they had before the relationship ended.

50% of domestic violence survivors have children. Poverty and homelessness should not be the price they and their mothers pay for leaving violence.

### ***What does that mean?***

Growing up in poverty is simply bad for children. Not having enough money to cover the necessities restricts daily life and crushes hope for the future. Children who grow up in poverty have more than 3 times the risk of being in poverty as an adult<sup>6</sup>.

Professor Sharon Bessell from ANU conducts interviews with children aged 7-12 years experiencing poverty as part of her research. She finds that while parents often tried to protect their children from such fear and uncertainty, children understood deeply the nature and the pain of economic hardship. She also draws on other important research that shows us that too many children [will wake up hungry, go to school hungry, and go to bed hungry](#), and "will be reluctant to tell anyone, because of a sense of shame and a desire not to further worry their parents."

### ***And what are we doing about it?***

I put it to you that our child poverty rate, rather than a source of shame, can be a source of pride for how well we are doing as a nation. We have the solutions. The full Coronavirus Supplement protected millions from poverty and halved poverty for single parent families.<sup>7</sup>

Raising income support to at least the poverty line, a 50% increase in Commonwealth Rent Assistance and a serious investment in social housing from Federal, State-Territory governments negotiated through the National Cabinet would reduce poverty for our children and all affected by poverty.<sup>8</sup>

---

<sup>6</sup> Melbourne University, [Does poverty in childhood beget poverty in adulthood in Australia?](#), October 2020.

<sup>7</sup> [ANU research](#) commissioned by the Brotherhood of St Laurence and Social Ventures Australia, poverty rates for these families reduced from 39% to 17%.

<sup>8</sup> Yet there has been no policy response from our Federal Government suffice to say the Commonwealth has no responsibility for funding social housing despite there being a Commonwealth-State Housing Agreement since 1945.

We hear a lot that the best form of welfare is a job. And we will no doubt here it a lot more as the election nears.

I contend that *the best form of welfare* is one that helps you get a job, not locks you out of the labour market because you can't afford to feed yourself and secure a safe home.

*The best form of welfare* protects you from poverty when you become ill, acquire a disability, lose your job or go through a relationship breakdown. (That's about 70% of us over a 10 year period).

*The best form of welfare* ensures all our kids can be healthy and thrive.

*The best form of welfare* invests early to save higher costs down the track.

I think we as a nation, deserve the best form of welfare.

We have the evidence to design it, and the wealth to pay for it.

We just need to demand it from all our political representatives.

ENDS