



Federal Election Poverty Briefing, 10 April 2022

More than 3 million Australians lived in poverty before the pandemic struck.¹ In December 2021, some 2.4 million adults and children were struggling to survive on income support payments that are well below the poverty line, that's nearly one in 10 Australians - including 900,000 children (nearly 1 in 5)². Many are at risk of homelessness due to a shortage of affordable housing.

The one-off payment \$250 payment announced in the Federal Budget 2022-23 is simply not enough. For example, it covers the gap in what a sole parent with 1 or 2 children pays in rent and what they get in Commonwealth Rent Assistance for just one week,³ leaving them struggling to cover basic costs for every other week.

As one of the wealthiest⁴ nations in the world, we can and must protect those most vulnerable. It's simply the right thing to do. We know that we can unlock poverty for millions of Australians by raising income support above the poverty line, a 50% increase in rent assistance and a significant Federal and State government investment in social housing.

Key income support data (including by State/Territory) are provided in the Appendix to this document. Anti-Poverty Week has also analysed key recipients/households *by Federal electorate* at December 2021 which is available [here](#).

Australians (even those not directly affected) care about poverty

A [November 2021 Ipsos survey](#) of people in Liberal-held marginal seats found **65-74% of voters agreed that JobSeeker payments should be above the poverty line**. The Scanlon-Monash Index of Social Cohesion [2020 report](#) (published January 2021) found **social justice and equity** jumped to 112 in July 2020 and 110.5 in November 2020 from 93.1 in 2019 (previous range was 87.5 to 98 between 2011 and 2018).⁵ The Smith Family [survey](#) of community attitudes published in January 2021 (based on November 2020 research) found 82% of people agreed with the statement "*helping children and young people overcome poverty should be a top priority for the country.*" We summarise earlier research in our 2019 Fast Fact [Australians Care about Poverty](#).

We never know when we might need to rely on our social safety net

The pandemic has proved that. Research by academic Professor [Peter Whiteford in 2019](#) found that as many as 70% of households have had at least one person who did over a nine year period. That was because of illness, unemployment or relationship breakdown. Yet many income support payments in Australia, especially for unemployed people and single parents actually lock recipients in poverty rather than give them the opportunity to get back on their feet.

More people still need unemployment payments than before the pandemic struck

There are still more than 960,000 people claiming unemployment payments (JobSeeker Payment and Youth Allowance Other) at 11 March 2022⁶, this is about 150,000 more (an 18% increase) than December 2019⁷ before the bushfires and pandemic.

To live on these payments is to live in poverty. They are as low as \$46 (JobSeeker) and \$38 (Youth Allowance) per day. The adult rate of Jobseeker is 30% below the poverty line⁸ and \$168 per week below the age pension which no one believes is too high⁹.

Many people receiving JobSeeker face significant barriers to employment

The vast majority of JobSeeker recipients have now been unemployed for more than a year, and the payment has become a catch all for older people who can't get back into work waiting for age pension; people who are ill or disabled and can't get Disability Pension (and there's no more Sickness Benefit); and sole parents whose youngest child has turned 8.

At December 2021 national data for JobSeeker Payment¹⁰ (latest available by characteristics) shows:

- 84% had been receiving payments for more than a year (compared with 77% in December 2019);
- 27% were aged over 55 and 49% aged over 45 years;
- 40% had partial capacity to work only; and
- there were just over 90,000 sole parents.

Of course, many people face multiple disadvantages in the labour market – i.e., the majority of those who are older are likely to be long term unemployed and may also only have a partial capacity to work (defined as less than 30 hours per week).

While men make up a higher percentage than women receiving JobSeeker, in the year December 2020 to December 2021, this proportion has increased for women (from 47% to 49%) and it is similar for the Youth Allowance payment for those aged under 22. This means women have not got jobs at the same rate as men (or enough work to leave income support payments) during the year to December 2021.

Federal support for renters is not keeping up with rising costs

While rents have increased across the country, regional areas have experienced the largest increases. According to [CoreLogic's Rental Review for the March 2022 Quarter](#), national rental rates surged by 8.7% over the year, capital city rents increased by 8%; and regional Australia's annual rental growth was 10.7%. There were over 1.4 million households receiving inadequate Commonwealth Rent Assistance in December 2021, including over 300,000 age pensioners.¹¹ While people aged over 65 have a poverty rate of 10%, this rises to 41% if they are renting privately.¹²

Commonwealth Rent Assistance hasn't had a real increase since 2000 and only covers a third or a quarter of actual rent paid. Nationally, people relying on JobSeeker Payment were paying \$220 per week rent in December 2021 and only receiving ~\$67 per week in Commonwealth Rent Assistance (median figures) – that is a \$153 a week gap. For a single parent with one or two children, the median rent paid in December 2021 was \$315 per week, the median CRA received was ~\$76 per week – a gap of \$239 per week.¹³ Even the Government's own Treasury review concluded: "*The maximum value of Commonwealth Rent Assistance has not kept pace with market rents, especially for low-income renters.*"¹⁴ See also our Fast Fact [Poverty and Housing](#).

Concerns for children and women

Poverty affects far too many Australian children and families, diminishing their lives now and in the future. As one of the wealthiest countries in the world, it's just not right that 1 in 6 of our children grow up in poverty. Not having enough money to cover the necessities restricts daily life and crushes hope for the future. The [AMA](#) has recently pointed out the urgent need to address child poverty to secure our children's health. See our Fast Fact [Child and Family Poverty in Australia](#).

While poverty affects far too many of us, [women are more likely to live in poverty](#). In December 2021, more than six in 10 people receiving inadequate Working Age Payments were women. ¹⁵

Research Anti-Poverty Week published in 2021 confirmed that women affected by violence are more likely to move into financial hardship. Our inadequate social safety net is a key reason. As is a lack of safe and affordable housing. See our Fast Fact [Women, Violence and Poverty](#).

We know what works

The extra income provided 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 for children, after school activities like sport and music. According to the ABS Survey conducted in November 2020, paying household bills was reported to be the most common use of the Coronavirus Supplement (67%).¹⁶

New evidence published by the **ACOSS/UNSW Sydney Poverty and Inequality Partnership**¹⁷ confirmed poverty was dramatically cut when working age payments were doubled for six months of 2020, despite a deep recession. Poverty rates for the poorest families, sole parents and their children was halved from 39 to 17 percent.

About Anti-Poverty Week

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 active every year in the week around the United Nations Day for the Eradication of Poverty on 17 October. In 2022, APW will run from 16-22 October, marking our 20th year of acting on poverty.

Our key message is: **Poverty exists. Poverty hurts us all. We can all do something about it.** It is one of hope, not despair. We promote evidence-based solutions to poverty. Since 2019 we have worked closely with our partners [Everybody's Home](#) and [Raise the Rate for Good](#).

You can see more at our website www.antipovertyweek.org.au or contact our Executive Director Toni Wren at ed@antipovertyweek.org.au or telephone 0405 705 442.

APPENDIX: Income Support Statistics, all sourced from [DSS Demographic Data](#)

Recipients of Working Age Payments (WAP) & Children by State/Territory, December 2021

State	Total WAP	Children (APW est)	WAP & Children (APW est)
Australian Capital Territory	15,244	8,994	24,238
New South Wales	458,861	270,728	729,589
Northern Territory	30,317	17,887	48,204
Queensland	346,995	204,727	551,722
South Australia	124,402	73,397	197,799
Tasmania	39,285	23,178	62,463
Victoria	361,977	213,566	575,543
Western Australia	158,899	93,750	252,649
Unknown	369	218	587
Total	1,536,358	906,451	2,442,809

Recipients of Unemployment payments by State/Territory, December 2021

State	JobSeeker Payment	Youth Allowance (other)	Total Unemployment Payments
Australian Capital Territory	8,140	837	8,977
New South Wales	279,594	25,532	305,126
Northern Territory	19,997	3,146	23,143
Queensland	207,316	23,915	231,231
South Australia	78,445	7,398	85,843
Tasmania	24,351	3,146	27,497
Victoria	222,306	17,034	239,340
Western Australia	97,264	9,905	107,169
Unknown	225	13	238
Total	937,638	90,926	1,028,564

Commonwealth Rent Assistance Households by State/Territory, December 2021

State	Commonwealth Rent Assistance
Australian Capital Territory	11,048
New South Wales	457,850
Northern Territory	8,057
Queensland	362,548
South Australia	104,041
Tasmania	38,552
Victoria	312,267
Western Australia	121,899
Unknown	36
Total	1,416,298

Duration receiving income support (Newstart/JobSeeker), December 2021 and December 2019

	Under 1 year	1-<2 years	2-<5 years	5-<10 years	10 years+	Total	
Dec 19 Newstart	171,010	97,243	172,181	153,619	134,352	728,405	
		97,243	172,181	153,619	134,352	557,395	77% long term
Dec 21 JSP	151,499	242,708	212,504	170,950	159,977	937,638	
		242,708	212,504	170,950	159,977	786,139	84% long term

Age of JobSeeker Payment recipients, December 2021

JSP All ages		Over 45	% over 45	Over 55	% over 55
Under 16	0				
16-20	0				
21-24	81,784				
25-34	202,212				
35-44	191,854				
45-54	204,053	204,053			
55-64	213,269	213,269		213,269	
65 and over	44,469	44,469		44,469	
Total	937,641	461,791	49	257,738	27

Partial capacity to work, JobSeeker Payment, December 2021

	Work capacity of 30 hours plus per week	Partial capacity to work	Total activity tested recipients
JobSeeker Payment	562,991	374,647	937,638

Principal Carers by payment type and marital status, December 2021

Payment Type	Partnered	Not Partnered	Total Principal Carers
JobSeeker Payment	26,236	90,020	116,256
Youth Allowance (Other)	51	154	205

Working Age Payments by Gender, December 2020 and December 2021

	Dec-20	Dec-20	Dec-20	Dec-20	Dec-21	Dec-21	Dec-21	Dec-21
Payment type	Male	Female	Total	% Female	Male	Female	Total	% Female
JobSeeker Payment	698,985	625,331	1,324,316	47	479,784	457,854	937,638	49
Youth Allowance (other)	78,150	71,855	150,005	48	45,598	45,328	90,926	50
Parenting Payment Partnered	8,973	86,578	95,551	91	7,125	68,736	75,861	91
Parenting Payment Single	11,959	231,141	243,100	95	11,098	223,010	234,108	95
Special Benefit	4,921	4,058	8,979	45	4,936	5,685	10,621	54
Youth Allowance (student and apprentice)	74,394	103,585	177,979	58	59,951	85,547	145,498	59
ABSTUDY (Living Allowance)	3,830	5,697	9,527	60	3,777	5,461	9,238	59
Austudy	16,068	20,704	36,772	56	14,463	17,989	32,452	55
Widow Allowance	0	3,557	3,557	100	0	0	0	
Partner Allowance	27	375	402	93	0	0	0	
Total WAP	897,307	1,152,881	2,050,188	56	626,732	909,610	1,536,342	59

ENDNOTES

- ¹ Davidson, P., Saunders, P., Bradbury, B. and Wong, M. (2020), [Poverty in Australia 2020: Part 1, Overview](#). ACOSS/UNSW Poverty and Inequality Partnership Report No. 3, Sydney: ACOSS.
- ² Numbers based on people receiving Working Age Payments sourced from [DSS Demographic Data](#), December 2021.
- ³ [DSS Demographic Data](#), December 2021.
- ⁴ 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. Yet we know wealth here is concentrated at the top with the ACOSS/UNSW report [Inequality in Australia 2020](#) finding the highest 20% (with \$3.3 million) had 6 times the average wealth of the middle 20% (with \$565,000) and **90 times that of the lowest 20%** (\$36,000).
- ⁵ The [Scanlon-Monash Index of Social Cohesion](#) provides an overview in the five core pillars of social cohesion: belonging, worth, social justice, participation and acceptance and rejection. These endeavor to answer the question: *What is the state of social cohesion in Australia?*
- ⁶ [Select Senate Committee on COVID-19](#), Additional Documents #129.
- ⁷ [DSS Demographic Data](#), December 2019.
- ⁸ Davidson, P., (2022) [A tale of two pandemics: Covid, inequality and poverty in 2020 & 2021](#), ACOSS/UNSW Sydney Poverty and Inequality Partnership, Build Back Fairer Series, Report No. 3, Sydney.
- ⁹ Based on DSS rates 22 March 2022 for single adult JobSeeker plus Energy Supplement and single adult Age Pension plus Bonus and Energy Supplement.
- ¹⁰ [DSS Demographic Data](#), December 2021.
- ¹¹ [DSS Demographic Data](#), December 2021.
- ¹² 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.
- ¹³ [DSS Demographic Data](#), December 2021.
- ¹⁴ Treasury, [Retirement Income Review Final Report](#), November 2020.
- ¹⁵ [DSS Demographic Data](#), December 2021.
- ¹⁶ Proportion of people receiving the Coronavirus Supplement who reported using the payment for each item in the last four weeks ([Household Impacts of COVID-19 Survey November 2020](#) published 14/12/20)

Household bills (%)	Household supplies/Groceries (%)	Mortgage /rent (%)	Saving it (%)	Medical services or supplies (%)	Credit card/personal debt (%)	Recreation/leisure activities (%)	Clothing/footwear (%)	Furnishings/household equipment (%)
67.4	63.3	38.9	26.3	26.1	19.1	17.5	14.9	7.7

¹⁷ Davidson, P., (2022) [A tale of two pandemics: Covid, inequality and poverty in 2020 & 2021](#), ACOSS/UNSW Sydney Poverty and Inequality Partnership, Build Back Fairer Series, Report No. 3, Sydney.