

Updated Election Briefing on Poverty, 15 May 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 who are growing up in the poorest families. 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 receive in Commonwealth Rent Assistance for <u>just one week</u>,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-State government investment in social housing.

Data for the 30 most marginal seats by key DSS payments follows plus Anti-Poverty Week has also analysed key recipients/households by all Federal electorates at December 2021 which is available here.

Australians (even those not directly affected) care about poverty

New national polling confirms Australians support an increase in JobSeeker. The polling commissioned by ACOSS and undertaken by Ipsos between 28 April and 6 May 2022, found 68% support an increase in JobSeeker to above the poverty line and that over 76% said they could not live on the current rate of JobSeeker, which is a mere \$46 a day. 55% of respondents said they believed the current rate of JobSeeker is too low and 38% either somewhat or strongly disagreed that the Federal Government was doing enough to financially support people living on JobSeeker. This confirms the findings of the November 2021 Ipsos survey of people in marginal seats - Boothby (SA), Swan (WA), Longman (Qld), Blair (Qld) and Dobell (NSW) – which found 65-74% of voters agreed that JobSeeker payments should be above the poverty line. The Scanlon-Monash Index of Social Cohesion 2021 report found that the majority (52%) disagreed with the proposition that "people living on low incomes in Australia receive enough financial support" and 77% agreed the "in Australia today, the gap between those with high incomes and those with low incomes is too large." 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

Nationally, there are more than 960,000 people claiming unemployment payments (JobSeeker Payment and Youth Allowance Other) at 11 March 2022⁵, this is about 150,000 more (an 18% increase) than December 2019⁶ 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 line⁷ and \$168 per week below the age pension which no one believes is too high⁸.

In 24 of the 30 most marginal seats, there are more people receiving unemployment payments than the electoral margin, yet neither major party has to date committed to an increase in these payments.

Unemployment payment recipients at December 2021 in 30 most marginal seats

Electorate	State	Party Held	Margin 2019 or by-elec	Unemployment Payment Recipients (JSA,YAO) Dec 21
Macquarie	NSW	ALP	371	4,359
Bass	TAS	Liberal	563	6,355
Eden-Monaro	NSW	ALP	735	5,107
Chisholm	VIC	Liberal	1,090	4,118
Lilley	QLD	ALP	1,229	5,299
Cowan	WA	ALP	1,417	6,679
Corangamite	VIC	ALP	2,170	4,311
Blair	QLD	ALP	2,321	10,400
Wentworth	NSW	Liberal	2,346	2,218
Indi	VIC	Independent	2,816	5,914
Dobell	NSW	ALP	3,035	7,911
Boothby	SA	Liberal	3,047	5,839
Solomon	NT	ALP	3,396	4,998
Moreton	QLD	ALP	3,448	6,148
Braddon	TAS	Liberal	4,329	5,941
Swan	WA	Liberal	4,529	6,866
Lingiari	NT	ALP	5,292	18,172
Dunkley	VIC	Liberal	5,304	6,650
Greenway	NSW	ALP	5,343	5,709
Gilmore	NSW	Liberal	5,627	6,925
Griffith	QLD	ALP	5,701	5,404

Parramatta	NSW	ALP	5,934	7,872
Reid	NSW	Liberal	5,960	4,280
Hunter	NSW	ALP	6,074	7,871
Longman	QLD	ALP	6,525	9,500
Lyons	TAS	ALP	7,418	6,145
Leichhardt	QLD	Lib Nat Party	7,491	13,895
Higgins	VIC	Liberal	7,800	3,095
Robertson	NSW	Liberal	8,139	5,930
Richmond	NSW	ALP	8,182	8,522

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); as well as sole parents whose youngest child has turned 8.

At December 2021 national data for JobSeeker Payment⁹ (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

Rents have surged across the country, with regional areas experiencing soaring rents. According to CoreLogic's Rental Review for the March 2022 Quarter, national rental rates have surged by 8.7% over the year, capital cities increasing by 8% and regional Australia by 10.7%. The Anglicare Australia 2021 Rental Availability Snapshot 28/4/22, found that "The major drop in rental listings, and the halving of the vacancy rate, means that there is even more pressure on renters on low incomes. They need to find an affordable home in a tight market, while competing with record numbers of people who can no longer afford to buy. This has led to a market that has never been less affordable."

Commonwealth Rent Assistance hasn't had a real increase (beyond CPI) 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 (national 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.¹⁰ Even the Government's own Treasury review concluded:

In 28 of the 30 most marginal seats, there are more households receiving Commonwealth Rent Assistance than the electoral margin, yet neither major party has to date committed to an increase in rent assistance.

Commonwealth Rent Assistance Households at December 2021 in 30 most marginal seats

Electorate	State	Party Held	Margin 2019 or by-	CRA
			elec	Households
				Dec 21
Macquarie	NSW	ALP	371	7,241
Bass	TAS	Liberal	563	8,500
Eden-Monaro	NSW	ALP	735	7,457
Chisholm	VIC	Liberal	1,090	6,123
Lilley	QLD	ALP	1,229	8,848
Cowan	WA	ALP	1,417	7,044
Corangamite	VIC	ALP	2,170	7,172
Blair	QLD	ALP	2,321	18,054
Wentworth	NSW	Liberal	2,346	3,586
Indi	VIC	Independent	2,816	8,002
Dobell	NSW	ALP	3,035	13,130
Boothby	SA	Liberal	3,047	9,724
Solomon	NT	ALP	3,396	4,909
Moreton	QLD	ALP	3,448	9,468
Braddon	TAS	Liberal	4,329	8,897
Swan	WA	Liberal	4,529	9,336
Lingiari	NT	ALP	5,292	3,178
Dunkley	VIC	Liberal	5,304	9,758
Greenway	NSW	ALP	5,343	8,141
Gilmore	NSW	Liberal	5,627	12,736
Griffith	QLD	ALP	5,701	8,837
Parramatta	NSW	ALP	5,934	11,012
Reid	NSW	Liberal	5,960	6,356
Hunter	NSW	ALP	6,074	12,328
Longman	QLD	ALP	6,525	18,449
Lyons	TAS	ALP	7,418	7,996
Leichhardt	QLD	Lib Nat Party	7,491	13,518
Higgins	VIC	Liberal	7,800	5,094
Robertson	NSW	Liberal	8,139	10,743
Richmond	NSW	ALP	8,182	15,390

[&]quot;The maximum value of Commonwealth Rent Assistance has not kept pace with market rents, especially for low-income renters." There were over 1.4 million households receiving inadequate Commonwealth Rent Assistance in December 2021, including over 300,000 age pensioners. While people aged over 65 have a poverty rate of 10%, this rises to 41% if they are renting privately. 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. The Keeping kids safe and well – your voices report published in early 2022 by the National Children's Commissioner found the top three things children, young people and families said they need to feel safe are: help with housing; mental health services, and help with basic needs, like food, clothing, transport and school supplies.

See our Fast Fact Child and Family Poverty in Australia.

While poverty affects far too many of us, <u>women are more likely to live in poverty</u>. In in December 2021, more than six in 10 people receiving inadequate Working Age Payments were women. ¹⁴ 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 <u>Women</u>, <u>Violence and Poverty</u>.

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%). New evidence published by the **ACOSS/UNSW Sydney Poverty and Inequality Partnership** 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 <u>www.antipovertyweek.org.au</u> or contact our Executive Director Toni Wren at <u>ed@antipovertyweek.org.au</u> 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 Allowa nce (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

<u>Duration of income support, December 2021 and December 2019</u>

	Under	1-<2	2-<5	5-<10	10	T . 4 . 1	
	1 year	years	years	years	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	44,469				
over		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

Working Age Payments with children in 30 most marginal seats, December 2021

Electorate	State	Party Held	Margin 2019 or by-elec	WAP with kids Dec 21
Macquarie	NSW	ALP	371	9,979
Bass	TAS	Liberal	563	14,334
Eden-Monaro	NSW	ALP	735	11,512
Chisholm	VIC	Liberal	1,090	10,663
Lilley	QLD	ALP	1,229	12,612
Cowan	WA	ALP	1,417	16,089
Corangamite	VIC	ALP	2,170	11,146
Blair	QLD	ALP	2,321	25,510
Wentworth	NSW	Liberal	2,346	5,047
Indi	VIC	Independent	2,816	13,302
Dobell	NSW	ALP	3,035	18,164
Boothby	SA	Liberal	3,047	14,369
Solomon	NT	ALP	3,396	11,426
Moreton	QLD	ALP	3,448	15,690
Braddon	TAS	Liberal	4,329	13,028
Swan	WA	Liberal	4,529	16,843
Lingiari	NT	ALP	5,292	36,832
Dunkley	VIC	Liberal	5,304	14,811
Greenway	NSW	ALP	5,343	14,124
Gilmore	NSW	Liberal	5,627	15,647
Griffith	QLD	ALP	5,701	14,397
Parramatta	NSW	ALP	5,934	19,643
Reid	NSW	Liberal	5,960	10,442
Hunter	NSW	ALP	6,074	18,442
Longman	QLD	ALP	6,525	22,645
Lyons	TAS	ALP	7,418	13,816
Leichhardt	QLD	Lib Nat Party	7,491	31,091
Higgins	VIC	Liberal	7,800	8,104
Robertson	NSW	Liberal	8,139	13,218
Richmond	NSW	ALP	8,182	18,657

ENDNOTES

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¹⁵ Proportion of people receiving the Coronavirus Supplement who reported using the payment for each item in the last four weeks (<u>Household Impacts of COVID-19 Survey November 2020</u> published 14/12/20)

Household bills (%)	Household supplies/Groceries (%)	Mortgage /rent (%)	Saving it (%)	Medical services or supplies (%)	Credit card/personal debt (%)	Recreati on/leisu re activitie s (%)	Clothi ng/foo twear (%)	Furnishing s/househo Id equipmen t (%)
67.4	63.3	38.9	26.3	26.1	19.1	17.5	14.9	7.7

¹⁶ Davidson, P., (2022) <u>A tale of two pandemics: Covid, inequality and poverty in 2020 & 2021</u>, ACOSS/UNSW Sydney Poverty and Inequality Partnership, Build Back Fairer Series, Report No. 3, Sydney.

¹ Davidson, P., Saunders, P., Bradbury, B. and Wong, M. (2020), <u>Poverty in Australia 2020: Part 1, Overview</u>. ACOSS/UNSW Poverty and Inequality Partnership Report No. 3, Sydney: ACOSS.

² Numbers based on people receiving Working Age Payments sourced from <u>DSS Demographic Data</u>, December 2021.

³ DSS Demographic Data, December 2021.

⁴ The <u>Credit Suisse annual Global Wealth Report 2021</u> 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 <u>Inequality in Australia 2020</u> 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 Select Senate Committee on COVID-19, Additional Documents #129.

⁶ DSS Demographic Data, December 2019.

⁷ Davidson, P., (2022) <u>A tale of two pandemics: Covid, inequality and poverty in 2020 & 2021,</u> ACOSS/UNSW Sydney Poverty and Inequality Partnership, Build Back Fairer Series, Report No. 3, Sydney.

⁸ Based on DSS rates 22 March 2022 for single adult JobSeeker plus Energy Supplement and single adult Age Pension plus Bonus and Energy Supplement.

⁹ DSS Demographic Data, December 2021.

¹⁰ DSS Demographic Data, December 2021.

¹¹ Treasury, Retirement Income Review Final Report, November 2020.

¹² DSS Demographic Data, December 2021.

¹³ Davidson, P., Bradbury, B., Hill, T., and Wong, M. (2020), <u>Poverty in Australia 2020: Part 2 – Who is Affected?</u> ACOSS/UNSW Poverty and Inequality Partnership Report No. 4. Sydney: ACOSS.

¹⁴ DSS Demographic Data, December 2021.