



## **ACOSS Raise the Rate Briefing Paper for Anti-Poverty Week 2019**

The Raise the Rate campaign to increase Newstart Youth Allowance and related payments is the focus of the 2019 Anti-Poverty Week (October 13 – 19). ACOSS has prepared the below key messages, based on social research, and key facts for organisations promoting the Raise the Rate campaign for Anti-Poverty Week. To join the campaign, visit: [www.raisetherate.org.au](http://www.raisetherate.org.au)

### **Key messages**

Australia's income support system was designed to help people when they are going through tough times. But Newstart is not working – the rate has not been increased in real terms for 25 years while living costs have gone through the roof.

The current rate of \$40 per day is too low to give people the support they need to get by. Instead of supporting people, the current Newstart rate forces them into a cycle of debt, social isolation and humiliation that undermines their efforts and risks them slipping through the cracks into entrenched poverty.

Raising the rate will get Newstart working by allowing people to focus on building the skills they need to take the opportunities to get them through tough times. It will mean people can focus on their futures rather than having to be totally consumed with their current situation of financial crisis.

Australia needs to raise the rate of allowances so people can focus on getting into employment rather than risk falling through the gaps into entrenched poverty.

People on Newstart include young people working to get their foot in the door of the competitive job market, single parents of school-age children and older people confronting age discrimination. They are working hard to break into employment. While they apply for jobs, many are studying or training, sometimes while caring for children or recovering from injury.

With one in six children living in poverty, Australia can't afford to weaken its income support system through neglect. Every child deserves access to the basics, like a roof over their head, food on the table and school supplies. But many families are missing out and are at risk of slipping through the cracks into a cycle of poverty.

People with disability and single parents are not getting the support they need. Newstart does not provide enough to cover the basics for people who are looking for work or studying, let alone for people with a disability or for single parents, who are unfairly being put on the low Newstart payment.

For Newstart to work it needs to be enough to cover the basics so people, who are looking for work, studying or doing both, at times while caring for children or recovering from injury or illness, can live with dignity and without the stress of juggling debt.

Raising the rate would make a big difference to the lives of people struggling to get by on Newstart and is the most effective way we can reduce the persistent rates of poverty in our wealthy country.

By increasing Newstart, the Government can act on poverty while providing needed economic stimulus, creating jobs, including in regional areas.

There is widespread support for increasing Newstart, including from the Business Council of Australia, the Australian Medical Association, the Country Women's Association and the majority of the community.

Join the campaign to Raise the Rate at [www.raisetherate.org.au](http://www.raisetherate.org.au)

## Key Stats

- Three million people are living in poverty in Australia (ACOSS & UNSW, 2018).
- One in eight adults and almost one in six children are living in poverty (ACOSS & UNSW, 2018)
- In the whole country, there were only 2 rentals affordable for a single person on Newstart, according to Anglicare Australia's 2019 Rental Affordability Snapshot.
- On any given night in Australia 1 in 200 people are homeless (Homelessness Australia, 2018).
- The number of Australians experiencing homelessness is growing every year (Everybody's Home, 2018).
- FoodBank's 2018 Hunger Report found four million people in Australia had experienced food insecurity in the past 12 months.
- Most people receiving Newstart live below the poverty line (ACOSS & UNSW, 2018).
- Newstart is just \$40 a day (\$282 a week including the energy supplement) and has not been increased in real terms for 25 years.
- There is only 1 job available for every 8 people looking for paid work or more hours (ABS, 2018).
- 72% of Australians believe we should increase Newstart to cover basic living expenses (Essential Research, 2019)
- Around 70% of us will access or live in a household that accesses the social security safety net at some point in our life (HILDA, 2017).
- There were around one million people in Australia receiving Newstart, Youth Allowance or another allowances at December 2018.
- Half of Newstart recipients are over the age of 45.
- More than one in four people on Newstart have an illness or disability, but do not receive the Disability Support Pension.
- More than 100,000 parents are on Newstart, the majority of whom are single women (as their youngest child is aged eight or more and they therefore do not qualify for parenting payment).



## What the Australian Government needs to do

- ✓ Increase the single rates of Newstart, Youth Allowance and related payments immediately by a minimum of \$75 per week (indexed) to reduce poverty and inequality across Australia.
- ✓ Index payments to wages as well as CPI to ensure they maintain pace with community living standards.
- ✓ Increase Commonwealth Rent Assistance by 30% or \$20 per week for a single person on Newstart, as a first step.
- ✓ Establish a Social Security Commission to guide the Parliament on income-support payment settings.