

Taking the Temperature

COVID-19 Update from ACOSS and its Members

Briefing Paper 2: 22 June 2020

This Briefing Paper series presents the latest data and frontline feedback about the economic, social, and environmental impacts of COVID 19 on people on lower incomes or facing higher risks. It seeks to track and monitor what we know about the impacts of government and other actions designed to support people in the community.

What's working so far?

Coronavirus Supplement of \$550 pf & \$750 Stimulus payment is transforming lives and helping our economy: *"Although this additional payment is intended to be temporary it has made the world of difference to us, the weight of the world feels just a little lighter. I feel like I can be a better parent, and I can now provide the basics that my children deserve. In lieu of child support reform my family needs this payment to survive. Please give us a fighting chance because the 'old normal' is no way for children to grow up."*

The **Coronavirus Supplement** has significantly boosted spending and is helping the economy recover. Essential spending increased from 87% of normal levels on 20 April to 99% on 27 April when the Coronavirus Supplement started to be paid and it has bounced between 95-99% to 1 June. Concerns remain for the end of September when it is due to cease, especially for the impact on an estimated 1 million children whose parents are now receiving the Supplement, as well as the dramatic set-back to vital economic recovery.

JobKeeper: Many charities are among the >870,000 employers relying on JobKeeper. They support Australians most in need and are calling for a gradual transition of JobKeeper and other temporary supports – a 'ramp' to ensure ongoing sustainability rather than a 'cliff' at the end of September.

Deferrals of mortgages, personal loans, credit cards are welcome but concerns remain for the end of September when deferrals in the order of >\$200 billion are due to cease at the same time as JobKeeper ends.

Concerns are strengthening about the negative impact of ceasing the Coronavirus Supplement, JobKeeper and financial deferrals at the same time: *"Many services within our networks have voiced deep concern about the risks of rapidly escalating homelessness, increased financial hardship, and additional social, emotional and mental health issues that will likely arise as more households are plunged into severe financial hardship."* UnitingCare Australia

What needs urgent attention?

Lack of any income support for temporary visa holders including at least 16,000 children: *"We shouldn't have children scared of starvation in Australia. We shouldn't have children frightened to be homeless in Australia."*¹ There are at least 16,000 children of bridging visa holders with no access to income support or Medicare.

What else is the community sector and data telling us?

Employment

The May ABS Employment data shows more than 1 in 5 of all workers or 2.3 million people were either unemployed or underemployed. Small businesses and people living in low socio-economic areas and with less education are being hit hard by job loss.

Housing and Homelessness

Australia-wide only 4% of people living in a rented home said they were able to defer or reduce their rent payments and only 2% of Victorian renters were receiving rent reductions. Only about half of mortgagees who expressed concern about making their repayments are getting a deferral. Social housing remains severely under-funded.

Mental Health

Additional funding and telehealth initiatives are welcomed but financial stress is contributing to people not seeking the help they need. Lifeline Australia and First Nations leaders are concerned about the risk of increasing suicide rates arising from long-term unemployment.

Specific population needs and issues: children and young people

COVID-19 has *"compounded the hardship and divide in Australia among children"*.

a) Education disruption

The Smith Family is deeply concerned that children who were already living in disadvantage will face additional hardship and risk slipping further behind in their education and NACCHO has called for an urgent review of the impact on Aboriginal and Torres Strait Islander children.

b) Early years learning and care

Serious concerns have been expressed since the Government's early June announcements, especially for the loss of care for vulnerable children. These changes will also likely hamper the return to work for many low-income parents.

c) Children and young people with disability

The pandemic has compounded the inequities faced by children and young people with disability and their families, with reduced access to food and basic essentials including medication. One third lost access to NDIS funded support workers or other services.

d) Relationship stress and breakdown

The Separation Guide reported a 300% increase in the number of couples considering splitting and Relationships Australia reported a negative impact for 2 in 5 couples.

e) Unemployment and young people

Young people have fared worst in terms of job loss with more than 1 in 4 facing unemployment or withdrawal from the labour market.

Further detail

What's working so far?

Coronavirus Supplement of \$550 per fortnight and \$750 Stimulus payment is transforming lives

- **In the words of parents** receiving the Coronavirus Supplement:²
 - *"Although this additional payment is intended to be temporary it has made the world of difference to us, the weight of the world feels just a little lighter. I feel like I can be a better parent, and I can now provide the basics that my children deserve. In lieu of child support reform my family needs this payment to survive. Please give us a fighting chance because the 'old normal' is no way for children to grow up."*
 - *"The supplement means I have a safety net. I don't need to worry if I or my children get sick and I need time off work."*
 - *"I will be able to register my car again and complete my driving lessons so I can expand my job opportunities. It has literally changed my life."*
 - *"It's hard to think ahead when you only get to live 1 week out of 2. There's no money left in that 2nd week. If the supplement ends in September I don't know how I'll afford kinder, (she's only been going since it's been free), car insurance and even school uniforms next year."*

A psychologist told ACOSS: *"I am a psychologist in private practice in a small rural area in southern Queensland. In my practice I see a wide range of clients and a frequent discussion recently is about how much the increase in JobSeeker has assisted the family financial situation. People have told me that they have been able to catch up on some of their outstanding debts which accumulated over time. One woman said that it was wonderful not to have to choose between buying food and paying bills. Another person spoke of being able to buy some new winter clothes for her growing children."*

- Coronavirus Supplement has significantly **boosted spending and is helping the economy recover**:
 - **Essential spending** increased from 87% of normal levels on 20 April to 99% on 27 April (when the Coronavirus Supplement started to be paid) and it has bounced between 95-99% to 1 June.
 - The Coronavirus Supplement also dragged **total spending** up from 80% on 20 April to 93% on 27 April (and it has bounced between 93-97% to 1 June.)³
 - The spending tracker showed those receiving both the Coronavirus Supplement and the one-off \$750 stimulus payment spent 39% more than normal in the second week of May, while those receiving neither payment spent 18% less than normal.
 - *"The evidence from the spending tracker also proves the value of channelling stimulus payments to lower-income earners who are more likely to spend the proceeds – and stoke demand – than higher-income people."*⁴
- There are already 2.24 million people receiving Coronavirus Supplement, close to the 2.3 million expected by September.⁵ Of these, 1.64m are receiving unemployment

payments, more than double the number receiving these payments in December 2019. Anti-Poverty Week estimates **at least 1 million children** now have a parent relying on the Coronavirus Supplement. Children already have the highest poverty rate of any age group in Australia.⁶

JobKeeper

- More than 872,000 businesses covering about 3.3 million employees were receiving JobKeeper at 4 June and the ATO has said *"we expect all these numbers to continue to grow over coming weeks and months."*⁷
- Many charities are relying on JobKeeper to support Australians most in need.
- Recent modelling by Social Ventures Australia of a 20% revenue cuts to the charity sector found 88% of charities would immediately be making an operating loss, 17% would be at **high risk of becoming unviable and closing their doors** within 6 months, and there would be >200,000 job losses. The report called for a **gradual transition of JobKeeper** and other temporary supports for charities to create a 'ramp' not a 'cliff' in October.⁸

Deferrals of mortgages, personal loans and credit cards: the ABA has said its members have deferred loans on 703,000 accounts worth \$211 billion - these are due to end in late September.⁹

The proposed cessation of the JobSeeker Coronavirus Supplement and JobKeeper in late September will coincide with ending of many payment and loan deferrals, likely leading to **significant financial hardship and a set-back for economic recovery**

- UnitingCare Australia has stated: *"Many services within our networks have voiced deep concern about the risks of rapidly escalating homelessness, increased financial hardship, and additional social, emotional and mental health issues that will likely arise as more households are plunged into severe financial hardship."*¹⁰
- Economist with Deloitte Access Economics Nicki Hutley has said: *"We could potentially see a couple of percentage points come off GDP in that quarter if that is all unwound in one hit."*¹¹
- The weekly COVID-19 survey conducted by the University of Melbourne between 8-12 June found the proportion of Australians reporting financial stress increased by a substantial margin over the previous week. The proportions reporting difficulties paying for essential goods and services increased by 18% for people aged 35-44 and 14% for those aged 45-54. *"A probable proximate cause could be official reiterations that the JobKeeper, boost to JobSeeker and childcare support schemes are only temporary measures."*¹²

What needs urgent attention?

Lack of any income support for temporary visa holders including at least 16,000 children

- *"We shouldn't have children scared of starvation in Australia. We shouldn't have children frightened to be homeless in Australia."*¹³ There are at least 16,000 children of bridging visa holders affected without access to income support or Medicare.
- People are presenting to the Asylum Seeker Resource Centre in Melbourne with **trauma, poor physical and mental health due to stress and isolation, work exploitation, hunger, homelessness, family distress and violence**. Most of them were economically self-reliant prior to the pandemic. They have seen up to a three-fold increase in demand for food, health and employment services due to exclusions from Job Keeper, Job Seeker and Medicare. Since the beginning of the pandemic they have assisted 271 people who lost their jobs or had hours significantly reduced and 600 job ready people who cannot find work who would otherwise be in employment. In April alone, their front-line services saw 789 requests for assistance in comparison to pre COVID-19 numbers of less than 300 per month and 433 people presenting for GP clinics, immunisations and pharmacy vouchers.¹⁴
- Settlement Services International has seen a **dramatic increase in client referrals and enquiries to the Status Resolution Support Services program**. Already in NSW over 600 individuals (on a range of visa types) - have sought assistance in the past 6 weeks from SSI after losing employment due to COVID-19, representing a 1650% increase in the average number of calls for assistance per month.¹⁵
- In NSW, ~ 150 **Latin American students** have been among the many hundreds needing **emergency food hampers** from Addison Road Community Organisation in Marrickville. CEO Rosanna Barbero says these students *"just don't know what to do. They're not the kind of people that are used to asking for help, or know how to ask. They've come here paying huge student fees; they've been here working hard and paying taxes. Educational institutions have relied on them; the economy has benefited. And now they are in trouble."* Andres, a volunteer for United For Colombia, says: *"we have to decide which we prioritise: paying our school fees, or paying our rent and buying food? Many just do not know what to do. The Prime Minister [of Australia] says if you don't have the resources to survive, please go back home. But the borders are closed. We can't go home, even if we had the money to do so."*¹⁶
- Concerns continue for **women in Australia on temporary visas who are seeking to leave a violent relationship**.

What else is the community sector and data telling us?

Employment

- The May ABS Employment data shows more than **1 in 5 of all workers or 2.3 million people were either unemployed or underemployed**. The monthly hours worked in all jobs decreased 12.1 million hours in May. There were also over 450,000 people who moved from working zero hours in April to being not employed. A total of 835,000 Australians have lost their jobs since March.¹⁷

- AlphaBeta research also found the **small business sector** overall was twice as badly affected as larger businesses with regards to job losses. More than 1 in 8 (13%) of all jobs in small business were lost between the first week of March and last week of April. The number was 1 in 4 for casual jobs employed by small business over the same period.¹⁸ This is confirmed by data from the [Monash COVID-19 Work and Health Study](#) which found most applicants were working for businesses of less than 50 employees prior to claiming JobSeeker. It also found that Centrelink applicants were residing in areas that are more disadvantaged (low income, many people with: no qualifications, or in low skill occupations) and less educated/skilled (many people: without qualifications, or in low skilled occupations, or unemployed).¹⁹
- The weekly COVID-19 survey conducted by the University of Melbourne between 25-28 May found more than 1 in 5 people who were unemployed due to COVID-19 expressed dissatisfaction with government policies compared with 1 in 8 of those unemployed for reasons unrelated to the pandemic. It also found **satisfaction with government economic policies was falling**.²⁰

Housing and Homelessness

- The National Cabinet has agreed to a national rental eviction moratorium but implementation and interpretation of the moratorium has been varied across different states and territories. **Concerns remain for when deferred rents become payable** (likely at the end of September). At 12/6/20, just 2% of Victorian renters have registered a rental reduction.²¹ The ABS COVID-19 survey undertaken between 12-15 May found only 4% of people living in a rented home said they or someone in their household deferred or reduced their rent payments due to COVID-19.
- While 7% of people living in a home owned with a mortgage said they had **deferred or reduced their mortgage repayments** this was considerably lower than the 13% who said they were having difficulty making repayments in answer to a previous cycle of the same survey.²² The ABA has said 429,000 mortgages worth \$153.5 billion were on hold by mid-May, equivalent to 1 in 14 or ~7%.²³
- Some state governments have introduced **measures to find permanent accommodation** for people who were homeless during the pandemic and were taken into temporary accommodation in empty hotels or student accommodation. However there were around 190,000 people waiting for social housing before the pandemic and this economic downturn.²⁴ In addition to action by state governments, an injection of funds from the Federal Government would ensure more vulnerable Australians were protected from homelessness.
- Pat Turner, CEO, National Aboriginal Community Controlled Health Organisation (NACCHO), said ministers would have to resolve the "level of ambition" including to tackle a funding crisis in housing. *"The housing overcrowding and the condition and the maintenance programs need to be **Aboriginal-community controlled and the money needs to be increased** because there's a \$6 billion backlog in remote [areas] alone."*²⁵

Mental Health

- Many organisations have strongly welcomed the \$48.2m **National Mental Health and Wellbeing Pandemic Response Plan**.
- NACCHO has expressed **concern the amount for First Nations people** (\$3.5m) will not be enough to meet demand and that it would have been better to run it through community-controlled organisations. *"The **suicide rates are twice as high in Aboriginal and Torres Strait Islander communities than in non-Indigenous communities and the mental health system still lacks culturally competent and safe services that balance clinical responses with culturally informed responses.**"²⁶*
- Lifeline Australia has experienced an **unprecedented and sustained increase in calls**. From December 2019 to late May, Lifeline often received over 3,000 calls per day, equating to a call every 30 seconds, a 20% increase compared with a year ago. *"Since the start of the COVID-19 pandemic, more than 50% of callers to Lifeline have expressed significant concern about the effects of the Coronavirus and anxiety about the future."*²⁷
- Lifeline has also noted the **impact of long-term unemployment** on individuals and that *"It is of concern that the 2008 economic recession was associated with an increase in suicide rates in the USA."*²⁸
- Researchers from Melbourne University have concluded that **financial stress** is a reason some Australians are not seeking necessary healthcare during the pandemic. Their recent survey found 14% of respondents said they needed to see a professional but chose not to seek a consultation. Of the respondents reporting stress, 42% with mental distress and 32% with financial stress chose to forgo seeing a health professional.²⁹

Specific population needs and issues: children and young people

Pre COVID-19 more than 774,000 children were living below the poverty line.³⁰ Approximately *"20% of children entering school were at risk of not meeting developmental milestones and the cost of not providing timely support to children and families has been estimated at \$15 billion annually."* COVID-19 has *"compounded the hardship and divide in Australia among children. The divide between the children who have access to computers and internet; stable, safe home environments; decent family income, and those that don't, is stark."*³¹

a) Disrupted education

- *"The Smith Family is deeply concerned that **children who were already living in disadvantage** before COVID-19, will face additional hardship, and risk slipping further behind in their education,"* said CEO Dr Lisa O'Brien. *"Since March, we have seen the biggest disruption to education ever posed to Australian children...The cost of lost learning threatens to fall hardest on those most in need of education. When students fall behind in their learning they can become unmotivated. This in turn affects their desire to go school, and our research shows that when attendance slips, so does educational achievement."*³²

- The ABS COVID-19 Survey conducted from 12-15/5/20 found nearly 3 in 5 (59%) parents with school-aged children who were schooling online or remotely said their children were having difficulties concentrating while learning from home.³³
- NACCHO has said there is a particularly urgent need for a review of the impact COVID-19 has had on **Aboriginal and Torres Strait Islander children's primary, secondary and tertiary education**, including those who were attending boarding schools. *"Many Aboriginal and Torres Strait Islander families would not have been able to provide the home schooling required during the COVID-19 lock down for a range of reasons."*³⁴

b) Early Childhood Education and Care

- Many agencies working in the early childhood and care sector strongly welcomed the supports provided to the sector and families at the start of the COVID-19 pandemic.
- **Serious concerns have been expressed since the Government's announcements** on 8 June, including SNAICC representing **First Nations children**: *"The crisis has exposed that the ECEC funding model is not well equipped to meet the support needs of families experiencing high vulnerability, and indeed the needs of families who become vulnerable due to the social and economic impacts of emergency and crisis situations. The crisis presents a vital opportunity to reform the system in a way that can sustainably address the unique needs of Aboriginal and Torres Strait Islander children and families."*³⁵
- The concerns to reduce free child care have also drawn criticism of many others, especially the **reduction in support for vulnerable children and likely impact reducing parents' return to work**. See for example Early Childhood Australia.³⁶
- *"Learning begins well before children start school, and the progression of development depends largely on the young child being exposed to a richly stimulating and nurturing environment. Having children attend high quality childcare can enhance their social and cognitive development and help ensure they get off to a good start at school."* Professor Frank Oberklaid AM, Professor of Paediatrics at the [University of Melbourne](https://www.unimelb.edu.au/).³⁷

c) Children and young people with disability

- A Children and Young People with Disability Australia survey found that the pandemic has **compounded the inequities** faced by children and young people with disability and their families. Half of survey respondents experienced a **decline in their mental health** either for themselves or for the child or young person with disability and that this increased over the period of the survey (16/3-23/4). It also found over 80% had trouble **obtaining information** especially regarding education; 64% were unable to buy **essential supplies**, e.g. groceries, special dietary products, hygiene products and nearly 1 in 5 (18%) were unable to purchase essential **medicines**. Nearly one third lost **access to support workers** or other NDIS funded services. It also noted that people with disability are among many on low incomes and/or living in remote areas that are not connected to the internet and require specific measures to ensure **access to information and online services**, particularly in response to the pandemic.³⁸

d) Relationship stress and breakdown

- A survey by Relationships Australia found that people's relationships with their partners have struggled, with 42% percent of respondents finding **isolation had negatively affected their relationship**. The Separation Guide reported a 300% increase in the number of couples considering splitting; a 136% increase in people seeking psychological advice and a 116% increase in the numbers seeking end of marriage financial advice. In February-March the number of people on low incomes helped by his group to connect to free family legal advice was 39, but during isolation it went to 250.³⁹

e) Unemployment and young people

- ABS Employment data for May show that **workers aged 15 to 24** were particularly hard hit with their unemployment rate increasing 2.0 pts to 16.1%.⁴⁰ But if every young Australian who had lost their job since March was counted as officially unemployed (rather than being forgotten when they drop out of the workforce), the youth unemployment rate would be 26.5%.⁴¹ Analysis of DSS data of people claiming unemployment payments show a 107% increase in the numbers receiving YAO or JSA and aged under 25 years from December to 22 May.⁴²

This briefing paper was prepared for ACOSS by Toni Wren at Cuttagee Consulting.

¹ Former Principal & No Child Left Behind campaigner speaking on the [Today Show](#), 15/6/20

² National Council for Single Mothers and their Children, forthcoming *550 Reasons to Smile*: responses to survey of parents receiving Coronavirus Supplement, 25/5/20-15/6/20.

³ AlphaBeta illion, [COVID19 Economic Impact Real Time Tracking](#), June 1-8, 2020

⁴ [SMH Editorial](#), 25/5/20

⁵ [Answer to Question on Notice SQ20-000426](#) & [Answer to Question on Notice SQ20-000443](#)

⁶ 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

⁷ [ATO Commissioner statement to COVID-19 Senate Committee](#), 9/6/20

⁸ Social Ventures Australia, [Will Australian charities be COVID-19 casualties or partners in recovery? A Financial Health Check](#), 2/6/20

⁹ ABC online, [Australia is 100 days from an economic cliff](#), 12/6/20

¹⁰ UnitingCare Australia submission to Senate Committee on COVID-19, June 2020

¹¹ ABC online, [Australia is 100 days from an economic cliff](#), 12/6/20

¹² Melbourne Institute Applied Economic & Social Research at the University of Melbourne, [Taking the Pulse of the Nation survey results: 8-12 June](#), 18/6/20

¹³ Former Principal & No Child Left Behind campaigner speaking on the [Today Show](#), 15/6/20

¹⁴ [Asylum Seeker Resource Centre submission to Senate Committee on COVID-19](#), 1/6/20

¹⁵ Settlement Services International submission #178, [Senate Committee on COVID-19](#)

¹⁶ [Addi Road News](#), 14/4/20

¹⁷ [May 2020 ABS Employment data 6202.0](#), 18/6/20

¹⁸ SMH, [Casual workers bear brunt of coronavirus job cuts](#), 12/6/20

¹⁹ Study update presentation by Daniel Griffiths & Alex Collie, [Monash COVID-19 Work and Health Study](#), 15/6/20

²⁰ Melbourne Institute Applied Economic & Social Research at the University of Melbourne, [Taking the Pulse, survey conducted 25-28 May](#), 4/6/20

²¹ [domain.com.au, Just 2 percent of Victorian rental households have registered a rent reduction figures show](#), 12/6/20

- ²² [4940.0 - Household Impacts of COVID-19 Survey, 12-15 May 2020](#), released 29/5/20
- ²³ ABC online, [Australia is 100 days from an economic cliff](#), 12/6/20
- ²⁴ [Media Release, Everybody's Home campaign, 11/12/19](#)
- ²⁵ SMH, "PM vows action but 'history war' panned", 13-14/6/20
- ²⁶ NACCHO submission #64, [Senate Committee on COVID-19](#), May 2020
- ²⁷ Lifeline Australia, submission #20, [Senate Committee on COVID-19](#), May 2020
- ²⁸ Lifeline Australia, submission #20, [Senate Committee on COVID-19](#), May 2020
- ²⁹ Melbourne Institute Applied Economic & Social Research at the University of Melbourne, Taking the Pulse of the Nation survey results: 1-6 June, 11/6/20
- ³⁰ 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
- ³¹ Every Child Campaign comprising 66 member organisations, spear-headed by The Benevolent Society, [Alliance calls for more action to help Aussie children during economic recovery and beyond](#), 28/5/20
- ³² The Smith Family, [Children's education charity calls for support](#), 2/6/20
- ³³ [4940.0 - Household Impacts of COVID-19 Survey, 12-15 May 2020](#), released 29/5/20
- ³⁴ NACCHO submission #64, [Senate Committee on COVID-19](#), May 2020
- ³⁵ [SNAICC Media Release 10/6/20](#) and SNAICC position on COVID-19 recovery reforms to strengthen early years supports for Aboriginal and Torres Strait Islander children, May 2020
- ³⁶ Early Childhood Australia, [Government disappoints with complex new 'transition package' for early learning sector](#), 8/6/20.
- ³⁷ [We listened to the science about COVID-19, why not listen about ECEC too? Oberklaid asks](#), 15/6/20. Note the Professor is also is Co-Group Leader of Child Health Policy, Equity and Translation at the [Murdoch Children's Research Institute](#)
- ³⁸ Children and Young People with Disability Australia, [More than isolated: COVID-19 compounds inequities for children and young people with disability](#), 28/5/20
- ³⁹ Sun Herald, [Too close for comfort: separation advice soars](#), 7/6/20 partly drawn from [Relationships Australia May survey](#) of ~740 people.
- ⁴⁰ [May 2020 ABS Employment data 6202.0](#).
- ⁴¹ <https://www.abc.net.au/news/2020-06-19/unemployment-numbers-still-mask-the-true-scale-of-job-losses/12370940>
- ⁴² [DSS Demographics](#), December 2019 and [JobSeeker and Youth Allowance Recipients Monthly Profile, 15/5/20](#). JobSeeker Payment (formerly Newstart) and Youth Allowance Other for those aged 21 years and under.