

OFFICERS' ADVICE**RAISE THE RATE – REDUCING THE BURDEN ON LOCAL GOVERNMENT**

Submitting Councillor: Josh Fergeus

MOTION

That Council:

1. *Notes that the rate of the Newstart Allowance has not been raised in real terms for 25 years;*
2. *Notes that the Newstart Allowance is currently less than 40% of the minimum wage and less than 17% of the average wage;*
3. *Notes that the low rate of the Newstart Allowance – currently less than two thirds of the rate required to meet the poverty line¹ - is exacerbating poverty, homelessness and inequality;*
4. *Acknowledges recent resident activism to Council on the issue of Newstart;*
5. *Joins the National General Assembly of the Australian Local Government Association in supporting an immediate increase in the Newstart Allowance to the level of the Henderson Poverty Line;*
6. *Writes to the Minister and Shadow Minister for Families and Social Services, expressing this position, and sends copies to Federal Members of Parliament representing the Monash area; and*
7. *Communicates this position as part of its ongoing advocacy activities.*

BUDGET IMPLICATIONS

There are no budget implications

IMPACT ON INTERNAL RESOURCES

If the Notice of Motion is passed, Council Officers will assume the duties required to advocate for changes in government benefits as part of their role within Council.

COUNCIL PLAN AND COUNCIL POLICIES

Council Plan 2017-2021 priority project for A Liveable and Sustainable City identifies the need to advocate on key issues affecting our city including affordable housing.

Council Plan 2017-2021 priority project over the next four years is address social disparities that contribute to Homelessness in Monash.

Council Plan 2017-2021, Strategic Objective - An Inclusive Community. Our people and our communities are healthy, connected and engaged. As stated, Council “will advocate with our community on issues that are important to them. We will ensure our services are accessible to all and continue to be responsive to changing community needs”. We will foster an equitable, just and inclusive Monash where all members have the resources available to live, participate and thrive in our community.

A Healthy and Resilient Monash: Integrated Plan 2017-2021.

Active and Healthy - A city dedicated to optimal health and wellbeing for its community.
Safe and Respectful – A city where every single member of the community is important.

RELEVANCE TO WORK ALREADY UNDERTAKEN BY OFFICERS OR COMMITTEES

Increasing the Newstart Allowance would have a positive impact on tackling poverty and homelessness in the community. Individuals who are solely reliant on welfare payments are struggling to meet their basic needs and are required to regularly utilise support services.

Monash Homelessness Network (MHN) is a collective of local agencies that support some of the most vulnerable and at risk members of the Monash community. The MHN wrote to Cr Klisaris in October 2018 informing him of the substantial increase in demand on financial and material aid agencies over the last 2 years. The network was seeking a motion by council requesting the Municipal Association of Victoria (MAV) advocate to the Federal Government to reconsider current policies in regard to social security payments and funding to welfare services. MHN identified the need to also advocate to the Federal Government for an increase in Youth Allowance payments. The maximum an individual can receive on Newstart, when including the energy supplement and rent assistance is \$343 per week¹. For an individual on Youth Allowance (16-24 years) the maximum amount, with rent assistance for living in a share property, is \$273 a week or \$296 with rent assistance if the young person can afford to rent a place on their own².

Unemployed people without additional family support are increasingly being forced into rough sleeping because Centrelink payments are inadequate and individuals are being forced to choose between adequate shelter, food and other living costs³. During this time individuals' ability to actively seek work and meet their job seeking obligations is significantly impaired⁴.

The continual growth of the housing prices and limited supply of rental properties in metropolitan Melbourne has created a significant issue for low-income persons and families. Housing affordability has significantly impacted welfare recipients, with many in significant danger of becoming homeless due to the increasing disparity between cost of living and benefits. In Melbourne over the last 10 years rental costs have increased by approximately 60%, while welfare payment have increased by approximately 20%⁵.

An Anglicare snapshot in 2019 identified that from 69,485 properties listed in Australia on March 23 only one property was affordable to a person receiving Youth Allowance and two properties were affordable for a single person on Newstart⁶. In 2017 The Department of Health and Human Services identified that less than half of a percent of rental properties were affordable to people solely on Newstart or Youth Allowance in metropolitan Melbourne and that people solely on disability or aged pensions were only marginally in a better position. Low-income families are also under enormous pressure with housing affordability; 10 years ago 30% of rental properties in metropolitan Melbourne were considered affordable to struggling families, however, it is now just 5.1%⁷.

Traditionally, boarding and rooming houses were considered to be an affordable alternative living arrangement for low income earners who are at risk of falling through the gaps. However, the Tenant Union of Victoria reviewed 108 rooming houses and found only two were affordable to low income or welfare recipients and that almost half were not registered⁸.

Rough sleepers in Monash have stated that they have been in and out of privately operated rooming houses because they are very unhappy with the conditions and cost. Conditions relate to cleanliness, poor building maintenance and issues of drug use. Many rooming houses can cost up to \$200 per week,

yet housing services recommend one should only spend \$165 per week of welfare benefits or 55% of their income or they will experience rental stress.

FURTHER CONSIDERATIONS

An increase in the Newstart Allowance and Youth Allowance would improve outcomes for individuals who are at risk of or who are homeless, it would also help to reduce the significant pressure welfare and material aid services are experiencing trying to support individuals and families who are living below the poverty line.

- 1-2. In partnership with the University of NSW, ACOSS released the 2018 Poverty in Australia report on Tuesday 16 October 2018. <<https://www.acoss.org.au/poverty/>>
- 3-5. Nicholson, T (2017) *Rough Sleeping in Victoria: Situational Appraisal*, Victorian Government
6. Anglicare Australia (2019) Rental Affordability Snapshot National Report
<<https://www.anglicare.asn.au/our-work/research-reports/the-rental-affordability-snapshot>>
7. DHHS, (2017) Rental Report: December Quarter
<<https://dhhs.vic.gov.au/publications/rental-report>>
8. Council of Homeless Persons (2016) *Rooming House Residents Living in Poverty, Paying Exorbitant Rents*, Media release 12 October 2016.
<http://chp.org.au/wp-content/uploads/2016/10/161010_rooming-house-povertyv1.pdf>