

OFFICERS' ADVICE**TACKLING POVERTY**

Submitting Councillor: Cr Josh Fergeus

MOTION

That Council:

1. *Notes that the low rate of the Newstart Allowance – \$177 per week below the poverty line – is exacerbating poverty and homelessness;*
2. *Notes that the rate of the Newstart Allowance has not been raised in real terms for 23 years;*
3. *Notes that the Newstart Allowance is currently less than 41% of the minimum wage and less than 18% of the average wage;*
4. *Supports an immediate increase in the Newstart Allowance;*
5. *Writes to Dan Teehan MP, Minister for Social Services, expressing this position and sends copies to Federal Members of Parliament representing parts of Monash;*
6. *Lodges points 1 to 4 as a motion for consideration at the ALGA National General Assembly 2018, alongside the relevant background information; 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 definitely 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 financial and material aid services.

There is also a significant need to effectively address the issue of housing affordability. The Newstart Allowance, including rent assistance, is \$340.00 week, the cost of a one bedroom apartment in Melbourne is \$340.00 week.¹

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 costs.² During this time individuals ability to actively seek work and meet their job seeking obligations is significantly impaired.³

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 homelessness due to the increasing disparity between cost of living verses benefits.

In Melbourne over the last 10 years rental cost have increase by approximately 60% while welfare payment have increase by approximately 20%.⁴ 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 better position. Low-income families are also under enormous pressure with housing affordability; 10 years ago 30% of rental properties in metropolitan Melbourne were consider affordable to struggling families, it is now just 5.1%.⁵

Traditionally, boarding and rooming houses were considered to be an affordable alternative living 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 registered.⁶

Rough sleepers in Monash have stated that they have been in and out of rooming and boarding 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 fall in rental stress.

With housing affordability forcing more Melbournians into the rooming/boarding house market increased demand has made many rooming/boarding houses too expensive for a single person on Newstart.

FURTHER CONSIDERATIONS

Whilst advocacy for an increase in the Newstart Allowance could improve outcomes for individuals who are at risk of or who are homeless, further advocacy for an affordable housing strategy is also required to increase the supply of low cost, subsidised rental homes for people on very low incomes.

- 1-4. Nicholson, T (2017) *Rough Sleeping in Victoria: Situational Appraisal*, Victorian Government
5. DHHS, (2017) Rental Report: December Quarter <<https://dhhs.vic.gov.au/publications/rental-report>>
6. 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>