

6.2 TACKLING POVERTY

Submitting Councillor: Cr Josh Fergeus

MOTION

That Council:

- i) Notes that the low rate of the Newstart Allowance - \$177 per week below the poverty line - is exacerbating poverty and homelessness;*
- ii) Notes that the rate of the Newstart Allowance has not been raised in real terms for 23 years;*
- iii) Notes that the Newstart Allowance is currently less than 41% of the minimum wage and less than 18% of the average wage;*
- iv) supports an immediate increase in the Newstart Allowance;*
- v) Writes to Dan Teehan MP, Minister for Social Services, expressing this position, and sends copies to Federal Members of Parliament representing parts of Monash;*
- vi) Lodges points 1 to 4 as a motion for consideration at the ALGA National General Assembly 2018, alongside the relevant background information;*
- vii) Communicates this position as part of its ongoing advocacy activities.*

BACKGROUND

Eleven local councils in South Australia and Victoria have now supported a range of businesses, unions and non-government organisations which have called for the Newstart Allowance to be increased, including Adelaide, Clare and Gilbert Valley, Copper Coast, Kangaroo Island, Mount Gambier, Onkaparinga, Playford, Port Adelaide Enfield, Salisbury, Streaky Bay and Moreland.

Newstart, at \$269 per week, is \$177 per week below the poverty-line. It is less than 41 percent of the minimum wage, less than 18 percent of the average wage, and has not been raised in real terms for 23 years.

DISCUSSION

Council has been working with rough sleepers and advocating on homelessness issues for some time. A key contributing factor to homelessness is a lack of income and stagnating benefits.

Increasing the Newstart Allowance would also benefit local economies, by increasing the spending power of those on low incomes, whose extra funds would circulate through local businesses. It would also reduce the strain on Council community services assisting the growing number of people experiencing hardship. Even the Business Council of Australia has advocated to the government that the low rate of Newstart presents a barrier to employment and risks entrenching poverty.

An Australian Council of Social Service (ACOSS) survey of Newstart recipients in 2015¹ reported that:

- 40% are unable to pay their bills on time or see a dentist.

¹http://www.acoss.org.au/media_release/budget_must_not_forget_the_unemployed_83_dont_have_enough_to_live_on/

- 50% are unable to raise \$2,000 in the event of an emergency.
- 50% are turning off heating and cooling to save money.
- 32% skipped meals in the previous year.
- 25% are suffering from “housing crisis”, spending more than half their income on rent.
- 20% do not have enough money for essentials like housing, food and electricity.

According to a 2017 study by Anglicare Australia², only 0.03% of properties on the market are affordable for a single person living on Newstart.

² <http://www.anglicare.asn.au/docs/default-source/default-document-library/rental-affordability-snapshot-2017.pdf?sfvrsn=4>