



Australian Council of Social Service

Government interventions on disadvantage: institutionalising people in need or building paths out of poverty?

Presentation to NTCOSS Conference
7 August 2019
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The 'interventions': payment rates, compliance obligations and conditionality

For people of working age, who do not qualify for a pension:

- Newstart/Youth Allowance: \$40 a day including energy supplement (+ RA/FTB if in private rental and/or raising kids)
- Must apply for 20 jobs a month
- Must meet with JobActive provider regularly + update regularly
- If unemployed for 12mth+, must participate in WfD for 6 mths of every year unless approved for another activity (c/a CDP, which starts immediately, and for 52 wks a year)
- If in specific locations, must also receive payments on a cashless debit card (80%).

Penalties for 'non-compliance'

- Penalties apply for failing to meet compliance obligations, including job applications, participation in training or work or WFD, attending appointments with providers etc
- Range from temporary suspension (with backpay upon re-engagement) to financial penalties for repeated 'failures'.
- People face escalating financial penalties for each 'failure', with one then two week suspensions, with no backpay provision.
- For 'serious failures', payment is cancelled and will not be reinstated for 4 weeks. No waivers are permitted (to date, 50,000 cancellations)
- Since 1 July 2018, total of 235,000 breaches (suspensions not excused due to reasonable excuse etc)



What impact do these interventions have on people? Life on \$40 a day....

ACOSS Survey, 2019, 489 respondents

84% of respondents receiving Newstart or Youth Allowance said that they **skip meals** to save money. The largest proportion of people who responded to this (132 of 416) said that they skipped 3-4 meals each week.

"I eat once a day, at night".

"I eat 1 sachet of porridge, 1 tin of food, and 1 popper (for Vitamin C) a day. Sometimes I can't afford the porridge".

"I don't eat breakfast and just have mostly light meals such as sandwiches and soup. I don't eat meat but it's not necessary to eat meat everyday anyway".

"I regularly don't eat at all".



What impact do these interventions have on people? Life on \$40 a day....

- 66% don't use heating in winter
- 64% don't use cooling in summer
- 63% don't eat meat
- 54% don't buy fresh produce
- 68% only buy second-hand clothes
- Many go without healthcare and other essentials because of the cost.

“Gone without medication and sanitary items because there was no money to pay.”

“Halve my dosages of medicines so they last longer. Don’t access mental health services. Don’t make appointments for health issues”.



What impact do these interventions have on people? Life on \$40 a day....

Other commonly reported ways of getting by on allowances included:

- Not going out socially to avoid having to bring a plate, or pay for coffee, lunch or anything else because it's unaffordable
- Not using, or limiting the use of a car, even if this is the only mode of transport
- Turning off hot water systems to save electricity
- Going to bed early to save on heating
- Only showering sporadically to save electricity



What impact do these interventions have on people? A life of compliance....

‘Voices of unemployment’ – survey, conducted July 2018, 311 participants found:

- 73% dissatisfied with employment service provider: not useful, stressful, major source of anxiety
- 79% would prefer to rely on own efforts to find work
- 51% said their employment plans were not suitable
- Only 35% found their consultant supportive and respectful;
- WfD widely regarded as waste of effort, as did not lead to meaningful work
- Fear of being breached was a recurring theme



What impact do these interventions have on people? A life of compliance....

'I never know whether I am ok or whether I might be cut off payments. Desperate to maintain person to person contact just in case I get things wrong.' **Female, 50+, single with no children, VIC**

'When you have nothing, having a person constantly threaten to take the last little thing you have away from you is hell. I have come close to killing myself on several occasions when I have had payments stopped.' **Male, 25-49, single with no children, SA**

'They suspend your payment and give you demerit points for being homeless. They don't class that as a reasonable excuse even though Centrelink do. It makes no sense in them doing this when they are aware of your situation already.' **Male, 25-49, couple with no children, WA**

Priorities for reform and the central role of people directly affected

- 1. Raise the Rate: of Newstart, Youth Allowance and related payments by \$75 a week and index to wages.**

Survey respondents told us it would ‘make life bearable’, reduce stress, make it easier to look for work, enable purchase of healthier food, fund school excursions etc.

- 1. Reform Jobactive to create a more flexible, less punitive system, that is adequately resourced to offer tailored assistance to people, informed by their individual circumstances.**

‘Voices’ survey identified people’s priorities for reform as a less punitive approach, better recognition of special circumstances and diverse needs, more personalised service and more help with training and interviews.



The Raise the Rate campaign: theory of change

If we build a compelling case for change supported by independent evidence and key experts and communicate the case clearly ...

If we recruit high-profile, influential supporters representing diverse sectors and interests to publicly support the campaign, and directly influence key decision makers and influencers...

If we connect with people directly affected and support them to take direct action (eg., lobbying their local MP/candidates, participating in community forums, etc.)...

If we build the capacity of individuals and communities directly affected by the campaign to share their story publicly through social and traditional media...

...it will shift beliefs about the adequacy of Newstart and related payments and persuade key influencers and decision makers of the need for change...

...it will elevate the issue in public debate, persuade decision makers to take action and broaden the frame within which the issue is viewed...

...it will build capacity of people affected to mobilise, elevating the campaign in communities and make clear to decision makers and influencers that this is a key issue that requires action...

...it will change the narrative about people on income support, building empathy and softening the ground for decision makers to proceed with reform...

...which will lead to the Parliament increasing Newstart, Youth Allowance and related payments by \$75 a week .

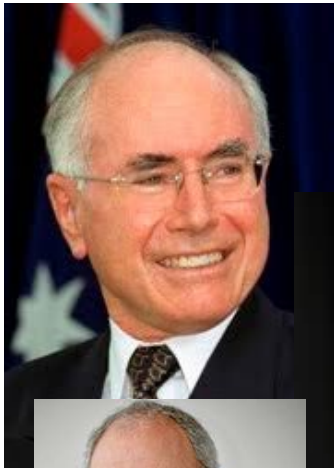
Raise the Rate post-Election: A recap

- Key election issue and continues to dominate the media
- Growing support across Parliament, including from Nationals and Liberal backbenchers
- ALP has firmed up its position in support of an increase
- Two parliamentary inquiries are underway
- Successful week of action, with more than 100 people directly affected registering to meet their MP, and local and national media
- Senate passed a resolution calling for an increase
- All but one of the cross bench in lower and upper house support
- Public support is high – 72% on latest polling
- Growing pressure to take action to stimulate economy





Influencers are onside



Chris Richardson,
Access Economics:

“I’m a longstanding campaigner for budget repair, but I would rank it behind the need to lift unemployment benefits in Australia.”

“We here in Australia don’t have a dole-bludger problem - what we have is a society that is unnecessarily cruel.”

- 2 May 2018

**RAISE
THE RATE**

Support is broad



"You cannot live on \$39 a day."

"We really have to get our head around this, but not just in terms of tinkering with the allowance. We've got to make sure that allowance is adequate."

– Jennifer Wetacott,
BCA, 2018

Raise the Rate: people affected at the centre

- Key learnings: advise and facilitate but let locals direct what they want to do at local level
- Local community grants program
- Training and mentoring of key people in priority sites to do public speaking, media, stalls etc
- Lobbying webinars and workshops
- Local groups have led lobbying of local governments with great success



Raise the Rate: what can you do?

1. Write to Morrison, Frydenberg and Ruston
2. Meet with your local MP/Senator
3. Get active in Anti-Poverty week, which is focused on RTR in 2019 (hold an event, put out a media statement, do a stall, post on socials)



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