

POSITION STATEMENT 2013



INCOME SUPPORT JUSTICE FOR A DECENT LIFE

What Australia needs

Everyone living in Australia should have the means and opportunity to live a decent life. The building blocks for a decent life include access to food, clothing, housing, health care, meaningful work, education, and rest and recreation. We should have adequate income to live with dignity when on welfare. We should also be able to access adequate income support to transition out of welfare and into stable employment and/or education. We can build a society in which everyone belongs, is valued and can contribute.

Why it matters

Australia has experienced two decades of economic growth and rising average incomes, but some people continue to be left behind. Financial hardship is becoming more entrenched, with one impact being more children and young people are living in poverty.

The number of people seeking assistance for emergency relief and financial counselling is continuing to grow. People on low incomes and those with middle and higher incomes increasingly need to access these services. People are dealing with more complex personal and household issues, and debt is becoming more complex. People accessing financial counselling services can be managing, in some cases, up to 20 credit cards, are dealing with multiple complicated contracts (including for mobile phones and hire purchases) and are exposed to very high interest loans via payday lenders and other non-bank credit providers.

An increasing number of children and young people are caught up in the financial hardship faced by their parents – including being affected by family violence and breakdown, unstable housing, inadequate food, medical and dental care, and being unable to participate in community or educational activities. We know that growing up in poverty is a key risk factor for living with long-term financial hardship as an adult, so actions that reduce the risk of poverty in families are crucial, such as supporting families going through family breakdown, including proactive financial advice and support.

While having a long-term, meaningful, properly-paid job is one of the foundation stones of belonging, contributing and being valued across our economic and community structures, there are people, who for a range of reasons, are missing out. They are locked out of the labour market, trapped on inadequate income support.

More than 250,000 Australians (more than 40 percent of unemployed people) have been out of work for longer than two years. Of these, nearly 83,000 are highly disadvantaged job seekers who have multiple and complex



barriers preventing them from gaining employment. Earlier this year, 100,000 single parents were moved from single parent payments to the lower unemployment benefits.

People living on unemployment benefits are living well below the poverty line, on \$35 a day. People who are unemployed for long periods of time will be at greater risk of poverty than those unemployed for shorter periods. Low income and lack of access to the job market can lead to disadvantage and in turn social exclusion.

Families with members who are unemployed for a year or more (long-term unemployed) may also be negatively affected, contributing to intergenerational disadvantage. When a person has been unemployed for one year, they have a 54 percent chance of becoming “very long-term unemployed” (i.e. unemployed for two years). When job seekers have been unemployed for two years, the risk that they will be unemployed for a further year increases to 68 percent, entrenching disadvantage and financial hardship.

Work, if attained and retained, is increasingly part-time and casual. There are fewer entry-level jobs available and employers are looking for skills and experience these people don't have. In addition, child care and transport can be expensive, inflexible or unavailable.

As a society, we can and should do better. We need to reduce the barriers facing people who are at risk and experiencing social and financial disadvantage, and offer people a decent standard of living.

What Government can do

Align income earning entitlements across all income support payment types.

Increase the Newstart and Youth Allowance so that people can live with dignity.

Index all income support payments in line with the Aged Pension.

Increase the Transition to Independent Living Allowance for young people leaving out of home care to ensure they get the support they need to achieve good educational, employment and social outcomes.

Increase utility allowances and concessions on other bills including car registration and council rates and provide access to this support to all recipients of benefits and pensions.

Increase and sustain emergency relief and financial counselling services.

Increase affordability and availability of childcare for people moving from welfare to work and other low income households.

Increase access to emergency payments and bereavement allowances, including financial support for funerals.