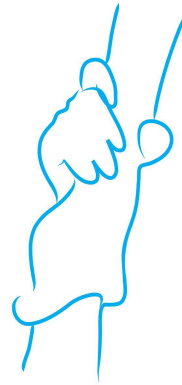


ANTI-POVERTY NETWORK

SOUTH AUSTRALIA



Submission To Parliamentary Select Committee On Poverty

Friday August 10th, 2018

Contact Person: Pas Forgione, on 0411 587 663, or at antipovertynetwork.sa@gmail.com

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1: Introducing Anti-Poverty Network SA

Anti-Poverty Network SA¹ is a grassroots community advocacy group composed of welfare recipients directly affected by people with lived experience of poverty and unemployment, along with supporters. Formed in 2013, our members, many of whom have made individual submissions to this inquiry, include job-seekers, Age and Disability Pensioners, carers, students, and others who interact with Centrelink and related organisations.

2: Summary

Despite Australia's considerable wealth, the existence of poverty remains an entrenched and inexcusable feature of our society. Nationally, 1 in 6 children and 1 in 7 adults live in poverty, and 200,000 South Australians live in poverty, according the ACOSS (Australian Council of Social Service) 2016 Poverty Report.²

1 We advocate for policies that treat those out of work and living in poverty with fairness and respect, for higher welfare payments, and for other policies that improve quality of life for low-income people. We also provide practical advice and support job-seekers experiencing difficulties with Centrelink or their job agency, including information about their rights, and accompanying job-seekers on their appointments. We hold public forums, community lunches and dinners, protest rallies, information stalls, engage in educational (with high school students), media, and lobbying work, and host an annual Anti-Poverty Week conference every October that is one of the largest Anti-Poverty Week conferences in the country, and one of the only ones organised by low-income people themselves, with their experiences and insights taking centre-stage.

2 <https://www.acoss.org.au/wp-content/uploads/2016/10/Poverty-in-Australia-2016.pdf>

This submission explores a modest selection of the issues that cause and exacerbate levels of poverty, with various recommendations put forward.

The submission includes personal testimonies from many of our members who are living – though often, it is less living, and more surviving – on very low incomes.

We would welcome the opportunity to address the Committee and elaborate on any of the ideas and suggestions put forward in this document.

3: Newstart Allowance - Not Just A Federal Issue

There can be no discussion of poverty, at any level of government, without discussing the low rate of Newstart Allowance, the Centrelink payment for job-seekers, and its effects on the quality of life of recipients, as well as on the community and the economy.

Newstart, at \$273³ per week, or \$40 per day (\$17 per day, after housing costs are excluded, according to the Salvation Army), is \$160 per week below the poverty-line⁴, and \$178 per week below the pension. It has not been raised in real terms since 1994.

Over the same period, housing prices have increased by 62 percent in real terms, and electricity prices by 212 percent in real terms.⁵ For Newstart recipients, these two items constitute two of the largest parts of their budget.

Newstart has fallen dramatically behind the rest of the community, being now less than 41 percent of the minimum wage. In 1998, Newstart was 24 percent of the average wage in SA, but it is only worth 19 percent of the average wage in 2018.

The inadequate rate of Newstart has numerous effects on the physical and mental wellbeing of recipients:

- *Access to fresh fruit and vegetables, to regular, nutritious meals*
- *Having to choose between buying food at all, and paying rent/bills/other essentials*
- *Capacity to afford dental care and medicines⁶*
- *Limited access to preventative health care, i.e., GP visits where they are not bulk-billed (most common in rural areas, where choice of clinics is limited), or for specialist treatment (where there is a gap fee or no Medicare payment)*
- *Inability to heat/cool home during cold/hot weather*
- *Intense stress about expenses, which affects cognitive, emotional, and physical functioning*
- *Inability to replace essential household goods/appliances when necessary or appropriate*
- *Inability to cope with major unexpected expenses, i.e., car repairs, veterinary bills, funerals or family illnesses, emergency childcare needs*
- *'Poverty premiums' – the way in which certain items and services tend to be more expensive for those on low incomes, for example, because they are unable to take advantage of options that are cheaper but require large upfront costs⁷*

3 Full list of references available on request.

4 50 percent of median income.

5 Figures courtesy of Dr. Renfrey Clarke, and Dr. Greg Ogle, Senior Policy and Research Analyst, SACOSS (South Australian Council of Social Service).

6 The co-payment for someone on a concession card has more than doubled over time, while the income of the person on Newstart, in real terms, has barely risen.

7 See the excellent research of SACOSS (South Australian Council of Social Service) on 'poverty premiums': <https://www.sacoss.org.au/fact-sheet-poverty-premiums>.

- *Isolation and loneliness from being unable to fully participate in community life and social support networks*
- *Housing stability stress – housing costs likely to take up most of payment (see housing section below)*

Research published last year by the Social Policy Research Centre of the University of NSW calculated that Newstart, for a single adult, fell \$96 per week short of what would be considered an adequate standard of living by the community.⁸

Compounding the low rate of Newstart is the grim state of the labour market. There are simply not enough jobs to go around – 9 job-seekers for every job vacancy, according to ABS – meaning unemployment is no longer a short burst of pain but a long period of deprivation. 70 percent of Newstart recipients receive the payment for more than 12 months.

And growing numbers of sole parents and people with a disability are now receiving Newstart (27 percent of recipients have a diagnosed disability), thanks to changes to eligibility for other welfare payments, exacerbating levels of hardship.

Leading welfare organisations like ACOSS, Uniting Communities, Anglicare, St. Vincent de Paul, and the Salvation Army, along with trade unions, have called for an increase to Newstart.

More recently, they have been joined by sections of the business community, most notably, Business Council of Australia, Deloitte Access Economics, and multinational accounting firm, KPMG, who have noted that Newstart's low rate hampers job-seekers' capacity to search for work, since searching for work in this day and age requires resources (i.e., having the money to maintain a car, decent, reliable mobile phone and internet access, being able to up-skill in appropriate areas, afford clothes/haircuts for interviews).

Not only would a raise to Newstart improve quality of life for unemployed people, and their ability to engage with the labour market. It would also have a positive economic impact on the community around them, since job-seekers (and other low-income people) generally spend most of their income. Therefore, extra income would mean extra spending straight into the local consumer economy, generating 'multiplier effects'.

While the low rate of Newstart is primarily a federal issue, it affects every level of government. For example, low-income people often are heavily reliant on libraries and community centres, for access to digital technology (essential for searching for work, interacting with government agencies, and staying connected to one's supports and networks), and social support and stimulation.

State government-funded community services, such as supports for those experiencing or at risk of homelessness, face growing levels of demand because of inadequate income support payments, such as Newstart. State-funded health services see patients whose physical and mental wellbeing is harmed by lack of funds, and its impacts on food quality and insecurity, access to medicines and other health resources, and social isolation and exclusion.

Acknowledging their connection to their low-income residents, the following 11 SA local governments, representing 600,000 residents, have decided to advocate for a raise to Newstart: Salisbury, Playford, Port Adelaide Enfield, Prospect, Onkaparinga, Streaky Bay, Mount Gambier, Kangaroo Island, Copper Coast, Clare Valley, and Adelaide.

8 <https://newsroom.unsw.edu.au/news/social-affairs/new-budget-standards-show-just-how-inadequate-newstart-allowance-has-become>

We believe the state government must join them in advocating to the federal government for a *meaningful and substantial increase to Newstart*, to not only advance the well-being of the tens of thousands of South Australians who are currently looking for work, but also on clear economic grounds.

Recommendations: 1) That the Committee recognise that the current rate of Newstart is inadequate, and call for the federal government to immediately increase the payment by at least \$100 per week, with Newstart (and other related payments, like the even lower Youth Allowance, to ultimately be lifted to the poverty-line); 2) That the Committee call on the Marshall government of SA to lobby the federal government for an immediate increase to Newstart by at least \$100 per week.

4: Personal Testimonies From Newstart Recipients

"I often have to skip breakfast and lunch every day in order to save money. I do not feel I eat enough fresh fruit and vegetables, I look for specials and Black and Gold products. Nutrition never enters into what I buy, how cheap it is is the only thing I'm capable of buying. If my income was higher, I would be able to buy fresh fruit, vegetables, things other than frozen products, I would buy more food in general if I could afford it.

I think everyday about my finances. I'm living from hand to mouth without any chance to save or prepare for the future.

Very rarely am I able to see my family and friends.. My family lives in a different state and I haven't seen them in about 2 years due to being unable to afford the travel expenses, with no chance of being able to join in on family occasions or holidays. Leaving the house is hard, even bus transport affects my budget, so leaving my house as little as possible is necessary.

Any kind of community activity, festivals or events, getting there, buying anything whilst there, is beyond my income, and means any bus ticket or drink or food I buy there affects my income and ability to pay for rent, groceries and bills.

I feel as if relationships are impossible until I'm able to support myself." - Joel.

"Food is becoming a luxury item now. Many people are skipping meals for the sake of the children. Why is our federal government doing this? What have our children ever done in deserving this? I did not expect being a single mother.

I have been served an eviction notice in early 2015. I managed a loan from a family member who I still owe. Red letters are received with my electricity provider. And also I'm always paying extra money of \$25 per fortnight for water rates.

I have one dependent at home, my daughter who is 14. I go without, so she is cared for.

Since being placed on Newstart [after my youngest child turned eight], my quality of life has gone down hill. I'm on regular medication for anxiety, depression, and traits of bipolar. I also have high blood readings for rheumatoid arthritis, and suffer from fibromyalgia syndrome. Recently I was knocked back again for Disability Pension." - Ruth.

5: Poverty And Public Transport

Despite the existence of concession fares⁹ that many low-income people have access to, the cost of public transport is a significant barrier for those living below the poverty-line, and contributes to the social isolation experienced by many in our community, including students, job-seekers, sole parents and low-income earners/the underemployed.

These groups experience great levels of financial hardship, and often, because of the tight and precarious nature of their finances cannot afford to buy their fares upfront by purchasing a monthly pass, thus missing out on those savings. This means that those who most need the savings of bulk-buying, are the ones who cannot afford the up-front cost of a month's pass payment.

Access to concession fares currently depends on possessing a Transport Concession Card, unlike in other states, where possession of a Health Care Card is sufficient. Because of this confusion, many low-income people, in practice, end up travelling on costly full-price fares, or, often unaware that a Health Care Card does not grant them concession fares, run the risk of huge fines.¹⁰

We think requiring low-income people to apply for a Transport Concession Card to qualify for concession fares is needlessly bureaucratic, wasteful, and means that many low-income people are paying far more for public transport than should be the case. A Health Care Card is already evidence of acknowledgement of substantial need and a low income, issued by a Government body.

More fundamentally, the current system of pricing is unfair, as it treats different low-income groups inconsistently. Recipients of the Seniors Card, quite rightly, enjoy free public transport between 9am-3pm and between 7pm-midnight on weekdays, and on Sundays, allowing them increased mobility. We believe there is a strong case for immediately extending to other low-income groups, like the unemployed, sole parents, and students, the free public transport enjoyed by Seniors Card recipients.

Recommendations: 1) That the Committee call for eligibility requirements for public transport concession fares to be immediately changed so that possession of a Health Care Card alone is deemed sufficient ID to qualify for concession fares; 2) That the Committee call for the free public transport rightly enjoyed by Seniors Card recipients for much of the week to be extended to other low-income groups – that is, to anyone in receipt of a Health Care Card.

6: Personal Testimonies From Public Transport Users:

“As an unemployed person who struggles to pay rent each week, the added cost of public transport fares means I do not venture anywhere that I can not walk to. The cost of catching public transport is an added cost I cannot afford. There are things just about every day where if there was not a friend or family member to take me, I would not be going. I am just lucky I live across the road from a major shopping centre and within walking distance of Centrelink and my employment

9 We ultimately reject the user-pays philosophy that underpins the concept of public transport fares - since public transport is already funded through taxes - and we would refer a free and entirely publicly-owned public transport system, but in the interim, moving to lower the cost of fares for all low-income would be a welcome development.

10 Joel Reynolds, a Newstart recipient, tells an all-too-common story: “I recently had a few hundred dollars taken out of my account by Fines SA for a public transport fine I got from 3 years ago that I wasn’t aware of. Apparently it was a fine for having the wrong type of bus ticket, and because I didn’t know about it, late fees for paying it had more than tripled the original \$200 fine. I managed to argue them down a little, but I still had to pay almost \$400 dollars for having the wrong bus ticket, which was about \$3 dollars cheaper than the one I was supposed to have. In order to pay this I had to borrow money from family, pay rent and bills late, and I didn’t buy groceries that week.”

services provider, otherwise I have no idea how I would attend appointments.” - Kat Lee

“I would be able to stay a whole lot more connected to the community, if I didn't have to worry about the cost of public transport. Most weeks I am a few days without money, so making it to different events can really depend on what day of the week it is. There is no difference between \$5 and \$2.60 when you have no money.” - Sarah Pinkie

“I have had to put my phone in to Cash Converters a few times and use another cheap phone as three people using public transport is roughly between \$135 to \$150 a month roughly on a MetroCard with concessions. I use the bus four times a day, four days a week. That is two buses there, two buses home. And my daughters use two buses a day, to and from school. And another child needs to for community access days with school and that can be four trips a week. My girls have had to stay home from school or excursions and I have nearly not been able to go to work, if I am not able to get a monthly pass, as it is more expensive any other way.” - Cassandra Schleyer.

“As a full-time Honours student catching public transport, money at the moment is very tight for me, and my Austudy (student allowance) claim (put in on December 17th) is still yet to be processed. This means my budgeting has forced me to only catch buses after 9am and before 3pm (interpeak times) between Mondays and Fridays – where the cost of a trip is \$0.92 rather than \$1.72. It may seem insignificant, but that little bit extra cost to catch a bus during peak hours, has really pushed me to only catch a bus during these times, when it is absolutely necessary, as I can only have a \$10 limit on my MetroCard per week.” - Caellyn Bruerville.

“I am a young retail worker recommended to submit to your enquiry. In my submission, I would like to focus on public transport in particular. I spend on average \$50 on public transport per fortnight, mostly for work. I do not have a concession entitlement and have almost been fined, being told that a Health Care Card is inadequate.

When I last applied for a Transport Concession Card, DHS sent me another Health Care Card by mistake! I have also been told by my Job Services Provider that even if I do not receive Centrelink payments, carrying a concession card is still considered a form of benefit, meaning that I will still have 'mutual obligations' – something I wish to no longer deal with since I plan to remove myself from all Centrelink services.

Due to the unstable nature of my work (irregular hours and needing to be on call 24/7) it is extremely difficult for me to find time to complete the required 75 hours of supervised driving to gain my provisional license in order to travel independently by car.

Having free public transport, or at least having the cost of public transport reduced, or having concession eligibility extended to the working poor, would mean I can afford healthier and more diverse food options, and participate in hobbies and community activities - including volunteering - more often.

It would mean I can save more money for emergency situations and avoid relying on government support. It would certainly encourage more residents to opt for public transport over car use, leading to lower traffic congestion, ultimately saving money on efforts required to address such congestion.” - Sera.

7: Poverty And Housing

Housing is the most basic human need, for shelter and home, and perhaps the most fundamental of

economic and social rights in Australia.¹¹ The costs of housing now make up the single greatest expense for all Australians in their lifetime. Many Australians are now living in 'housing stress' or 'housing crisis' (i.e., spending over 30 percent, or over 50 percent, of their income on housing).

There is no doubt that this need is not being met for all. Solving homelessness is not about little houses, or houses in concrete containers – homeless people deserve the same homes as everyone else.

The rising cost of home-ownership and rents is placing severe and unsustainable financial and social stress on vast numbers of Australian people, and increasing homelessness. Those affected in particular are those on low-incomes, welfare recipients and the young, who face a dramatically different housing market to their parents.

Private Renting

According to an Anglicare¹² survey of over 67,000 rental properties, nationwide, released earlier this year:

- Only 485 rentals were affordable for a single person on the Disability Support Pension (0.72 per cent)
- Only 180 rentals were affordable for a sole parent on Newstart with one child (0.27 percent)
- Only 3 rentals were affordable for a single person on Newstart (less than 0.01 percent)

When issues arise in a rental situation, tenants often feel reluctant to make complaints. Tenants report fears of being blacklisted, or having agents/landlords retaliating against them in an already competitive and tight housing market that favours landlords and investors. Many report putting up with unsafe conditions or housing that is not fit for habitation, out of fear of being evicted, or not getting a good reference for the next property.

This problem is exacerbated by the practice of short-term residential leases, often only 6-12 months, and the effect of section 83 of the Residential Tenancies Act, which permits 'no cause evictions'.

Furthermore, tenants in private rental are vulnerable to continued rent increases which leave properties unaffordable (as per Anglicare's affordable housing research, quoted above). As a basic need and right, we do not believe that financial access to housing should be largely left to the private market.

We believe there is a strong ethical and economic case for implementing a system of rent caps or controls, to manage the rate at which rents rise, for the private rental market, and that such a system warrants further investigation and discussion.

Public Housing

Contributing to the lack of affordable housing is the significant decline in public housing stock, with roughly 20,000 properties having been lost over the last 20 years. Aside from the established rent-to-buy scheme allowing public housing tenants to move towards owning their own homes, it is inappropriate to be disposing of any public housing properties without replacing their capacity.

11 Anti-Poverty Network SA recently (in June) hosted a community forum on housing and renters' rights, with private and public housing tenants speaking, along with people with lived experience of homelessness. A summary of the key recommendations that came out of the discussions at that event, can be found [here](#).

12 <http://www.anglicare.asn.au/home/2018/04/29/anglicare-australia-releases-rental-affordability-snapshot-the-rental-crisis-is-worse-than-ever>

Rather than further shrinking of stock, we need a significant increase. The state government must commit to expanding public housing stock, including a variety of suitable, sustainable and disability-accessible housing types, and in a diverse range of locations and communities.

Recommendations: 1) That the Committee call for the state government to immediately reverse the trend of declining public housing stock, investigate the alarmingly high number of empty public housing properties, and start investing in meaningful numbers of additional properties to meet growing levels of hardship; 2) That the Committee recommend a system of rent caps/control on private rentals in SA be implemented by the state government; 3) That the Committee recommend a tax on empty buildings and property to discourage speculation; 4) That the Committee recommend changes to the Residential Tenancies Act and other reforms that will provide tenants with more secure, stable, long-term leases (i.e., more than 12 months), and more rights to negotiate and make grievances, including the removal of the unnecessary section 83, 'no cause evictions'¹³, from the Residential Tenancies Act; 5) That the Committee call for increased funding for emergency accommodation and other homelessness services.

8: Other Remarks And Recommendations

Ambulance Call-Out Fees - A Debilitating Expense For The Poor

Enormous costs associated with ambulance use in SA disproportionately affect people on the lowest of incomes. People experiencing poverty typically struggle to afford even the discounted subscription, with the effect that they go without cover for ambulance treatment/transport and can thus attract a fee of over \$1000 for a single episode if an ambulance is called for them.

From speaking to our members who are on low incomes, we know that many of them are unaware of the subscription that is needed to avoid massive ambulance call-out fees.

This problem is particular to South Australia – in some states, at least people with concessions can access free ambulance cover, and in other states, the state absorbs the cost making it free for residents.

Furthermore, the complicated, new tiered system adds to the inequality of ambulance subscription in SA, meaning that even if an individual has paid the lower subscription, they have to 'hope for the best', if they unexpectedly travel interstate (including for a job interview, funeral, or other unplanned event). These inequities discourage lower-income people (including those with chronic or long term health issues, acute or fluctuating mental illness, or who are ageing) from using the ambulance service.

Costs of ambulance cover in SA under the recently-introduced two-tier system.¹⁴

Ambulance Cover Rates

	Standard Cover	Standard plus interstate
Family	\$165	\$195
Single	\$83	\$98
Pensioner Family	\$99.50	\$129.50
Pensioner Single	\$50	\$65

We draw the attention of the Committee the ambulance charges of the other states of Australia:

- Vic: Membership fee to Ambulance Victoria, free cover for pensioners, low-income earners
- NSW: Call-out charge plus a per-kilometre charge, government subsidises 49 percent of fee
- WA: Fees ranging between \$473 for patient transfer vehicle and \$967 for life-threatening or urgent call-out, pensioners entitled to free service
- SA: Membership fee to SA Ambulance, call-out fees up to \$976, plus kilometre fee of \$5.60
- NT: Call-out fee and a per-kilometre fee
- ACT: Set call-out fees up to \$959, free ambulance cover for pensioners
- Qld: Fees covered by State Government
- Tasmania: Fees covered by State Government

Recommendation: 1) That the Committee recommend that the subscription cost for emergency ambulance use be covered by the state government for all South Australian residents, for coverage all around Australia.

Making Fines Proportional

We currently have a system of flat fines for parking, speeding, traffic, and other violations, meaning that fines have a disproportionate, and huge impact on low-income people, but a very negligible impact for those on very high incomes. This is both unfair, and also means that fines tend to be less of a disincentive for those on much bigger incomes.

Recommendation: 1) That the Committee call for a system of progressive fines, based on income, for parking, speeding, traffic, and other violations (as exists, for instance, in Finland). This should take into account the person's ability to afford basic necessities such as rent, energy, and food, before paying a fine.