

WORLD HEALTH DAY STATEMENT: Meagre Rate Of Newstart IS A Health Issue – Time For A Raise

Joint Statement from Anti-Poverty Network SA and Public Health Association of Australia

Info: Anti-Poverty Network SA spokesperson Pas Forgione on 0411 587 663 or at antipovertynetwork.sa@gmail.com.
Public Health Association of Australia CEO Michael Moore on 0417 249 731 or at mmoore@phaa.net.au.

World Health Day, Friday April 7th, presents a timely opportunity to address the gross inadequacy of Newstart Allowance, which severely impacts the physical and mental health of the 800,000 Australians receiving the payment.

While none of Australia's welfare payments are generous, it is alarming that Newstart, at \$267 per week (roughly \$13,800 per year), is over \$160 per week (roughly \$8,000 per year) below the poverty-line. It has not been raised in real terms since 1994.

Australia ranks second-worst in the developed world for poverty rates among the unemployed. 52 percent of Newstart recipients live in poverty.

Newstart has fallen dramatically behind the rest of the community. It is now less than 18 percent of the average wage and less than 41 percent of the minimum wage.

Living off Newstart can affect physical and mental wellbeing in many ways:

- *Access to fresh fruit and vegetables, to regular, nutritious meals.*
- *Capacity to afford dental care and some medicines.*
- *Ability to heat/cool home during cold/hot weather.*
- *Intense stress about expenses, bills, and rent, which affects cognitive, emotional, and physical functioning.*
- *Stigma and other negative attitudes towards Newstart recipients.*
- *Isolation and loneliness from being unable to fully participate in community life and social support networks.*

Public Health Association of Australia CEO Michael Moore said, "it is critical that the health effects caused by the extremely low rate of the Newstart allowance are recognised and addressed through a significant increase in payments to recipients of at least \$100 per week, not only to mitigate these effects but to prevent the downward spiral into further poverty which they inevitably result in."

Mr Moore added, "the inadequacy of Newstart and its associated negative health impacts on recipients and their families is a clear illustration of why it is so important for policy makers to incorporate the social determinants of health into their decision-making processes."

Anti-Poverty Network SA spokesperson Pas Forgione said, "even in a rich country, being poor has consequences. Whether it is the emotional harm of being disconnected from friends and family and excluded from community life, because you cannot afford to drive or catch public transport. Or having to skip meals, or not always being able to afford the most nutritious food. Or the fatigue and ill-health that comes from constant stress about one's finances. The data tells us surviving on Newstart is harmful - and

unemployed people themselves tell us this.”

An ACOSS (Australian Council of Social Service) survey of 600 Newstart recipients in 2015 reported:

- 40 percent are unable to pay their bills on time or see a dentist.
- 46 percent are only able to afford second-hand clothes most of the time.
- 50 percent are unable to raise \$2,000 in the event of an emergency.
- 50 percent are turning off heating and cooling to save money.
- 32 percent skipped meals in the previous year.
- 25 percent are suffering from 'housing crisis' – spending more than half their income on rent.
- 20 percent do not have enough money for essentials like housing, food, and electricity.

“Making matters worse, there are not enough jobs – 11 job-seekers for every job, according to ABS – meaning unemployment is no longer a short burst of pain but a long period of deprivation. With growing numbers of sole parents and people with a disability now on Newstart (27 percent of recipients have a diagnosed disability), thanks to changes to other payments, it is even more important that those living on Newstart receive a significant, long overdue raise”, Mr. Forgione said.

There is growing support for increasing Newstart. Major welfare organisations have long called for at least a \$50 per week increase, joined by trade unions, and more recently, BCA (Business Council of Australia), along with international accounting firm, KPMG.

It is the strong recommendation of Anti-Poverty Network SA and Public Health Association of Australia that Newstart Allowance is increased by at least \$100 per week, to enhance the health and wellbeing of recipients, with the payment ultimately reaching the poverty-line.