

Key Facts

Impacts of rising poverty and disadvantage

- Poverty impacts the determinants of health. Unemployed people are twice as likely as those on a low income to delay seeing a GP or a medical specialist due to cost.ⁱ
- 1 in 5 people delay a visit to the dentist to cost. Up to 30% of people on low incomes delay dental treatment. In regional NSW this statistic is worse, with almost half of those unemployed delaying dental treatment.ⁱⁱ
- Being unemployed and require a medical specialist, you will be more between two and a half and three times more likely to delay this due to cost. People living alone and those under 24 years also experience higher levels of delays.
- Increasing rates of domestic violence raise the number of people at risk of homelessness. Since the start of COVID-19, 47.5 per cent of workers in domestic violence services reported they had seen women who were accessing support for the first time.ⁱⁱⁱ

JobSeeker is making a difference

- In Australia, there are more than 3.24 million people or 13.6% of the population living below the poverty line. That includes 774,000 children or more than 1 in 6.^{iv}
- The introduction of JobKeeper and JobSeeker reduced the number of people in poverty by around 32 per cent'.^v
- The number of people in poverty is expected to increase by 740,000 as a result of the reduction in the Coronavirus Supplement in September 2020.^{vi} By December 2020, the reductions in income supports announced in July will increase poverty by one third to 3.5 million people.^{vii}
- On the 26th June, nearly 659,000 people in NSW and (and approximately 290,000 children) were supported by the Coronavirus Supplement. Cutting \$150 from the payment would mean a loss of \$100m per week to the NSW economy.^{viii}
- 'The number of people eligible for the Coronavirus Supplement will peak in December of this year at 2.34 million, up from 2.25 million in July. At that time, unemployment is expected to reach 10%'.^{ix}
- Regions that are being hit the hardest by the economic fallout were already suffering the greatest disadvantage, including communities that were in recovery from the 2019-20 bushfires.^x
- ABS estimates that more than 35% of businesses expect to find it difficult to meeting financial commitments over the next three months.^{xi} It is likely that JobKeeper recipients will transfer to JobSeeker as their previous jobs disappear. Without the Coronavirus Supplement the drop in income will be much greater.

Investment in social and affordable housing is needed

- NSW had a social housing shortfall of 135,000 properties before COVID-19 and last summer's bushfires.^{xii}
- A 10% unemployment rate is projected to increase homelessness in NSW to between 7,905 and 16,140 people. Increased homelessness is estimated to cost between \$218 million and \$445 million each year due to higher health and social service costs.^{xiii}



- Investing in social and affordable housing supports the most vulnerable Australians, including those experiencing or facing homelessness and rising domestic violence, while aiding economic recovery. 5,000 additional units of social and affordable housing in NSW would cost \$1.88 billion in 2020-21 and would support 18,000 construction jobs.^{xiv}

Key Messaging

The Federal Budget missed a key opportunity to tackle homelessness and stimulate jobs in the construction industry by investing in social and affordable housing. The NSW Budget will be handed down on 17 November, it is crucial that the NSW Government tackle the issues that the Federal Budget didn't.

The Federal Budget has left over two million people uncertain about their future by failing to deliver a permanent, adequate JobSeeker rate. We cannot go back to pre-COVID levels – which, for Jobseeker was \$40 a day.

Now is not the time to cut payments to people receiving the Coronavirus Supplement (including unemployed people) nor the JobKeeper payment.

Now is the time to invest in social housing – both to relieve pressure on those living in housing stress and to help stimulate the economy, especially given worse affordability for those renting at the lower end of the market.

Those hit hardest by the recession that are living without paid employment will see no benefit from the Federal Government's tax cuts. We need to Raise the Rate for Good so that everyone has enough to cover the basics of life, like a roof over their head and food on the table.

Smart economic stimulus generate jobs while addressing much needed social and affordable housing and energy efficiency upgrades for low income households to reduce the cost of energy bills and climate emissions.

We now look to the NSW Government to pick up the slack created by the Federal Government's lack of action, particularly on social and affordable housing and supporting the social services industry. The NSW Budget will be handed down on 17 November, and it is crucial that the NSW Government tackle the issues that the Federal Budget didn't.

ⁱ Vidyattama, Y., Prosser, B., Tanton, R., and NSW Council of Social Service (NCOSS)., (2020), Mapping Patient Experience and Economic Disadvantage in NSW, NATSEM & Institute for Governance and Policy Analysis, Canberra. Report commissioned by NCOSS.

ⁱⁱ Ibid.

ⁱⁱⁱ Women's Safety NSW (2020), UPDATE: Impacts on COVID-19 on Domestic Violence in NSW, 2 April 2020

^{iv} Davidson, P., Saunders, P., Bradbury, B. and Wong, M. (2020), Poverty in Australia 2020: Part 1, Overview. ACOSS/UNSW Poverty and Inequality Partnership Report No. 3, Sydney: ACOSS.

^v Phillips, Gray & Biddle, ANU Centre for Social Research and Methods (2020), COVID-19 JobKeeper and JobSeeker impacts on poverty and housing stress under current and alternative economic and policy scenarios' https://csrm.cass.anu.edu.au/sites/default/files/docs/2020/8/Impact_of_Covid19_JobKeeper_and_Jobseeker_measures_on_Poverty_and_Financial_Stress_FINAL.pdf

^{vi} Ibid.

^{vii} Deloitte Access Economics and ACOSS, 2020 'Estimating the economic impacts of lowering current levels of income support payments' p 18.

^{viii} Ibid, 21.

^{ix} Ibid.

^x Ibid, 8.

^{xi} ABS (August 2020) Business Indicators, Business Impacts of COVID-19, August 2020 (cat. no. 5676.0.55.003).

^{xii} Equity Economics (2020): Supporting Economic Recovery in NSW: Investment in social and affordable housing is critical to supporting jobs today and families into the future.

^{xiii} Ibid.

^{xiv} Ibid.