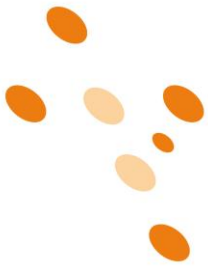


*Response to questions
taken on notice by Catholic
Social Services Australia on
28 August 2012, received
13 September 2012.*



Catholic Social Services
Australia

Telephone 02 6285 1366
Facsimile 02 6285 2399

PO Box 326
Curtin ACT 2605
22 Theodore Street
Curtin ACT 2605
admin@catholicsocialservices.org.au
www.catholicsocialservices.org.au
ABN 18 810 059 716

22 September 2012

Mr Tim Watling
Committee Secretary
Standing Committee on Education, Employment and Workplace Relations
Parliament House
Canberra ACT 2600

Dear Mr Watling,

***Re: The adequacy of the allowance payment system for jobseekers and others,
the appropriateness of the allowance payment system as a support into work
and the impact of the changing nature of the labour market***

On 28 August, 2012, Catholic Social Services Australia's representative at the Committee Hearing into this matter in Canberra was asked to take a question on notice by Senator Rachel Siewert. Director of Government and Public Relations, Ms Jackie Brady was asked by Senator Siewert to capture the impact of the low level of Newstart on individuals and their family and friends via the network of Catholic Social Services Australia Member Organisations.

We have sought out advice from our network and we offer some anecdotes to the Committee to capture the lived experience of those people in Australia relying on Newstart and or other allowances for their source of income.

Should you require any further information, please do not hesitate to contact me on

Yours sincerely,

Paul O'Callaghan
Executive Director

**Questions on Notice response from Catholic Social Services Australia
12 September 2012**

From country Victoria

Staff feedback:

“Once rent is paid there is very little Newstart Allowance left over. The Newstart Allowance is \$495 per fortnight and Rent Assistance is +/- \$130. Therefore, per fortnight, a single person renting can receive \$625. Given that most suitable rental properties are between \$170 - \$240 per week, even at the lowest rate of \$170 per week (\$340 per fortnight) this leaves \$285 per fortnight or \$142.50 per week on which to live. With the increase in power and food prices this leaves very little on which to survive.”

From a Team Leader in the Family Services program:

“I can tell you that most of our families experience financial hardship and they are unable to do a lot to change their circumstances due to the impact of past trauma on their ability to cope day to day.

“Most of our parents suffer from some form of anxiety, depression, learning disability and/or trauma related attachment problems which impacts on their ability to feel safe to interact with the outside world.

“For parents who are on parenting payment and in particular Newstart there are times that children are having to go without food or heat due to cost of utilities and school costs. The continued disadvantage goes un-noticed in areas such as school excursions, extra-curricular activities such as sport and other hobbies.”

From a Team Leader in Homeless Support Services:

Two examples:.

Example 1:

“A 22 year old male arrived at men’s homelessness service on a ‘living at home’ youth allowance of \$230.00 per fortnight. We identified the more appropriate payment for this person was the living away from home youth allowance. Centrelink agreed. This increased his income to \$395.00 per fortnight plus \$77.00 in rent assistance totalling \$472.00 per fortnight.

“But even with the increased income, securing private rental for disadvantaged people is particularly challenging. A one bedroom unit \$140 -\$150pw, setting up of unit, utilities, living expenses (a struggle on less than \$500 per fortnight) – very long wait for a 1 b/r Public Housing Unit.

“It is challenging to look for work locally and away, meet the demands of further education and training, stick to parole conditions etc.

“This person currently pays \$15 per night totalling \$210.00 per fortnight contribution to homelessness provider (shelter plus 3 meals per day).”

Example 2:

"A 43 year old was released from a prison institution and arrived at a homelessness service on no benefit initially. Newstart Allowance is about \$480.00 per fortnight plus rent assistance of \$109.00 totals \$589.00pf.

"His accommodation options are limited. Private rental is about \$140-\$150per week, setting up costs of a unit (which needs to be environmentally scanned) utilities & living expenses – runs a 1997 falcon car, correction responsibilities to fulfil plus looking for work and accommodation.

"Currently, he pays \$18.00 per night totalling \$252.00 per fortnight to a homelessness provider (shelter plus 3 meals a day).

"Sometimes we hear of these guys owing money to others, borrowing cigarettes etc, selling gear to Cash Converters and they always seem to be behind the '8 ball' on pay day".

From Remote WA:***Financial Counsellor in remote WA:***

"I have found that Newstart is not adequate and it is extremely stressful for families when something untoward happens to place a financial burden on the family. For instance, having to replace household white goods, car repairs or tyres and the high cost of living in remote WA (Food, Insurances, Fuel etc). Remote Allowance for a single parent with one child is \$32.80/fortnight which is totally inadequate in a place where it is known that the cost of living is 46% higher than in Perth metro area. If the person does not have a public rental, the cost of accommodation is prohibitive of them living here because the Rental Assistance has not moved with the times and this will only get worse as the mining companies move into this town. Rentals here are from \$450-\$3600 with the low cost rentals disappearing and holiday rentals taking over."

QUEENSLAND:***Team Leader from Rockhampton:***

"From my service the perfect example is the mature age female who is leaving her husband/partner of many years and who has been a house wife and conducted house duties and not worked, finding herself in a world of no financial security, no job, no skills and suffering trauma of the separation often in extreme ways. Finding out she is only eligible for Newstart allowance and then has to try and find herself a place to live and support herself until she can get employment which generally does not happen for a lengthy time due to the age factor being seen as a negative. A low cost rental is approximately \$250 per week (one bedroom) which in simple terms means she CANNOT afford a rental and food and so will return to the husband and receive twice the abuse as originally suffered all because Newstart will not cover rental costs and utilities plus food."

Team Leader from Bundaberg:

“I am working with a mum with two children in coastal Central Queensland who is reliant on Newstart allowance. The woman has an illness (kidney’s are damaged, she suffers severe depression, anxiety) and her daughter is ill (in the care of a paediatrician for bowel problems – needs ongoing medication and her teeth fixed). Mum is waiting for an appointment with a paediatrician to assess her son for the existence of undiagnosed behavioural problems.

“It is a requirement of this mum receiving Newstart that she looks for work. Despite her circumstances she is not eligible for sickness benefit. Employment services and Centrelink are saying she needs to look for work. Newstart does not cover her financial needs in terms of petrol to travel into town to look for the work, some of the daughter’s medication is covered under PBS but not all and mum’s medication is not under the PBS. The impact of the financial difficulties means mum may not get the children to school, she has at times had to get emergency relief for food. At times she has to negotiate with the electric company and phone company to pay her bills off in smaller amounts as there is not enough to pay for it upfront.”

Feedback from individual via Catholic Social Services Australia’s website:

“I just want to let you know that your report on the unemployment benefit being too low is very accurate.

“I am a mature age job seeker, single and I find the single unemployment benefit is unliveable. It is so low that I cannot afford to keep putting money on my go card in Brisbane to go to the job service provider’s place to look for work. I don’t have internet access at home.

“No money to make my hair look better...nothing. St Vincent de Paul and the Salvos have been giving me food cards. Anglicare paid part of an electricity bill.(very grateful to all of them) The single benefit is definitely terrible and I am getting so stressed with financial issues that am becoming not in a fit state to work.

“Please keep trying to get the \$50.00 dollars.”

ENDS