

# MEDIA RELEASE

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## A win for the fight against poverty in Newcastle

The Newcastle Anti-Poverty Alliance and the Australian Unemployed Workers Union have been campaigning to increase the Newstart allowance, and at last night's Ordinary Council Meeting, Newcastle's Councillors voted unanimously to endorse the campaign.

"We know that only federal government can raise Newstart, but local Councils can add their voice to the growing number of business, welfare, and union groups across Australia that are calling for a raise" Newcastle Anti-Poverty Alliance coordinator, Mr Chris Parish said.

"This unanimous vote shows that our Council and Councillors understand how difficult it is for unemployed people to survive today, and acknowledges the significant social and personal harm caused by unemployment, both in Newcastle and across the nation."

Newstart is only \$273 per week, which is \$160 per week below the poverty-line. It has not been raised in real terms for 24 years. "A raise in Newstart would not only be good for the mental and physical health of unemployed people. It would be good for the local economy, by increasing the spending power of those on the lowest incomes, and good for the local community, by reducing social isolation and exclusion", Mr Parish added.

Over the last several months, similar campaigns across the country have resulted in 18 local Councils in South Australia, Queensland, Victoria and Western Australia passing motions calling for Newstart to be raised. Newcastle City Council is the first to do so in New South Wales.

### BACKGROUND:

#### Current Unemployment Rates in Australia and Newcastle

- In March 2018 there were 848,600 unemployed recipients of Newstart or Youth Allowance.
- Our national unemployment rate of 5.4% is no longer below the OECD average.
- The greater Newcastle unemployment rate is above state and National averages. With some of the outer suburbs measuring at a consistent 17% for youth unemployment.

#### The Newstart Allowance and the Henderson Poverty Line

- The Henderson poverty line is a threshold for measuring a person or families circumstances and relative poverty. Anyone below the Henderson line is considered to be in poverty.
- The Newstart Allowance sits below the Henderson poverty line, and has not been raised in real terms for over 24 years.
- If you are single and without dependent children, the maximum fortnightly payment you would receive under the Newstart Allowance is \$545.80. This increases to \$590.40 per fortnight if you have a child or dependent children. If you are unemployed and over the age of 60, the maximum fortnightly Newstart allowance is \$590.40
- On any objective measure, surviving on \$40 a day would be extremely difficult accounting for necessities – food, clothing and shelter, as well as other living expenses.
- In 2015, a survey of 600 Newstart recipients conducted by the [Australian Council of Social Services](#) reported:
  - 40% are unable to pay their bills on time or see a dentist.
  - 46% are only able to afford second-hand clothes most of the time.
  - 50% are unable to raise \$2,000 in the event of an emergency.
  - 50% are turning off heating and cooling to save money.
  - 32% skipped meals in the previous year.
  - 25% are suffering from 'housing crisis' – spending more than half their income on rent.
  - 20% do not have enough money for essentials like housing, food, and electricity.