

PROPOSAL 3

Social Justice

The Social Justice Commission (SJC) and UnitingCare West (UCW) propose:

That the Synod:

1. Note the Uniting Church Assembly Resolution 00.97 “Australia’s Social Security System” endorses the principles for a fair and equitable social security system in Australia and that the Twelfth Assembly Resolution 09.21 “An Economy of Life: Reimagining Human Progress for a Flourishing World” at 09.21.02b (iii) calls for “the reform of the Australian tax and transfer system to make it a progressive tool for the equitable distribution of wealth, including taxing the most wealthy at an appropriate level and providing adequate income support for those people who are most vulnerable and disadvantaged.”
2. Acknowledge that the current rate for Newstart and Youth Allowance is significantly below the ACOSS poverty line.
3. Request that the Federal Government commit to immediately begin a process of increasing the Newstart and Youth Allowance rate so that those who receive them have the resources to live above the poverty line.
4. Write to the Treasurer, Minister for Human Services and the Opposition Shadow Treasurer and Minister requesting their support for a change in approach to social services that is more holistic and prioritises cultural, social, and emotional wellbeing among those who are unemployed.
5. Encourage individual Uniting Church members, congregations, schools and agencies to support Anti-Poverty Week, to engage in practical support for people experiencing poverty, and to communicate the points above to their federal member of parliament.

Mover: Ali Atkinson-Phillips

Seconder: Amanda Hunt (CEO of UnitingCare West)

For enquiries contact Geoff Bice, Justice & Mission Officer 9260 9800

Rationale

As a people journeying under God we acknowledge our call to:

- engage in fearless prophetic ministry in relation to social evils which deny God’s active will for justice and peace;
- act with God alongside the oppressed, the hurt and the poor;
- accept responsibility for the wise use and conservation of the finite resources of this earth for the benefit of all.
- We therefore will act and advocate for the relief of suffering and the just and equitable sharing of resources for the good of all.



Numbers Living in Poverty in 2016

According to a report released by the Australian Council of Social Service (ACOSS) in October 2016, there were 731,300 children or 17.4% of all children in Australia living in poverty at the time – an increase of 2 percentage points over the past 10 years (from 2004-2014).

The report found that nearly three million people were living in poverty in Australia in 2014, or 13.3% of the general population.

The report explains that:

“Unemployed households experienced poverty at the highest rate of all the population groups analysed at 63.2%, a 2% increase since 2012. People of working age not in the labour force had a poverty rate of 43.9% and lone parent families 33.2%.”

Unsurprisingly, the report showed that:

“The majority of people below the poverty line relied on social security as their main source of income (57.3%), but a significant proportion received wages as their main income (32%).”

ACOSS CEO Dr Cassandra Goldie commented on the report’s release, saying that:

“Our report shows those doing it the toughest are overwhelmingly people living on the \$38 a day Newstart payment, 55% of whom are in poverty. This is followed by families on Parenting Payment (51.5%), the majority of whom are lone parents with children.

“This report is a further wake up call to the Government to address the inadequacy of the lowest income support payments and bolster support to low income families through the family payments system. It is also a reminder that housing remains the biggest cost of living issue for households and must be addressed as a policy priority.”

According to the Western Australian Council of Social Services, in 2016, “Figures indicate that 240,000 Western Australians are living below the poverty line, with a further 150,000 at risk of financial hardship. These figures are likely to be an underestimate, as they do not take into account higher living costs in Western Australia.”

The Need for Change

In order to ensure the health and wellbeing of individuals and families currently receiving the Newstart or Youth Allowance, an increase is urgently required. Living in poverty is stressful and forces people to choose between essential items and services. An unexpected emergency can quickly lead to severe financial hardship and the creation of debt-spirals. In order for people to lead healthy and fulfilling lives, the safety-net of our Government’s support services needs to be set at a more appropriate level.

In its submission to the 2012 Senate Inquiry into the Adequacy of the Allowance Payment System for Jobseekers and Others, the Business Council of Australia argued that Newstart needs to be increased saying that:

- “the value of Newstart has fallen progressively further behind levels of income support available to other working age Australians,
- the rate of Newstart no longer meets a reasonable community standard of adequacy, particularly in the case of single adult recipients, the long-term unemployed and those in private rental accommodation,
- there is concern that the low rate of Newstart itself now presents a barrier to employment and risks entrenching poverty.”



Cost of Providing Newstart

The SJC and UCW therefore believe that, in addition to the moral responsibility and community benefit that an increase to Newstart and Youth Allowance entails, it is in the economic interest of the whole nation to have a fair level of social security and that the means to cover the costs lies within the existing economy.

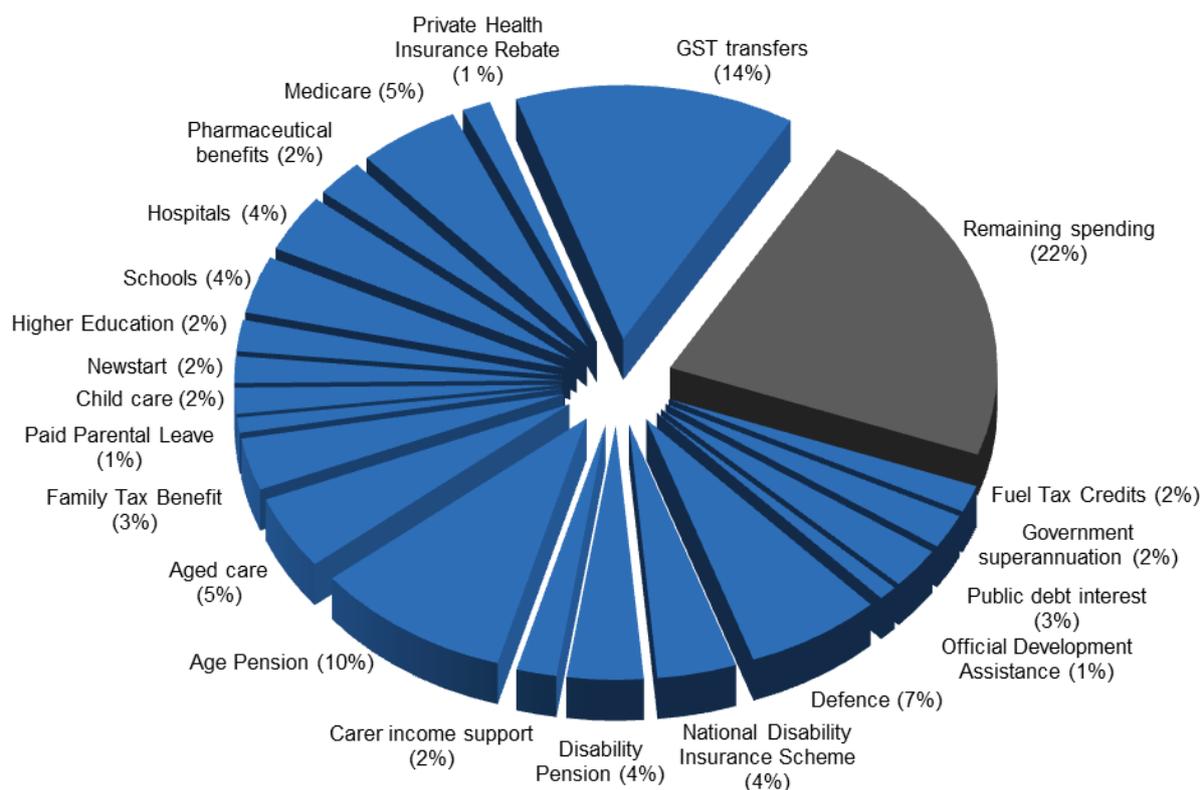
ACOSS notes that the “International Monetary Fund states that the lifting of living standards of people on low and middle incomes is the most important way to increase growth.”

To provide an inadequate financial support system to those in greatest need is unlikely to save government money in the long term since greater costs can simply end up being deferred (eg. people remain on Newstart for longer) or transferred to other government spending areas (eg. health).

There is often an over-estimated understanding of how much Newstart actually costs the Australian budget. ACOSS identifies that “as a proportion of the whole budget, our social security payments are extremely low.” The following pie-chart of projected government spending in 2024-25 shows that Newstart only accounts for 2% of all government spending.

Shares of projected government spending in 2024-25

Shares of projected government spending in 2024-25



Source: Projections of Government spending over the medium term, Report no. 02/2014, Parliamentary Budget Office, August 2014, Commonwealth of Australia.



The SJC and UCW further note that tax avoidance practices, particularly by large multinational corporations, plays a role in the current level of inequality in Australia. Governments can afford a more generous welfare regime when tax is paid by those who can afford it and we encourage efforts to ensure that all individuals and businesses pay their fair share of tax.

Complex Pressures

The SJC and UCW acknowledges that there are growing pressures on Western Australian households that are particularly challenging for people living below the poverty line, unrelated to the level of Newstart or Youth Allowance. These include the low minimum wage , rental affordability, and rising electricity, water and public transport costs. Parents can also struggle when their parenting payment changes to Newstart once their youngest child turns 8 for single parents or 6 for couples . The SJC and UCW will continue to advocate for vulnerable people in the WA community to have fair supports provided.

Mover: Rev David de Kock

