Stop shaming the unemployed: Parliament urged to raise Newstart to improve community health

The Public Health Association of Australia calls on the Morrison Government to hear reason and raise the level of Newstart Allowance as the amount for jobseekers to live on has become a mental health and public health issue.

“As the PHAA is the principal non-government organisation for public health in Australia working to promote the health and well-being of all Australians, we see raising Newstart as important,” said CEO Terry Slevin.

“Australians in the lowest socioeconomic group, experience the worst health,” Mr Slevin said.

Figures from the Australian Institute of Health and Welfare show that those in the lowest wealth quintile (when compared with the most well off) are 2.3 times as high for diabetes, 2.0 times as high for lung cancer, 1.8 times as high for anxiety disorders and 1.5 times as high for the combined impact on health measured by “burden of disease”.

Most people on Newstart get on and off it quickly, but many are on it for a long time living with poverty and mental stress. An increasing number are homeless.

“The punitive low rate of Newstart is having a crippling effect on people who are unemployed. They are sick with worry about how to afford shelter, health care, medicines and food to eat.”

As the Productivity Commission’s current Mental Health Inquiry has heard, there is a strong relationship between low income levels and psychological distress, economic participation and mental health and wellbeing. Long-term unemployment is associated with depression and social isolation, and as individuals move from unemployment to work their mental health tends to improve.

“The Prime Minister has set an ambitious agenda to improve mental health among Australians. Raising Newstart should be among a comprehensive suite of solutions,” said Mr Slevin.

“Further, demanding new recipients of Newstart and youth allowance be tested for illicit drug use insult to injury, as would a cashless welfare card for people already dealing with high levels of stress and stigma.”

“Drug and alcohol dependence must be treated as a health issue, and not linked with income support.”

“There is no evidence that drug testing welfare recipients, and mandating treatment would be successful.”

“The funds required to support these measures should be re-directed towards increasing the availability of drug and alcohol treatment services in Australia.”

“The government has it within its power to raise Newstart so people searching for work can get on with the task without financial threats gnawing away at their every decision.”

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“It’s not only the compassionate thing to do. It makes economic sense as a preventive health strategy,” Mr Slevin said.

There are more than 720,000 Australians on Newstart, many of them young Australians and the mature-age. At $555.70 a fortnight or $37 a day, Newstart is much lower than the pension.

The comparison becomes even more stark when you consider that the nightly travel allowance for MPs staying in Canberra per night is $288 (The allowance is almost double for the Prime Minister).

“A wide section of society from civil society to business recognise that Newstart is too little to live on with any dignity.”

“The business community recognise that it’s now not that Australia can’t afford a rise in Newstart, we can’t afford not to raise the rate,” said Mr Slevin.

ENDS

* See ACOSS' recommendations, consistent with the New Minimum Budget Standards for Low-paid and Unemployed Australians

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