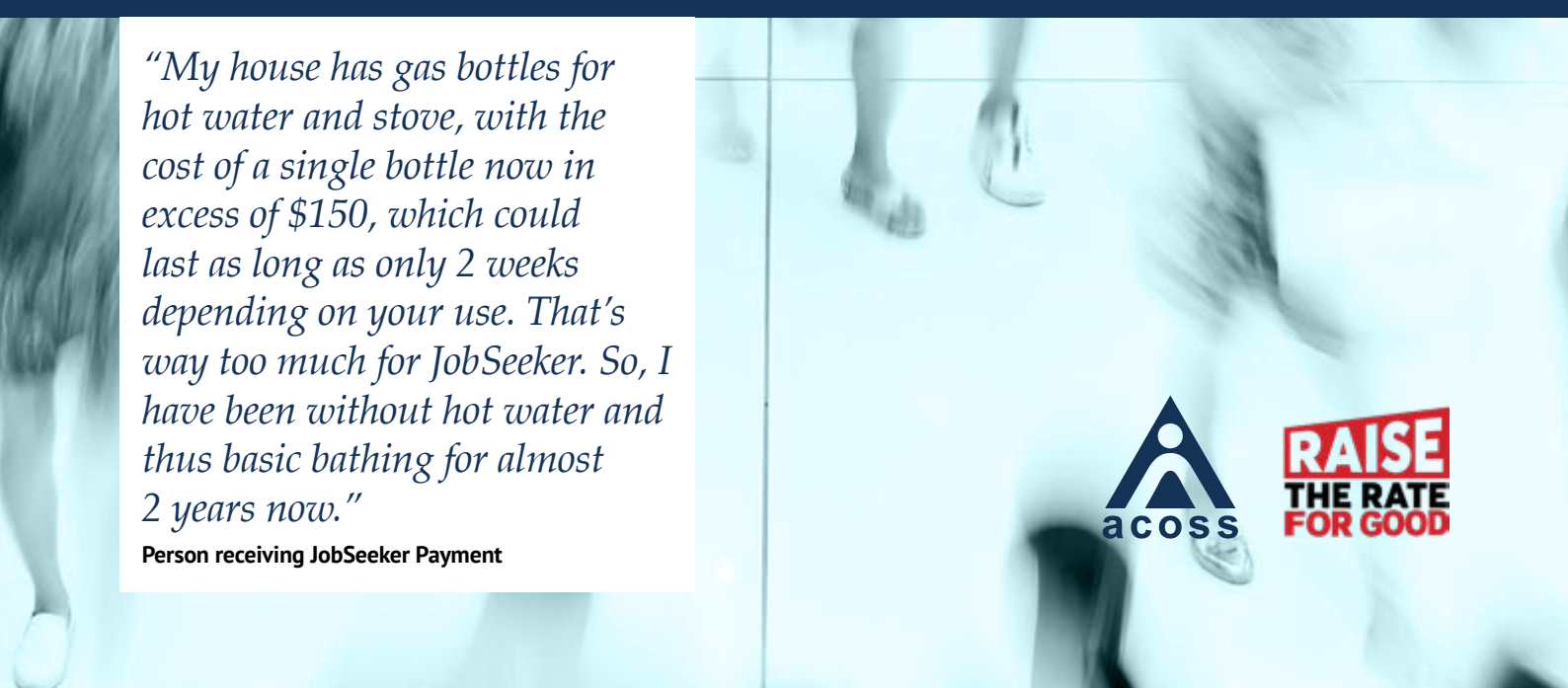


"I drink water, tea and coffee to try and alleviate hunger during the day, with the attempt to only eat one meal a day. I try to stick to a tight \$100 per fortnight grocery budget but that also has to pay for toilet paper, cleaning goods and everything else one might buy at the supermarket."

- Bonnie, who receives JobSeeker Payment

"It's hell": how inadequate income support is causing harm

MARCH 2023



"My house has gas bottles for hot water and stove, with the cost of a single bottle now in excess of \$150, which could last as long as only 2 weeks depending on your use. That's way too much for JobSeeker. So, I have been without hot water and thus basic bathing for almost 2 years now."

Person receiving JobSeeker Payment



RAISE
THE RATE
FOR GOOD

Introduction

Trigger warning: this report refers to suicide.

Australia's working-age income support payments are completely inadequate to meet the cost of essential goods and services like food, rent and energy. The large price increases we have witnessed over the past 12 months have deepened the inadequacy of these payments. People on the lowest incomes have nothing left in their meagre budgets and are experiencing deprivation and financial stress on a large scale.

Last year, ACOSS surveyed people receiving income support payments like JobSeeker, Youth Allowance and parenting payment about how they were managing when the cost of living was dramatically increasing. The 2022 survey report, 'How JobSeeker and other income support payments are falling behind the cost of living' demonstrated the great lengths people were going to get by week to week on inadequate income support payments.¹ This year, ACOSS surveyed 365 people who receive JobSeeker and related payments, with the results showing that the situation for people receiving working age payments has worsened over the past year, despite their incomes being lifted in line with the Consumer Price Index.²

ACOSS conducted the survey over four weeks from 14 February 2023, inviting people who receive JobSeeker Payment, Youth Allowance, parenting payment, Austudy, Abstudy and Special Benefit to respond. The results demonstrate that while income support payments were inadequate prior to recent price increases, people on the lowest incomes are now being crushed trying to make their payments stretch week to week.

1 ACOSS (2022) How JobSeeker and other income support payments are falling behind the cost of living https://www.acoss.org.au/wp-content/uploads/2022/09/ACOSS-cost-of-living-report_web_v02.pdf

2 Note that this is not a longitudinal survey although some respondents may have also responded to the survey in 2022.

This survey was conducted in a similar fashion to the 2022 research. However, there were key themes that came through more strongly in 2023 compared with 2022. These include:

- Suicidal ideation, with some respondents describing how they have already attempted suicide or reporting suicidal ideation because of their inadequate incomes. Many said that what stopped them from attempting suicide was their caring responsibilities.³
- Inability to sustain good health because of poor nutrition (people reported eating one meal a day or going days without food, as well being unable to afford fresh food), poor healthcare (people with diabetes and other chronic illness reported going for days or weeks without essential medication they are supposed to take each day), and social isolation, which leads to or exacerbates depression.
- Poor housing continued to be a key issue for people. Due to being unable to afford private rent, people reported living in tents, caravans and cars.

The overwhelming message from survey respondents was that the inadequate rates of income support payments are directly harming their physical and mental health, as well as their ability to engage in their community, both through getting paid work and socialising. As one respondent on JobSeeker said, “income support falls absurdly short to live even a subsistence lifestyle.” It’s important to note that the inadequacy of income support makes all essentials unaffordable. For people on the lowest incomes, we are not in a cost-of-living crisis; we have an income support crisis with people receiving income support being left further and further behind.

JobSeeker Payment is just \$50 a day, while Youth Allowance is even less at \$40 a day. Parenting Payment Single is \$69 a day. The JobSeeker Payment is 43% of the minimum wage and people receiving JobSeeker and related income support payments are at highest risk of living in poverty. These survey results show the extent to which these payments are inadequate, failing to prevent poverty, financial distress, and deprivation.

Australia is a signatory to the Sustainable Development Goals, which include as Goal One “a commitment to halve the number of people living in poverty by 2030, according to national definitions” and Goal Ten, which includes a target to progressively achieve and sustain income growth of the bottom 40 per cent of the population at a rate higher than the national average by 2030. Income support payments must be substantially increased in real terms to meet these goals.

ACOSS urges the Federal Government to lift income support payments to at least \$76 a day – in line with the pension rate – so that people can cover the basic costs that we all face.

We thank everyone who participated in this survey and shared their reality.

³ If you need support:

Lifeline Call 13 11 14 for 24/7 Crisis Support

Get help by SMS message - <https://www.lifeline.org.au/crisis-text/>

Get help by online chat - <https://www.lifeline.org.au/crisis-chat/>

National Debt Helpline: For free advice from financial counsellors on managing debt, call 1800 007 007 or visit <https://ndh.org.au/>

Legal help with Centrelink: If you are having problems with a Centrelink payment, there are specialist community legal centres that provide free advice on issues like appealing a Centrelink decision, Centrelink debts, difficulties applying for Disability Support Pension, Compensation Preclusion Periods and more: <http://www.ejaustralia.org.au/legal-help-centrelink/>

Respondents

Of the 365 people who completed the survey, most received JobSeeker Payment (85%).

FIGURE 1. RESPONDENTS BY PAYMENT TYPE

Payment type	# of respondents	% of respondents
JobSeeker Payment	309	85%
Youth Allowance	5	1 %
Parenting Payment Single	28	8%
Parenting Payment Partnered	7	2%
Austudy	16	4%
Total	365	100%

Key findings

→ Private rental is grossly unaffordable for people on income support with 93% in housing stress

Of the 365 respondents, 59% (215) said they were in private rental. Of this group:

- More than three quarters (76%) reported receiving a rent increase in the past 12 months. Half (50%) of those increases were more than \$30 a week, with 29% increasing by more than \$50 a week.
- More than half (56%) reported paying more than 50% of their income on rent, with 93% reporting rental stress; that is, paying 30% or more of their income in rent.

→ Inadequate income support payments push people to cut food intake

Almost all – 99% – reported their groceries had increased in price over the past 12 months. To stretch their food budget:

- 68% ate less or skipped meals
- 81% cut back on meat, fresh fruit and vegetables
- 54% redirected money from other areas in their budget.

→ It continues to be difficult to run a car on income support

Of the 71% of people who reported regularly using a car:

- 76% said they now use it less than usual
- A further 11% had stopped using their car entirely
- 49% said that they had had difficulty getting to work, medical appointments, and other commitments because they could not afford to run a car.

Key findings (cont)

→ People restrict their energy use to afford bills

Most people reported taking steps to restrict their energy use, with:

- 65% cutting their use of heating and cooling
- 59% cutting their use of lighting
- 45% changing how they cook (e.g., don't use the oven)
- 45% taking fewer hot showers
- 37% not having people over to their home to reduce energy costs
- 29% having asked their retailer to go onto a payment plan or they are already on a payment plan
- 59% going without other essentials, like food and medication, to afford their energy bill.

Most respondents said they were either in energy debt or about to go into energy debt, with:

- 32% reporting having an energy debt
- a further 32% expecting to go into energy debt when their next bill arrives.

→ The inability to afford care and medication as well as financial stress leads to poor health

A majority of people reported difficulty in getting medication or medical care because they could not afford it (68%).

Almost all said that the inability to cover the cost of basic goods and services affected their health, with 99% reporting it had affected their mental health and 94% reporting it had affected their physical health.

→ People on income support payments are socially isolated

We asked people whether living on income support had affected their social engagement, with 90% reporting that living on income support payments had led to them experiencing social isolation.

- 83% reported seeing family and friends less frequently
- 83% said that they don't engage in the community as much as before
- 82% said they avoid social gatherings.

Key recommendations

→ To address the severe deprivation and harm being experienced by up to 1.4 million people receiving inadequate income support payments and to ensure everyone can live with dignity, ACOSS recommends:

- Lifting the rate of income support payments including JobSeeker Payment, Youth Allowance, parenting payment, Austudy, Abstudy, and Special Benefit to at least \$76 a day to be in line with the pension. These payments must be indexed in line with wages, as well as price increases, at least twice per year.
- In addition to the above, Commonwealth Rent Assistance (CRA) must be increased to reflect rents paid. We recommend lifting the maximum threshold for CRA by 50%, which would double the payment received.
- Establishing a \$55 a week disability and illness supplement to meet the additional costs faced by people with a disability or chronic illness.
- Establishing a single parent supplement that recognises the costs of single parenthood. This supplement should increase as children get older, given the costs of children increase as they age.

Rents are totally unaffordable on income support payments

It is extremely difficult to cover the cost of private rental when living on JobSeeker, Youth Allowance and related income supports. Even with Commonwealth Rent Assistance, the maximum of which is \$79pw for a single person without children, people's income support payments are totally inadequate to meet housing costs.



Almost all (93%) of the 215 respondents who rent privately pay more than 30% of their income in rent, which means they are in housing stress. Disturbingly, a majority (56%) reporting paying more than 50% of their income on rent alone.

People who are paying half of their income in rent are likely seriously depriving themselves of other essentials to meet their rent payments. For example, a single person on JobSeeker Payment receiving the maximum rate of rent assistance would be left with just \$30 a day for everything else, including food, utilities, healthcare, transport and clothing.⁴

FIGURE 2. COMPARISON OF RENTS PAID AS A PERCENTAGE OF INCOME

Proportion of income paid in rent	2023
Less than 30%	7%
More than 30%	93%
Over 50%	56%

My total rent is \$520 out of \$834 a fortnight. This just leaves me with \$290 net for food, bills, medical expenses. I am 52."

- Anonymous, JobSeeker Payment.

"I have been living in a tent in my parents' yard as there are no rentals that I can afford. The average rent in Canberra is \$500 a week. How the hell are people supposed to survive like this? I was hoping to be on JobSeeker for only a short while as I sorted out some health complications. The fact is – I can't afford to get the medical care that I need, which will allow me to return to work. I have to choose between being housed and paying my medical bills. I have to choose between going to the doctor or buying groceries."

- Anonymous, JobSeeker Payment.

Rent increases have added pressure to people's budgets, with more than three quarters of people in this survey reporting a rent rise in the past 12 months (76%), with 29% of increases being more than \$50 a week.

FIGURE 3. RENT INCREASES IN LAST 12 MONTHS BY AMOUNT, PW

Rent increase pw	2023
Less than \$10	7%
Between \$10 and \$50	64%
Greater than \$50	29%

Core Logic data show that rents nationally rose 10.2% to January 2023, with vacancy rates sitting at 2.1%, and regional area vacancy rates sitting at 1.3%.⁵

"Where are we supposed to get the extra \$75 a week our rent is about to go up by? We only cope now because we do nothing, go nowhere. I'm really good at putting the bills money aside but there is not extra for anything."

- Christine, who receives JobSeeker Payment

"I'm living with mould and both my child and I are suffering health-wise due to it but there's no way I could afford to rent anywhere else, people do not want to rent to a single mother. Despite having an amazing rental history, it took 155 applications before we finally secured a place upon first inspection, and it's mouldy and mildewy."

- Tee, who receives Parenting Payment Single

4 This calculation assumes maximum single rate of JobSeeker Payment (\$346.55pw), Commonwealth Rent Assistance, single, no children (\$78.60pw) and Energy Supplement (\$4.40pw) is received and rent comprises half of this total income.

5 Core Logic (2023) 'Annual Rental Review' January '23 <https://www.corelogic.com.au/news-research/news/2023/pressure-on-australias-rental-market-shows-tentative-signs-of-easing-despite-new-10.2-record-for-annual-rent-growth>



Inadequate income support payments push people to cut food intake

The majority of respondents to this survey reported reducing their food intake because they could not afford enough food (68%). Almost all respondents (99%) said that the cost of their groceries had increased over the past 12 months, which made it difficult to eat enough, including having three meals a day.



According to the December 2022 CPI data, the price of food has increased 9.2% over 12 months,⁶ well above the increase to income support payments over that period, which was 6.2% in 2022.⁷ Considering people were already in severe financial stress before food rose in price,⁸ the price increases have caused people to cut their food budgets further as it is impossible to pay for groceries, as well as everything else.

FIGURE 4. HOW PEOPLE ON INCOME SUPPORT ARE MANAGING THEIR FOOD BUDGET

What people are doing to manage their food budget	%
Eating less or skipping meals	68%
Cutting back on meat, fresh fruit and vegetables, and other expensive items	81%
Redirecting money from other areas of your budget	54%

“My groceries have gone up by about \$40 a week in the last several months and I have not been able to manage both this increase and my debt payments. This has led me to default on debts and consider bankruptcy. I only had these debts in the first place because of the inadequacy of Centrelink payments.”

- Talia, who receives JobSeeker Payment

“Groceries are limited to staples. After rent and phone bills there is no money for vehicle repairs and rego. And food is secondary.”

- Rachel, who receives JobSeeker Payment

“Reduction is in healthy eating and foods because so much of this range is more expensive. Increasingly, I come away from shopping with much left on my list that’s simply not affordable now.”

- Dawne, who receives JobSeeker Payment

Single parents consistently report skipping meals themselves so that their children can eat, which was also the case prior to the 2022 cost of living increases.⁹

“I eat once a day so that my kids don’t have to skip meals. My 1 meal a day is a microwave meal so that there is no risk of overspending.”

- Shane, who receives JobSeeker Payment

“I skip meals so my son always eats well.”

- Joanne, who receives JobSeeker Payment

Others talked about what they do to ward off hunger because they cannot afford to eat enough food on income support payments.

“I drink water, tea and coffee to try and alleviate hunger during the day, with the attempt to only eat one meal a day. I try to stick to a tight \$100 per fortnight grocery budget but that also has to pay for toilet paper, cleaning goods and everything else one might buy at the supermarket.”

- Bonnie, who receives JobSeeker Payment

“I can only eat 1 meal a day and some days I can’t do that”

- Von, who receives JobSeeker Payment

6 ABS (2023) ‘Consumer Price Index, Australia’, Reference period: December Quarter 2022, <https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/consumer-price-index-australia/latest-release>

7 DSS (2022) ‘Social Security Rates Indexation’ (March and September 2022 data sets), available at: <https://www.dss.gov.au/about-the-department/benefits-payments/previous-indexation-rates>

8 Ben Phillips & Vivikth Narayanan (2021) ‘Financial Stress and Social Security Settings in Australia’, ANU Centre for Social Research and Methods https://www.socialventures.com.au/assets/Making-a-difference-to-financial-stress-and-poverty_full-report-SVA-BSL.pdf

9 Ibid. p.1.



There were many who discussed the shame and stress associated with going to the supermarket because they know they cannot afford to buy all they need.

“I have developed food insecurity and constantly stress about being able to supply the food for my daughter’s special diet. Centrelink payday is the worst when we walk around the supermarket with a calculator to ensure we don’t overspend. I have panic attacks when shopping. It’s stressful and embarrassing to have to put things back because you can’t afford them, things that others would see as staples in their pantry like cereal, flour and toiletries. Going without toilet paper to buy gluten free bread. Unable to afford my child’s medications when she needs them. I feel very defeated a lot of the time.”

- Janet, who receives JobSeeker Payment

“A few times now I’ve had to put items back as I don’t have enough money once it’s been tallied up by the cashier and that’s just buying basics for the fortnight, and I always try to buy the cheapest items on the shelf.”

- Angel, who receives JobSeeker Payment

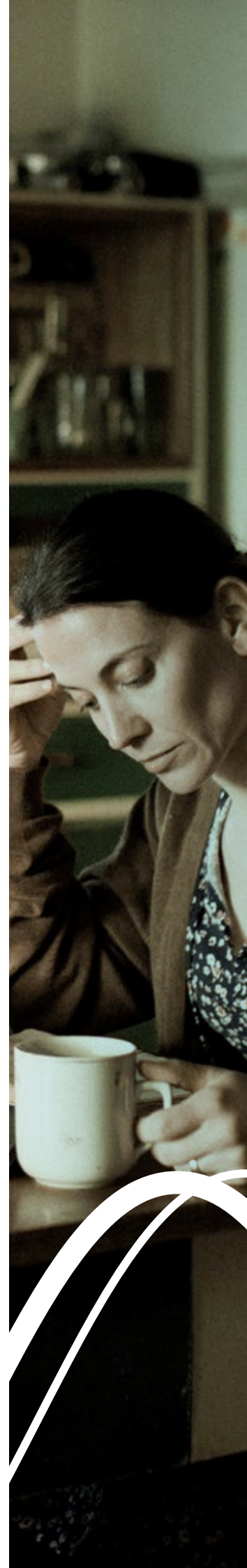
People reported poorer health outcomes because they have reduced their consumption of food, as well as the types of foods they eat, relying on cheaper, bulkier foods to fill up, like plain pasta or bread.

“I am eating poorly, and daily skip meals. I can’t afford meat, fruit or vegetables. This affects my health, especially my diabetes.”

- Kim, who receives JobSeeker Payment

“There are times where a plain packet of pasta will be tea for a couple days in a row because it’s all that’s affordable.”

- Peta, who receives JobSeeker Payment



People restrict their energy use to afford bills, but many go into debt

Energy bills continue to be a stressor for people, with many reporting depriving themselves of energy to afford their bills. The majority (65%) reduced their use of heating and cooling to limit their spending on utilities, with 59% of people saying that they go without other essentials like food and medicine to cover their energy bill.

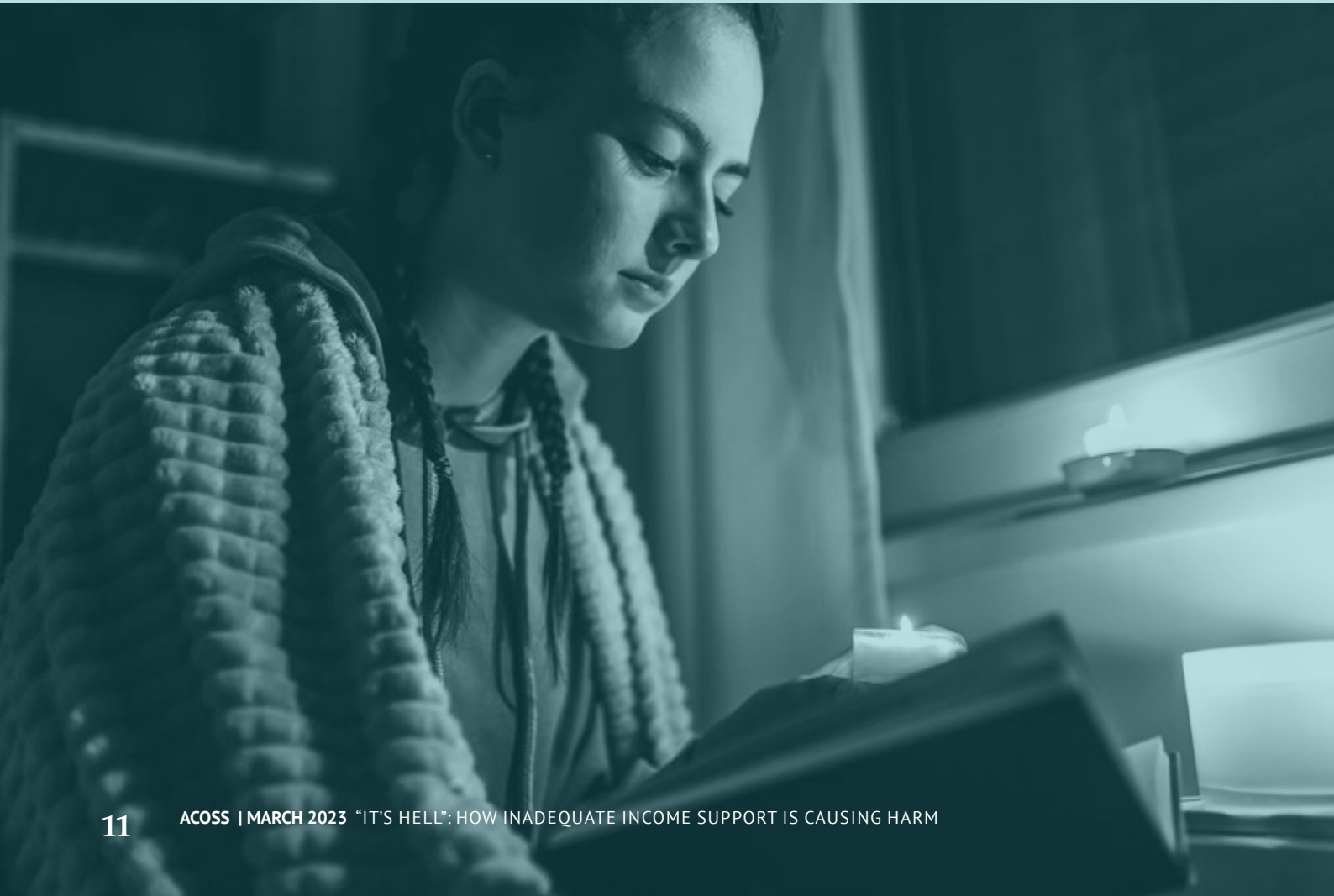


FIGURE 5. HOW PEOPLE ON INCOME SUPPORT MANAGE THE COST OF ENERGY BILLS

How people afford their energy bill	%
I can afford my energy bill and so have not changed my behaviour	12%
Cutting back further on the use of cooling/heating	65%
Taking fewer hot showers	45%
Changing how I cook meals like not using the oven	45%
Cutting back further on the use of lights	59%
Turning off the fridge	2%
Going to bed early to keep warm or save on light usage	28%
Not having people over	37%
Have asked my retailer to go on a payment plan/already on a payment plan	29%
Have asked my retailer to go on a hardship plan/already on a hardship plan	22%

Sadly, 64% of people who completed this survey reported either being in energy debt or expecting to go into energy debt. The prices of electricity and gas have increased substantially over the past 12 months, with further price increases expected in 2023. This places great strain on the budgets of people on very low incomes because their incomes were insufficient to cover energy prior to these price increases.

FIGURE 6: PERCENTAGE OF PEOPLE WITH AN ENERGY BILL DEBT

Energy bill debt?	%
Yes	32%
No	68%

FIGURE 7. PERCENTAGE OF PEOPLE EXPECTING TO GO INTO ENERGY DEBT WHEN NEXT BILL ARRIVES

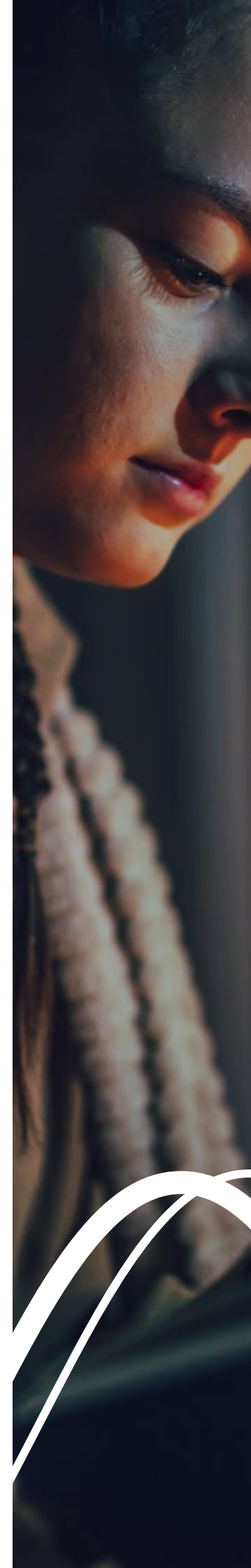
About to go into energy bill debt?	%
Yes	32%
No	68%

“My house has gas bottles for hot water and stove, with the cost of a single bottle now in excess of \$150, which could last as long as only 2 weeks depending on your use. That’s way too much for JobSeeker. So, I have been without hot water and thus basic bathing for almost 2 years now.”

- Lee, who receives JobSeeker Payment

“Turning off the electric hot water for 24-36 hours to reduce the cost by 30-50%.”

- Ellen, who receives JobSeeker Payment



People continue to limit their use of a car

Most people surveyed regularly use a car, with 76% of car users saying they have reduced their use of the car to reduce costs, and 11% saying they have stopped using it entirely because of the cost. The high cost of running a car resulted in 49% of respondents reporting difficulty getting to work, medical appointments, and other commitments.

"Frequently have insufficient fuel to attend interviews, networking, business and social events so I have become extremely isolated."

- Rachel, who receives JobSeeker Payment

"I have had to defer attending medical appointments and buying groceries due to fuel costs."

- Emily, who receives JobSeeker Payment

Not having enough money means that people cannot maintain good health

A consistent theme throughout responses to this survey was the negative effect of an inadequate income on people's health. Not having enough money erodes people's mental health because of the constant financial strain. It also leads to poor physical health for a range of reasons, including malnutrition, skipping essential medications, and not attending medical appointments.



Almost all people surveyed said that their inability to cover living costs affected their mental health (99%) and physical health (94%). Over two thirds - 68% - said that they had difficulty getting medication or medical care because of the increased cost of living.

FIGURE 8. THE EFFECT OF INCREASED COST-OF-LIVING ON MENTAL HEALTH

Effect of cost of living on mental health	%
A great deal	52%
A lot	23%
A moderate amount	17%
A little	7%
None at all	1%

FIGURE 9. THE EFFECT OF COST OF LIVING ON PHYSICAL HEALTH

Effect of cost of living on physical health	%
A great deal	36%
A lot	21%
A moderate amount	26%
A little	11%
None at all	6%

FIGURE 10. PERCENTAGE OF PEOPLE REPORTING DIFFICULTY ACCESSING MEDICATION OR MEDICAL CARE DUE TO THE INCREASED COST-OF-LIVING

Getting medication or medical care	2023
Have difficulty	68%
Do not have difficulty	32%

Many respondents suffering from conditions such as diabetes, high blood pressure and asthma reported skipping essential prescriptions, some for weeks at a time.

"I have had two bouts of cancer and a heart condition. So I'm supposed to see a doctor regularly but I only go in every three months for a medical certificate cause I can't afford more. I'm now supposed to see a heart specialist and a skin specialist but I'm delaying them because of what they will cost."

- Michelle, who receives JobSeeker Payment

"Can't afford my insulin or my other medicines most of the time. Last time I went without insulin for nearly 2 weeks."

- Meryl, who receives JobSeeker Payment

"I live regionally, and the only bulk billed GP for more than 60km (1 hour drive) recently became private. I have chronic health issues and recently sustained a serious injury. This week alone I will have to go to the GPs twice, which previously would have been free but will now cost me \$50 per trip with the Medicare rebate and concession rate."

- Isabelle, who receives Parenting Payment Partnered

"I tried to use asthma meds less often, which has made my asthma much worse."

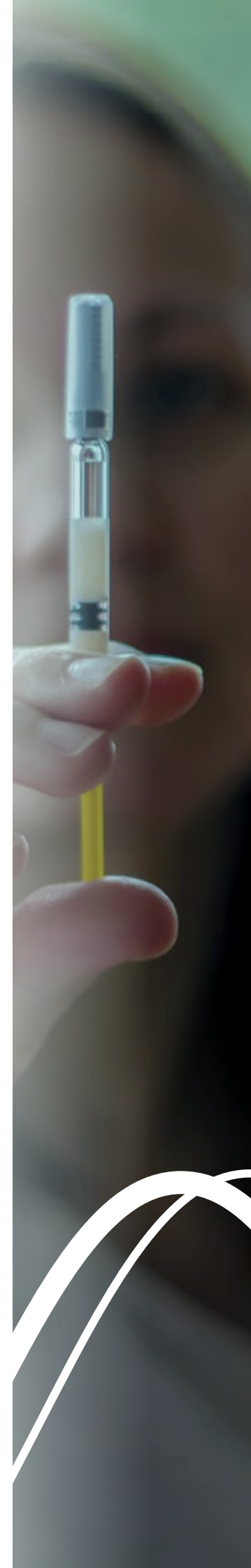
- Helen, who receives JobSeeker Payment

"I take several prescription medications and they've gone up in price. Even with the PBS, this cuts into my food budget."

- Ben, who receives Austudy

"It's affecting my health as I can't afford to go to the doctor so I can't get scripts, which have gone up."

- Debbie, who receives JobSeeker Payment



"I really need to see a psychologist due to PTSD but I can't afford the cost."

- **Monica, who receives Parenting Payment Single**

"I have 10 prescription medications each month, totalling \$78.00, plus supplementary medications totalling \$62.00, I cannot afford either."

- **Anonymous, JobSeeker Payment**

"My JobSeeker Payment is \$683.80 per fortnight, or \$1,367.60 a month. One appointment with the cardiologist is \$280. I have to see him twice a month. The psychiatrist who prescribes my medication costs \$350 per appointment. My medication is \$300 a month – it's not covered by the PBS as I don't yet have an official diagnosis, because I can't afford to speed up the process. My phone bill is \$40 a month. I don't drink or buy take-out food. I have less than \$200 a month to both pay rent and buy groceries."

- **Anonymous, JobSeeker Payment**

"Using my superannuation means I will not have as much when I retire. I have had to access this 3 times in the last 3 years just to survive and pay for medication."

- **Debra, who receives JobSeeker**

Disturbingly, some people who responded to this survey spoke about their suicidal ideation resulting from the despair they feel about not being able to live with dignity. Suicide is a complex issue and can arise from a multitude of factors, which may also be influenced by economic and cultural contexts. This survey heard from people who have lost hope because they cannot see how their situation will change. This is particularly the case for older people or people with health issues that limit their prospects of getting paid work. Sadly, some talked about having already attempted suicide.¹⁰

These findings are consistent with reports from Lifeline, where there has been a 49% increase in assistance sought relating to financial stress and homelessness between August 2022 and January 2023.¹¹ It is also consistent with research showing a higher incidence of suicide among people who are unemployed or on low incomes.¹²

"Living on this planet has become too difficult and so much stress no wonder I suffer from major depression."

- **Janet, who receives JobSeeker Payment**

10 If you or anyone you know needs help, there is support:

Lifeline

Call 13 11 14 for 24/7 Crisis Support

Get help by SMS message - <https://www.lifeline.org.au/crisis-text/>

Get help by online chat - <https://www.lifeline.org.au/crisis-chat/>

National Debt Helpline: For free advice from financial counsellors on managing debt, call 1800 007 007 or visit <https://ndh.org.au/>

Legal help with Centrelink: If you are having problems with a Centrelink payment, there are specialist community legal centres that provide free advice on issues like appealing a Centrelink decision, Centrelink debts, difficulties applying for Disability Support Pension, Compensation Preclusion Periods and more: <http://www.ejaustralia.org.au/legal-help-centrelink/>

11 Lifeline (2023) 'Cost-of-living pressures trigger record demand for Lifeline's resources' media release, <https://www.lifeline.org.au/media/qhmfdsit/lifeline-is-here-to-support-people-struggling-with-the-mental-well-being-effects-of-cost-of-living-pressures.pdf>

12 Mark Deady, Leona Tan, Nathasha Kugenthiran, Daniel Collins, Helen Christensen and Samuel Harvey (2020) 'Unemployment, suicide, and COVID-19: using the evidence to plan for prevention' The Medical Journal of Australia <https://www.mja.com.au/journal/2020/unemployment-suicide-and-covid-19-using-evidence-plan-prevention>



“There is so much impact it’s not possible to list it all. Basically, you are in survival mode 24/7. High stress high anxiety, feelings of embarrassment and shame, failure to provide for your child, I worry a lot about the impact on her. She’s a child. It’s not fair that she has to ration food and doesn’t get to do things kids should get to do.”

- Patricia, who receives JobSeeker Payment

“My life sucks. I pretty much don’t go anywhere or do anything as I can’t afford to as well as not wanting to because I have been suffering debilitating depression, anxiety, insomnia and a host of other medical issues so only really feel safe at home. I have nothing to look forward to. I find it hard to even communicate with friends as when they ask about what I have been up to, I don’t want to lie but I also don’t want to tell them about the dumpster fire my life has become. My unit has been sold twice in just over a year (currently for sale) and my rent has gone up twice in that time and will go up again in August (if I am lucky to still be living in the same place - depending if the new owners want tenants or to take ownership). I have lived in my unit for just over 12 years and am terrified of what might happen in the next few months. I have no control over anything and the uncertainty leaves me in a constant state of stress, depression and anxiety. I barely sleep; my blood sugar is out of whack, and I am miserable.”

- Bonnie, who receives JobSeeker Payment



People become very socially isolated on income support

Along with severe financial stress, another big contributor to poor mental health experienced by people living on income support is social isolation. The vast majority of people responding to this survey said living on income support has led to them being socially isolated (90%). They have reduced seeing family and friends because they cannot afford the cost of going to a café or out for a meal. They feel that it is also easier to not see people because it is embarrassing to not have enough money.



FIGURE 11. PERCENTAGE OF PEOPLE EXPERIENCING SOCIAL ISOLATION

Has living on income support led to you experiencing social isolation?	%
Yes	90%
No	10%
If yes, do you	
See friends and family less frequently	83%
Not engage in community events as frequently	83%

"I am extremely isolated and feel ashamed of my situation. I find it hard to socialize to begin with, let alone knowing I will bring the mood down with my cost struggles."

- Claire, who receives JobSeeker Payment

"Friends less inclined to ask me out to things or even catch up because I often say no to invites or I can't afford it."

- Dawne, who receives JobSeeker Payment

"I feel like I have become a hermit due to the embarrassment of not having enough funds for clothing my clothes have become rags."

- Susan, who receives JobSeeker Payment

"I am demoralised and marginalised now. I am frequently embarrassed by the shabby clothes I wear and my general appearance. I cannot afford dental care that I need or to buy new prescription glasses. I also need specialist medical care which the public hospitals cannot supply due to the lack of nursing and medical staff. If I go outside the public health system, appointments start at \$300 per session."

- Anonymous, JobSeeker Payment



Conclusion

The deep financial distress and deprivation consistently experienced by people living on inadequate income support payments is shameful in a wealthy country like Australia. This will not change as long as income support payments remain as they are in real terms. Income support payments like JobSeeker, Youth Allowance and other payments paid at the same rate are totally inadequate against all existing benchmarks, and sit well below the poverty line. We must do better as a country in supporting people without sufficient paid work who need income support.

→ **ACOSS recommends the following to ensure people receiving income support can cover the cost of basic goods and services:**

- Lifting the rate of income support payments including JobSeeker Payment, Youth Allowance, parenting payment, Austudy, Abstudy, and Special Benefit to at least \$76 a day to be in line with the pension. These payments must be indexed in line with wages as well as price increases, at least twice per year.
- In addition to the above, CRA must be increased to reflect rents paid. We recommend lifting the maximum threshold for CRA by 50%, which would double the payment received.
- Establishing a \$55 a week disability and illness supplement to meet the additional costs faced by people with a disability or chronic illness.
- Establishing a single parent supplement that recognises the costs of single parenthood. This supplement should increase as children get older, given the costs of children increase as they age.



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