

Media release

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Note to Joe: Australians support a rise in the Newstart Allowance

The Gillard Government and Opposition are out of step with community attitudes towards welfare payments with a new survey showing that Australians support an \$84 increase to the Newstart Allowance.

Most Australians believe that the current Newstart Allowance is far too low to meet the most basic costs of living the survey reveals.

When asked how much money a single adult needs to meet the cost of living, respondents indicated that on average \$454 is required – almost twice the amount currently received by Newstart recipients.

When asked how much a single unemployed adult should receive per week from Centrelink, respondents indicated that on average \$329 would be desirable.

The Australia Institute's Executive Director Dr Richard Denniss said unemployment benefits in Australia are amongst the lowest in the world.

"There are more than 600,000 unemployed people in Australia, and when workers lose their jobs through no fault of their own, as was the case with Toyota last week, the Newstart Allowance is often the only safety net they have. Unfortunately, a safety net of only \$245 per week is often not nearly enough to stop people hitting rock bottom," said Dr Denniss.

Survey respondents were also asked how their spending patterns would likely change if they were required to live on the Newstart Allowance. The vast majority of people said that they would drive their car less (83%), use less energy (77%) and buy less fresh food (63%).

Director of Research David Baker said it was concerning many respondents had also indicated that they would be less likely to participate in education or training.

"There are potentially so many detrimental knock-on effects of having the Newstart Allowance so low. It forces people to redefine discretionary spending and when that means they no longer spend money on education or training, which would increase their chance of escaping unemployment, this should be a wake-up call to the government," said Mr Baker.

A copy of *Are unemployment benefits adequate in Australia?* can be downloaded from www.tai.org.au under Publications.

For media enquiries, please contact:

Serena Rogers 0421 759 262