



St Vincent de Paul Society

NATIONAL COUNCIL of AUSTRALIA Inc.

good works

RAISE THE RATE

CASE STUDIES

St Vincent de Paul Society National Council of Australia Inc.

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FOREWORD

These case studies have been collated from St Vincent de Paul Society Conferences from across the country. Names, locations and details of people assisted have been amended to protect their privacy.

The case studies demonstrate the extreme financial and emotional stress faced by people trying to live on Newstart.

- 1. Most cannot meet their day to day living expenses and survive by having to make difficult decisions, forgoing one essential item over another.**
- 2. Most have precarious housing arrangements.**
- 3. Most have significant and chronic health conditions, cannot cover their medical costs and do not qualify for the Disability Support Pension.**
- 4. Most are socially isolated and feel marginalised.**
- 5. Most have limited and costly transport options, particularly in regional locations.**
- 6. Most are not competitive in the job market, as costs associated with preparing for and attending interviews or completing training programs are unaffordable.**

Most of these studies do not have neat endings. They demonstrate that, for a wealthy country like Australia, those citizens who rely on Newstart and Youth Allowance are not living in line with community standards; they are simply surviving. However, against the odds, most people show a strength of spirit, a willingness to give back to their communities and an optimism that defies the hardships they face on a daily basis.

Based on our experience of working alongside people in need, we know that there are no quick fixes, particularly for the long-term unemployed who represent just over three-quarters of all Newstart recipients.¹ And with over half of people on Newstart and almost two-thirds on Youth Allowance living in poverty,² the most immediate need is to increase these payments. Pushing people into poverty is not a solution and is, in fact, a barrier to employment. However, increasing these payments is not enough.

Intensive, long-term, client-centred services are also needed. International³ and Australian research has found that a 'life first' approach to unemployment works best. It recognises the importance of quality employment with long term support. It focusses on building the capability of the unemployed person by identifying their strengths, aspirations and preferences and recognising their circumstances and connection to family and local community. Importantly, it supports the person's agency to determine their own pathways, with appropriate support.⁴ These principles align closely with the values of the St Vincent de Paul Society and we know this approach works. For example, the more time spent with people in need initially reduces further requests for assistance by 25 percent.⁵

However, we cannot address poverty and, ultimately, support people to get meaningful, quality and long-term work without addressing the chronic housing shortage. Our experience tells us that housing instability is the most significant driver for people making repeated requests for assistance. We know that for each change in address, requests for assistance increase by 26 percent.⁶

Finally, we take heart in knowing that Australians care, are sympathetic to people experiencing poverty and believe that Australia should be a country that looks after people in need.⁷ We witness this every day, through the commitment, generosity and work of our 60,000 Members and volunteers. Our volunteers help people in need to recover their dignity and personal integrity, so that they can forge and change their own destiny and the future of their local community.⁸

Claire Victory



National President

1 MOST CANNOT MEET THEIR DAY TO DAY LIVING EXPENSES AND SURVIVE BY HAVING TO MAKE DIFFICULT DECISIONS, FORGOING ONE ESSENTIAL ITEM OVER ANOTHER.

Linda is in her forties, single and lives on Newstart in North Queensland. She is renting a three-bedroom public house for \$69 per week. Several months ago, her two children were transferred into her mother's care and are currently living interstate but will return to her in a few months.

Linda is careful with her electricity and phone bills but, despite this, she has a \$350 power bill and \$290 outstanding on her phone bill. She owns a vehicle and must pay fuel, maintenance and registration. Although she lives frugally and keeps a budget, she is not able to make ends meet.

Linda has had a couple of major health scares over the years and recently experienced a mild heart attack for which she spent one week in hospital. While in hospital she missed a work placement appointment and her Newstart was cancelled.

However, Linda remains in good spirits and is hopeful of finding employment one day. In the meantime, the Society will continue to assist her. (Qld)

Barbara is in her fifties, is married and has two teenage sons. She has been diagnosed with a major heart condition but does not qualify for the Disability Support Pension and is on Newstart.

The Society has assisted Barbara by advocating for her work requirements to be eased but this only buys time and extends the length of time job seeking is required. It is not a long-term solution. The family moved from interstate to escape violence and a family member has recently been incarcerated. This has put extra strain on the family, especially when trying to pay for fuel to visit the family member.

Barbara and her family are struggling to survive. The Society has frequently provided food, household necessities and financial assistance with utilities and school needs over the years. Medical and dental costs have meant that the family has been fully reliant on charities. With the best management in the world, there is simply not enough money to cover the basics and unexpected costs of raising two boys. (Qld)

Leah is in her mid-thirties and is from South Central Africa. She has never attended school and has limited English but has gained a Certificate III in cleaning operations. Leah was married in Africa and arrived in Australia in 2005. She lived in NSW until 2018 but then moved to Adelaide to escape domestic violence. Leah is isolated as she knows no one and wants to make a fresh start.

Leah is on Newstart and lives in a private rental home and is left with nothing after the rent is paid. She lives mainly on bread and has been accessing the Society for assistance since she came to Adelaide.

"Vinnies is very helpful. I get bread most times then I am ok."

Leah has no friends, no television and not much in the way of clothing or bedding. On cold nights she wears all her clothes. She has a fridge that does not work, and the landlord refuses to repair it. (SA)

Angela presented to the Society for assistance in a distressed state. She suffers from Post Traumatic Stress Disorder and has been struggling both mentally and financially for a long time. She is on Newstart and does some casual work. She has no family in Tasmania.

Angela had started a horticulture course at TAFE where a fee-waiver was arranged on condition that she attend regularly. Although she had received financial counselling, her bills had built up and were overwhelming her. These included rental arrears, dental bills, car repairs, and vet bills. The Society provided some assistance with food and finances.

Angela decided to put her studies on hold so she could get as much work as possible. To avoid eviction, the Society assisted with rental arrears and Angela set up automatic deductions to prevent falling behind again.

Angela received counselling and further financial advice. She has resumed her studies, obtained a little work and is getting job interviews. She is now on top of her bills and has not sought emergency relief assistance since July 2019. (Tas)

2 MOST HAVE PRECARIOUS HOUSING ARRANGEMENTS.

David has been solely responsible for his four-year-old son since his child was 18 months old. However, the child's mother now has custody of her son and David has commenced legal action to regain contact with his son. However, without sufficient money to pay his rent, David's case is likely to fail as he is facing homelessness and is unable to provide appropriate housing for his son. The Salvation Army and the Society covered David's rent for two weeks while he tried to get work. It is just not possible to pay private rent and meet day to day living costs, while on Newstart. At the time of writing, David's case had not been before the Family Court. (Qld)

Peter is on Newstart, has numerous on-going health issues, is currently boarding at his daughter's house and has no assets. He also has several debts that he is unable to pay. A Financial Counsellor employed by the Society worked with Peter to complete a budget, noting that he had no capacity to pay anything towards his debts. After sending letters to Peter's creditors outlining his position, all debts were waived. Peter is now able to manage his finances going forward. He is debt free and is focussing on finding work (WA).

Andrew was referred to the Bakhita Centre. He had recently arrived in Darwin after losing his job and experiencing a relationship breakdown. His goal was to secure safe, affordable housing and employment while managing his physical and mental illness. He had spent one month sleeping in his car and was suffering from exhaustion. After giving Andrew some time to rest and settle into the hostel environment, a support plan was developed. The plan involved working closely with the local Mental Health Service, a trusted GP, specialists at Royal Darwin Hospital, referrals to jobactive and training services and managing his tenancy issues. The Society also funded Andrew to obtain his Forklift Licence and complete Test and Tag Training.

After three months of support Andrew was up to date with his rental payments and was a functioning and productive member of the Bakhita Community. Andrew developed positive relationships with his medical support team and obtained part-time employment driving a forklift. With an increase to his income and positive management of his health, Andrew was ready to transition into private accommodation. He secured accommodation in a shared private rental in a location close to work. (NT)

Two years ago, Doug had an executive level position in the public service. Today he is experiencing homelessness while surviving on Newstart. When Doug's mother had a fall last year, he had to give up his job to care for her. After nine months of living with and caring for her, she needed to move into

a nursing home and Doug became homeless. Doug mostly gets by thanks to staying on friends' couches, and support from charities like the Society.

"Newstart is not enough to cover basic living costs, let alone afford rent or the additional costs of looking for work. I've had to learn how to access support, and how to supplement the Newstart payments with help from community organisations... It's a maze unless you know how to get the support."

Managing this ongoing stress and struggle to make ends meet significantly detracts from being able to look for work. (ACT)

3 MOST HAVE SIGNIFICANT AND CHRONIC HEALTH CONDITIONS, CANNOT COVER THEIR MEDICAL COSTS AND DO NOT QUALIFY FOR THE DISABILITY SUPPORT PENSION.

Pat is in her forties, has run her own business and has been self-sufficient for many years. However, in the last two years she has developed significant health issues. She is losing sight in both eyes (and now uses a cane), experiences extreme headaches and must manage extensive discharge from both eyes. Currently, she does not qualify for the Disability Support Pension, is required to be registered with a jobactive agency and is expected to apply for multiple jobs in a rural area where unemployment is high. The jobactive agency is sympathetic to her plight and recognises the difficulty of the demands on her but is constrained by Government guidelines.

As the nature of her blindness and its cause are still being investigated, Pat has monthly blood tests and currently pays full price for nearly all tests. Medications are very expensive as doctors are trialling treatments to control the symptoms. Specialists can cost up to \$400 a visit, putting further strain on the budget. Travel costs to specialists are also an extra burden.

As stated by Pat, personal hygiene has become an even higher priority now that she feels less acceptable because of her disability. Often there is no money for either food or personal care products, which is where the Society helps out.

Pat is very dependent on friends to drive her as she has no entitlement to taxi subsidies or National Disability Insurance Scheme funding. She fears that this is putting a strain on her friends as she is having to rely on them for help. There is no way her situation is sustainable on Newstart at its current rate. (Qld)

Vincent is in his forties and shares public housing with his partner. He previously worked as a truck driver but due to an accident several years ago, was left with a permanent injury. Today he suffers from chronic medical issues and struggles to make ends meet as Newstart is not enough to cover his living expenses and health costs. Vincent comes to the Society for food, clothing and money management assistance.

"Vinnies is great. There should be more places like Vinnies. Others cut you off after two or three visits.... I feel comfortable coming to Vinnies because they help you. It's fantastic - it's a one stop shop for me - without Vinnies I would be walking around in my jocks."

Vincent had dental issues and could not afford a full set of dentures, so he stopped smiling. The Society helped him to get a set of dentures and now, he says, he has not stopped smiling.

Vincent wants to give back to the community and is currently exploring how some of his skills might be used in one of the Society's Community Capacity Building Projects in South Australia. (SA)

Jenny is in her sixties and has lived in Sydney and Brisbane before moving to Adelaide with her two young children in 1990s to escape domestic violence. Jenny's younger child died shortly after moving to Adelaide, but she is close to her adult son, who often helps with bills. Jenny lives alone in a unit and struggles with asthma and a heart condition that require six-weekly hospital check-ups. Her health conditions affect her mobility and she can only walk with the support of a walker.

Jenny has many qualifications in the social sciences. She applied unsuccessfully to change from Austudy to a Disability Support Pension and is now on Newstart. While Jenny qualifies for a low-income pension and Seniors Card, she only receives \$6.20 a fortnight for her scripts which cost up to \$60 a month.

When the Society volunteer met with Jenny, she had not taken her medication for the past six weeks. Due to her mobility issues, Jenny relies heavily on her car which takes up most of her money and leaves her with little to pay for her electricity bills, prescriptions or food. Jenny said she is lucky to have a meal a day as she often skips meals so that her electricity does not get cut off.

Jenny has worked since she was 14 years old and despite her health challenges, she continues to undertake different activities including volunteering as a Lifeline counsellor. However, she finds the Newstart requirement of 15 hours per week physically demanding.

Despite her difficulties, Jenny wants to contribute her skills to building her community.

Finn and Maya are in their late 30s with two children. They have large, unsecured debts arising from many credit cards and mortgage arrears.

Finn, who is currently on Newstart, has been diagnosed with depression and is working with his doctor and counsellor to help with his illness. He has reduced his hours of work and cares for an elderly in-law. Finn was referred to the Financial Counselling service through a Society Conference.

Finn and Maya attended an appointment with the Financial Counsellor where they completed an income and expenditure assessment and discussed options on how to speak with their creditors. The Financial Counsellor contacted the unsecured creditors and \$49,000 of debt was waived.

Finn and Maya are now able to manage their regular mortgage repayments, creditor repayments and household budget and focus on finding work. (WA)

4 MOST ARE SOCIALLY ISOLATED AND FEEL MARGINALISED.

John, Christine and their family live in public housing in an outer Adelaide suburb. Prior to this, they had been living in a tent as the house they were renting had burned down.

Currently there are six other people living in their home – their adult son, two adult daughters, a son-in-law and two grandchildren. All are on the Newstart allowance and two family members have medical conditions.

Christine said when they had money the family sometimes went to the cinema together or dined out. However, they are no longer able to participate in these sorts of activities because of their financial situation. They are currently under severe financial stress, having just received a large electricity bill.

Christine is socially isolated as she does not feel safe talking to any of her neighbours and has requested a move to another location.

Due to her health issues, Christine stopped working when she was 25. However, she has gained skills working with animals and currently volunteers for an organisation that helps people build relationships with their dogs. (SA)

5 MOST HAVE LIMITED AND COSTLY TRANSPORT OPTIONS, PARTICULARLY IN REGIONAL LOCATIONS.

Sabina is in her forties and lives by herself. Her Newstart payment is \$546 plus Rent Allowance of \$157, giving her a total of \$703 per fortnight. Out of this she pays \$500 a fortnight in rent. This leaves her with \$203 a fortnight to spend on living expenses such as food, petrol, electricity, water rates, phone and car registration.

As Sabina is determined to gain full-time employment, she is currently enrolled in a TAFE course in Aged Care. She drives her own vehicle three times a week to the TAFE College, which is approximately a 120 km return trip from home. She buys fresh vegetables and food at the local Community Foodbank. It is just not possible to meet day to day living costs, complete training and look for work while on Newstart. (Qld)

6 MOST ARE NOT COMPETITIVE IN THE JOB MARKET, AS COSTS ASSOCIATED WITH PREPARING FOR AND ATTENDING INTERVIEWS OR COMPLETING TRAINING PROGRAMS ARE UNAFFORDABLE.

Alexia is a single mother in her forties. She has been supported by the Society for nearly 10 years and has had successful employment as a courier. After some mental health issues including anxiety, she completed job training and was directed to undertake a traffic management and forklift course. Even though she had outlined her skills and capabilities, her training was a complete misfit to her skills set. Alexia was unnerved by the prospect of directing traffic on busy highways and was competing with much younger candidates who took these duties in their stride. Her former sense of being a good employee was undermined by this experience.

Alexia found it difficult to keep looking for work as she was also trying to raise two teenage daughters who were refusing to go to school and needed her constant attention to keep them in education. Being 'shoe-horned' into training that is not matched to personal capabilities or skills is not beneficial to the person. It not only reduces time available for engagement in active job seeking, it can undermine health and wellbeing and reduce employment outcomes. (Vic).

Liz has been on Newstart on and off for six years. She was previously employed in temporary positions over an eight-year span. She receives around \$750 per fortnight including rent assistance and has about \$150 left after paying rent.

Liz uses the Energy Accounts Payment Assistance Scheme twice a year. She is very frugal with electricity use, sometimes using candles and sitting under blankets to avoid putting on the heater. Liz is also very frugal with water usage and always requests extra time to pay her bills.

Liz cannot cover her basic living expenses. She gets her food through charity assistance, crisis centres, neighbours and family. She does not buy fruit or vegetables and lives on porridge. She skips meals on a daily basis and often seeks assistance from the Society and the Salvation Army.

Liz cannot afford health cover and cannot get dental work, which is desperately needed.

Liz stays at home on a regular basis. She cannot afford fares and petrol. She only fills up her car when her daughter gives her money to buy petrol. She is embarrassed about having to put tyres on layby and has been refused a no interest loan because she is unable to service the loan repayments.

Liz goes without many things including clothes and birthday presents for family, which she finds especially difficult for her grandchildren. She is socially isolated and often sits at home feeling very depressed and that life is not worth living.

The Newstart allowance makes it impossible to present properly for an interview. Liz cannot cover the costs of clothing, makeup, haircuts, fares and internet access. Paid training has only been offered once while on Newstart and Liz did not have the money for petrol to get there.

If Newstart was raised, Liz has stated that she could

“.. actually start living like a human being, and a grandmother.. I could have a grandchild over and give them a biscuit. I feel as though I am living in past times where food was a luxury. Basically I walk around with no money in my purse because I just don't have any. There is never any money left over.”

The increases to age eligibility for the Age Pension have worsened Liz's situation. She is seen as being too old to employ but cannot access the Age Pension and feels stuck. (NSW)

¹ 76% of Newstart recipients have been on this payment for more than one year. Australian Government (2018). *DSS Demographic Data (December 2018)*. Data.gov.au. Accessed at: <https://data.gov.au/data/dataset/dss-payment-demographic-data/resource/c4db7814-fde1-4448-a7b5-94fb666b85d2>

² Davidson, P., Saunders, P., Bradbury, B. and Wong, M. (2018), *Poverty in Australia 2018*. ACOSS/UNSW Poverty and Inequality Partnership Report No. 2, Sydney: ACOSS.

³ Refer to the work in the UK by Hollywood, Edgell & McQuaid 2012.

⁴ Goodwin-Smith I., Hutchinson, C., (2014). *Beyond supply and demand: addressing the complexities of workforce exclusion in Australia*. Flinders University, South Australia. Commissioned by Anglicare Australia. Accessed at: <https://www.anglicare.asn.au/docs/default-source/default-document-library/beyond-supply-and-demand.pdf?sfvrsn=10>

⁵ Ambrey, C., Parsell, C., Spallek, M., Robinson, R., (2017). *SOL Data Analysis Report: Taking time to disrupt dependency on emergency relief assistance*, Institute for Social Science Research, The University of Queensland. Commissioned by St Vincent de Paul Queensland. Accessed at:

⁶ Ambrey, C., Parsell, C., Spallek, M., Robinson, R., (2017). *SOL Data Analysis Report: Taking time to disrupt dependency on emergency relief assistance*, Institute for Social Science Research, The University of Queensland. Commissioned by St Vincent de Paul Queensland. Accessed at:

⁷ Anglicare Australia. (2018). *The real story: What Australians think about poverty and how we shape the debate*. Anglicare Australia: Canberra. Accessed at <https://www.anglicare.asn.au/docs/default-source/default-document-library/state-of-the-family---web-version.pdf?sfvrsn=4>

⁸ St Vincent de Paul Society. (2011). *The Rule*, 7th Edition. Part I. Accessed at https://www.vinnies.org.au/icms_docs/168122_The_Rule.pdf