

Children, Poverty and a Pandemic October 2020

The strange upside of the COVID-19 pandemic has been that Federal Government support measures introduced to combat its economic effect have lifted a substantial number of Tasmanian children out of poverty.

The question we should now ask ourselves as a community, especially during Anti-Poverty week, is whether we are willing to see these children slip back into poverty as financial supports are reduced or removed.

Children living in poverty experience its effects directly - through a lack of access to food, clothing, housing and healthcare.

But poverty can also impact their relationships, their ability to participate and their self-esteem – including through perceptions others have about them.

Poverty-related stress can be particularly detrimental to relationships with family members and other important adults. These compounding effects of poverty can impact a child's overall wellbeing and outcomes in life.

Ultimately, access to material basics, which is strongly influenced by household income, underpins a child's ability to access most facets of a good life.

During the pandemic, many Tasmanian families have had access to extra money through three significant Federal Government programs - the Coronavirus Supplement, JobKeeper and the early release of superannuation.

However, in the next six months both the Coronavirus Supplement and JobKeeper are being phased out, with payment reductions beginning at the end of September. TasCOSS estimates that the September reduction alone will decrease Federal stimulus payments going into the Tasmanian economy by \$8 million dollars per week.

The Coronavirus Supplement for income support payments has provided significant benefits for Tasmanian children because substantially more Tasmanian families are reliant on JobSeeker than Australian families generally.

For those who like numbers, by my calculations 10.6 per cent of the Australian workforce was on JobSeeker in August 2020. But in all areas of Tasmania except Greater Hobart, this figure was around 40 per cent higher, at over 14.5 per cent.

Work done by the Australia Institute suggests that the Coronavirus Supplement brought 4.1 per cent of Tasmanian children aged 14 and under out of poverty. That's almost 4000 children.

It's difficult to understand exactly what this has meant from the perspectives of these children, but a recent survey by the ABS gives us a clue.



The survey indicates that the vast majority of Australians receiving the Coronavirus Supplement spent their stimulus payments on food and bills.

In fact, 82 per cent of households surveyed Australiawide said they used the supplement to pay bills, while 74 per cent used it to buy food.

From the perspective of a child, this means more food and probably healthier food given that access to fresh fruit and vegetables is commonly known as an expensive “nice to have” for many families in Tasmania.

It also means less stress for families, because bills are getting paid. In short, the supplement led to a better life for children in families relying on government supports because they could “get by”.

The Australia Institute also estimates that the reduction in the Coronavirus Supplement at the end of September by \$150 per week will push 3.2 per cent of Tasmanian children 14 and under - that’s around 3000 Tasmanian children - back into poverty.

The elimination of the Coronavirus Supplement at the end of the year, which will see JobSeeker payment (formerly NewStart) back to around \$40 per day, will push even more children back into poverty.

Further, as JobKeeper is withdrawn and we shift towards a “new normal”, families who have never experienced financial hardship before may find themselves reliant on government payments for some time.

This will, in my opinion, further exacerbate the already unacceptable levels of childhood deprivation and poverty in Tasmania.

Which is why children need to remain front and centre in our decision-making as we recover from the pandemic.

It’s difficult to fathom, but unless we focus our ongoing efforts and spend public money wisely as we recover from the pandemic, we may leave more Tasmanian children worse off than they were during its peak.

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