



*Jesuit Social Services is a social change organisation. We work with the most disadvantaged members of the community, providing services and advocacy in the areas of justice and crime prevention; mental health and well-being; settlement and community building; education, training and employment; gender and ecological justice.*

Apolline Kohen  
Acting Secretary  
The Senate Standing Committee on Community Affairs Legislation Committee  
Department of the Senate  
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Dear Ms Kohen

Jesuit Social Services welcomes the opportunity to contribute to the Senate Community Affairs Legislation Committee's consultation regarding the *Social Services and Other Legislation Amendment (Extension of Coronavirus Support) Bill 2020*, which allows for the extension of the Coronavirus Supplement until 31 March 2021.

With government decisions and policy development necessarily occurring rapidly since the beginning of the COVID-19 pandemic, ongoing robust scrutiny is vital to ensure government accountability and to help guide the best possible responses during the transition into the future.

## **INTRODUCTION**

Life before the COVID-19 pandemic was already tough for many people on the margins. As an organisation working with some of the most disadvantaged members of the community, Jesuit Social Services saw and continues to see this first-hand. While we are all affected in some way, the burdens of crises such as these are not borne equally, but impact most severely on already marginalised individuals and communities. This is evident in the heightened health risk from COVID-19 faced by people in prison and immigration detention, people without safe and secure housing, people with chronic medical conditions, and those unemployed or in insecure employment.

This crisis has also underlined pre-existing inequalities in society. As we look to recover, Jesuit Social Services advocates that we should not simply aim to return to 'business as usual,' where people are punished for not having work, where profit outweighs environmental concerns, and where the needs of disadvantaged people are overlooked. Rather, we should aim for a fairer, more inclusive and compassionate society.

The barriers people face to social and economic inclusion are complex, multiple and overlapping, but they are not beyond resolution. Indeed, recent policy responses by Australian governments, informed by the evidence and responsive to community need, demonstrate quite the opposite. Measures to raise the level of income support, scrap unreasonable mutual obligation requirements, boost funding for legal assistance services, and provide housing for vulnerable people are a few examples. Jesuit Social Services advocates for these positive steps not to be wound down or reversed post-crisis.

As a nation, our response to the damaging health and economic impacts of COVID-19 should be grounded in principles of justice and equity.

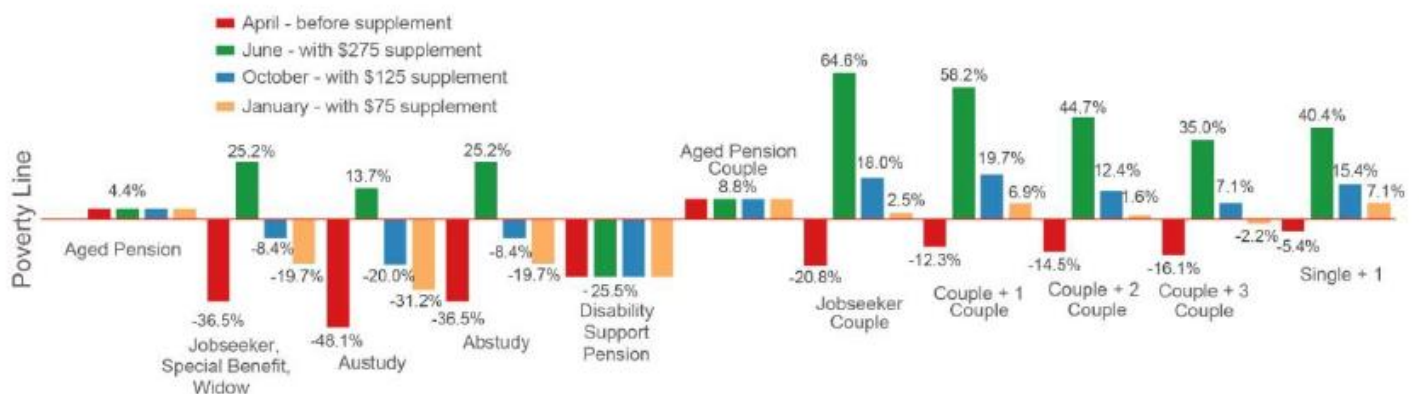
## THE GOVERNMENT’S RESPONSE

Jesuit Social Services has been encouraged that the Federal Government’s early response to the COVID-19 pandemic was guided by expert medical advice and focused on safeguarding the health and well-being of all Australians. Adequately funding health services, including mental health and family violence services, and ensuring equitable access for all, should continue to be a priority.

The cooperation between Australian governments and the scale of the economic response also gave us cause for optimism. In particular, the Federal Government’s JobKeeper package and the increase to the Newstart payment (in the form of JobSeeker, incorporating the Coronavirus Supplement) have both been vital support measures.

The original JobSeeker was found to have “lifted large numbers of Australians from their pre-COVID poverty”.<sup>1</sup> This is clearly depicted in the figure below which represents the rates of various Centrelink payments compared to the poverty line, before and after the introduction of the Coronavirus Supplement.<sup>2</sup>

**Figure 4: Various Centrelink pensions and benefits compared to the poverty line, before and after the introduction of the coronavirus supplement**



Source: A guide to Australian Payments (Commonwealth Government)

The power of the Coronavirus Supplement is also illustrated in the following case example of a young participant in a program delivered by Jesuit Social Services.

<sup>1</sup> Towell, N. and Fowler, M. (2020). ‘No happy ever after for Melbourne as city’s JobSeeker fairytale ends.’ *The Age* (11 November 2020), <https://www.theage.com.au/national/victoria/no-happy-ever-after-for-melbourne-as-city-s-jobseeker-fairytale-ends-20201111-p56dq6.html>.

<sup>2</sup> Hayward, D., Ralston, L. and Raysmith, H. (2020). Social policy during the coronavirus recession: a fairytale with an unhappy ending? A case study of Victoria, Australia, p. 8, <https://apo.org.au/sites/default/files/resource-files/2020-11/apo-nid309338.pdf>.

### Participant Case Study:

A 24-year-old female participant was working full-time on a minimum wage for two years, after which she commenced studying a diploma course and went onto Youth Allowance. She does not have the financial support of her parents (since she left home at 17 years of age) and must pay for everything herself, including rent in a shared accommodation. In a recent session with her Jesuit Social Services worker, the participant disclosed that once her Centrelink payment increased (due to COVID-19), she was able to replace her underwear (that had holes in it) and obtain a proper winter jacket. This was something she could not afford on either the minimum wage or Youth Allowance. At the moment, she also does not have to decide between buying groceries or her medication (she is on prescription medication for depression and anxiety).

With the economic downturn resulting from the pandemic expected to be protracted, we continue to strongly advocate that the Government must continue to support people most in need.

### LEADING A JUST RECOVERY

While it should not have taken a global health crisis for adequate housing to be provided for people experiencing homelessness or a fair social safety net for people out of work, support for those most in need must now continue and be strengthened. Even before the pandemic, one in eight Australian adults were living in poverty.<sup>3</sup> The life expectancy of Aboriginal and Torres Strait Islander people was several years lower than that of non-Indigenous people.<sup>4</sup> The youth unemployment rate was more than double the overall unemployment rate.<sup>5</sup> These inequalities need to be meaningfully addressed on the path to recovery, rather than settle for the pre-crisis status quo.

While some of the long-lasting impacts of the crisis are yet to fully emerge, a statistical snapshot of Department of Social Services data for the period December 2019 to May 2020 indicates that the number of people receiving the main income support payments for unemployment doubled, from around 820,000 to 1,640,000.<sup>6</sup> Further, a recent AHURI analysis of the Australian Rental Housing Conditions Dataset (ARHCD) suggests that many of the upcoming challenges for Australia will overlap in the rental housing sector:

*almost all tenants were affected in some way (often in multiple ways) across and beyond their employment, living environment, ability to pay rent, and risk of eviction. Overall, this data suggests that a policy-important cohort of tenants in Australia are lined up on the brink of a financial precipice. Many renters are currently buffered from the full economic effects of the*

<sup>3</sup> Davidson, P., Saunders, P., Bradbury, B. and Wong, M. (2020). *Poverty in Australia 2020: Part 1, Overview*, ACOSS/UNSW Sydney, <http://povertyandinequality.acoss.org.au/poverty/>.

<sup>4</sup> Australian Institute of Health and Welfare (AIHW) (17 July 2019). *Deaths in Australia*, <https://www.aihw.gov.au/reports/life-expectancy-death/deaths/contents/life-expectancy>.

<sup>5</sup> Dimov, S., King, T., Shields, M., Kavanagh, A., University of Melbourne, *The young Australians hit hard during Covid-19*, <https://pursuit.unimelb.edu.au/articles/the-young-australians-hit-hard-during-covid-19>.

<sup>6</sup> Klapdor, M. (2020). The impact of COVID-19 on JobSeeker Payment recipient numbers by electorate (8 September 2020), p. 3, [https://parlinfo.aph.gov.au/parlInfo/download/library/prspub/7537764/upload\\_binary/7537764.pdf](https://parlinfo.aph.gov.au/parlInfo/download/library/prspub/7537764/upload_binary/7537764.pdf).

*pandemic by their savings, their superannuation, and rent deferment, as well as a temporary guardrail of government supports in the form of eviction moratoriums, JobKeeper and JobSeeker.<sup>7</sup>*

With the private rental market having failed many Australians and a nation-wide deficit in social housing before the COVID-19 pandemic, JobSeeker and the Coronavirus Supplement have been key measures in preventing a massive increase in homelessness since the pandemic began. While there is a long list of social, economic and environmental measures we would wish to see for a more equitable future, Jesuit Social Services continues to strongly recommend a permanent increase to the Newstart/JobSeeker payment, in particular.

### **PERMANENTLY INCREASE THE NEWSTART/JOBSEEKER PAYMENT**

We cannot countenance a reversion to the pre-COVID-19 crisis level of Newstart (currently JobSeeker), that was so low it was widely seen as a barrier to employment.<sup>8</sup> To do so would be to relegate tens of thousands of people to living in poverty.<sup>9</sup> This would also reduce the size of the economy by billions of dollars and further disadvantage regional communities, in particular.<sup>10</sup>

Jesuit Social Services was disappointed when the rate of JobSeeker was reduced by \$150 from 25 September 2020. We are now disturbed by the proposed further \$125 reduction in the rate of JobSeeker from after 31 December 2020 (to 31 March 2021) through the *Social Services and Other Legislation Amendment (Extension of Coronavirus Support) Bill 2020*. There is no question that passage of the Bill “will force hundreds of thousands of Australians back into poverty during the COVID recession”<sup>11</sup>, including being forced to return to spending a disproportionate amount of income on rental accommodation.

As levels of unemployment and underemployment are set to continue to rise, the importance of a fair social safety net that ensures recipients have an adequate standard of living is only magnified. JobSeeker and related payments must be permanently increased.

Now is also an opportunity to move away from the inflexible and arbitrary mutual obligation requirements, including unreasonable job search activity, that simply punished people for not being in work. It is evident that the problem for the Australian economy is not a lack of job search effort, rather that there are not enough jobs:

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<sup>7</sup> Baker, E., Bentley, R., Beer, A. and Daniel, L. (2020). Renting in the time of COVID-19: understanding the impacts, AHURI, p. 2, <https://apo.org.au/sites/default/files/resource-files/2020-10/apo-nid308875.pdf>.

<sup>8</sup> Pro Bono News (19 November 2019). *A sad and sorry history of Newstart*, <https://probonoaustralia.com.au/news/2019/11/a-sad-and-sorry-history-of-newstart/>.

<sup>9</sup> Phillips, B., Gray, M. and Biddle, N. (2020). COVID-19 JobKeeper and JobSeeker impacts on poverty and housing stress under current and alternative economic and policy scenarios. Australian National University Centre for Social Research and Methods, [https://csrcm.cass.anu.edu.au/sites/default/files/docs/2020/8/Impact\\_of\\_Covid19\\_JobKeeper\\_and\\_Jobseeker\\_measures\\_on\\_Poverty\\_and\\_Financial\\_Stress\\_FINAL.pdf?mc\\_cid=8e214c9ed3&mc\\_eid=c631566bc2](https://csrcm.cass.anu.edu.au/sites/default/files/docs/2020/8/Impact_of_Covid19_JobKeeper_and_Jobseeker_measures_on_Poverty_and_Financial_Stress_FINAL.pdf?mc_cid=8e214c9ed3&mc_eid=c631566bc2).

<sup>10</sup> Deloitte Access Economics (2020). Estimating the economic impacts of lowering current levels of income support payments: Australian Council of Social Service, Sydney, <https://www.acoss.org.au/wp-content/uploads/2020/09/Final-ACOSS-Coronavirus-Supplement-to-ACOSS-09.09.2020.pdf>.

<sup>11</sup> Towell, N. and Fowler, M. (2020). ‘No happy ever after for Melbourne as city’s JobSeeker fairytale ends.’ *The Age* (11 November 2020), <https://www.theage.com.au/national/victoria/no-happy-ever-after-for-melbourne-as-city-s-jobseeker-fairytale-ends-20201111-p56dq6.html>.

*With about 1.6 million people on JobSeeker but only 130,000 job vacancies in May 2020, it matters little if some job seekers are more selective about the job offers they accept.<sup>12</sup>*

Recommendations made by the Senate Community Affairs References Committee following its recent *Inquiry into the Adequacy of Newstart and related payments and alternative mechanisms to determine the level of income support payments in Australia*, which was conducted prior to the emergence of the COVID-19 pandemic, support the key arguments of this submission. Notably:

*Recommendation 12 [that] the Australian Government immediately review the earnings threshold of income support payments to ensure it does not impede jobseekers transitioning to work.<sup>13</sup>*

*Recommendation 13 [that] the Senate consider referring to the Community Affairs References Committee an inquiry into the mutual obligation requirements for working-age income support recipients and the adequacy and effectiveness of employment programs.<sup>14</sup>*

*Recommendation 27 ... that once the Coronavirus Supplement is phased out, the Australian Government increase the JobSeeker Payment, Youth Allowance and Parenting Payment rates to ensure that all eligible recipients do not live in poverty.<sup>15</sup>*

As outlined in the Senate Committee's report, social security is a human right<sup>16</sup> and it is essential to the realisation of other human rights:

*The Australian Government provides a number of different income support payments. The primary purpose of these payments is to ensure a minimum adequate standard of living for individuals and families... This policy objective is underpinned by a number of fundamental human rights, including the right to social security, contained in international treaties to which Australia is a party.<sup>17</sup>*

Jesuit Social Services continues to advocate for a permanent increase in the rate of the Newstart/Jobseeker payment to ensure recipients do not live in poverty. We support ACOSS's Raise The Rate For Good campaign.<sup>18</sup> As such, we cannot support the *Social Services and Other Legislation Amendment (Extension of Coronavirus Support) Bill 2020*, which allows for an extension of the Coronavirus Supplement only until 31 March 2021, but further reducing the rate of the original the Jobseeker payment with no permanent increase.

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<sup>12</sup> Bradbury, B. and Whiteford, P. (2020). 'Unemployment support will be slashed by \$300 this week. This won't help people find work.' *The Conversation* (21 September 2020), see [link](#).

<sup>13</sup> The Senate Community Affairs References Committee (2020). *Adequacy of Newstart and related payments and alternative mechanisms to determine the level of income support payments in Australia*, April 2020, p. xii, [link](#).

<sup>14</sup> *Ibid*, pp. xii-xiii.

<sup>15</sup> *Ibid*, p. xv.

<sup>16</sup> See Articles 9 and 10 of the *International Covenant on Economic, Social and Cultural Rights*, <https://www.ohchr.org/Documents/ProfessionalInterest/cescr.pdf>.

<sup>17</sup> The Senate Community Affairs References Committee (2020). *Adequacy of Newstart and related payments and alternative mechanisms to determine the level of income support payments in Australia*, April 2020, p. 8, [link](#).

<sup>18</sup> See <https://raisetherate.org.au/campaign-supporters/>.



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Thank you for the opportunity to contribute to the consultation on the *Social Services and Other Legislation Amendment (Extension of Coronavirus Support) Bill 2020* and for taking our views into consideration.

Yours sincerely

A handwritten signature in grey ink that reads 'Sally Parnell'. The signature is written in a cursive, flowing style.

**Sally Parnell**  
**Acting CEO, Jesuit Social Services**