

Senate Community Affairs Legislation Committee
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Parliament House
Canberra ACT 2600

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18 August 2022

To the Committee Secretary,

Re: Submission to the Senate Community Affairs Legislation Committee inquiry into the *Social Services Legislation Amendment (Enhancing Pensioner and Veteran Workforce Participation) Bill 2022*

The Antipoverty Centre is disappointed that proposed changes under the *Social Services Legislation Amendment (Enhancing Pensioner and Veteran Workforce Participation) Bill 2022* ignore the harsh financial penalties imposed on employed people who rely on unemployment payments to survive.

All working age social security payments are below the Henderson poverty line.

The government should treat with urgency the need for changes that would allow people on these payments to earn more before their income support is reduced and to lose less of each dollar we earn after the threshold is reached. This is not a matter of addressing labour shortages, but a matter of survival for the one-in-five people on unemployment payments who are employed, and the many others on working age payments who have employment income.¹

The Antipoverty Centre does not object to people receiving other payments being able to keep more of their income support if they are in paid work, but it is unacceptable to prioritise this ahead

¹ Department of Social Services (DSS), 'JobSeeker Payment and Youth Allowance recipients – monthly profile June 2022' [dataset], 15 July 2022, data.gov.au, Canberra, <https://data.gov.au/data/dataset/jobseeker-payment-and-youth-allowance-recipients-monthly-profile>, accessed 18 August 2022.



of the extreme inequity already affecting people on lower payments such as JobSeeker and Youth Allowance, which are about half the poverty line. Many people on these payments lose them before they are even able to get out of poverty due to the highly restrictive income free area and taper rates. It is particularly galling that this has taken priority in light of the fact that people on the Age Pension already benefit from significantly more generous rules than people on working age payments.

In April 2021 the government slashed the amount of money those in low waged and casual work can earn, ripping \$50–80 more a fortnight out of their budgets with taper rates changes at the same time as the JobSeeker base rate was reduced to half the poverty line.

The effect of this change is that even people who are employed 25 hours per week do not have enough income to get above the poverty line. Income support payments should not cut out until a person is earning at least the minimum wage.

Allowing people who have a low waged job to retain a small portion of their payment will ensure they have a liveable income. It will also enable people in insecure work to remain eligible for income support for longer, reducing the harm caused by the delay in getting back on to a payment when work dries up.

The government must also recognise that current labour market shortages are largely due to repercussions of the ongoing pandemic, and will not be solved merely by pressuring people on welfare payments to take up paid work – the jobs that need to be filled are often unsuitable. Older people and disabled people put their safety at risk when working in environments that do not accommodate their health needs. Allowing people to earn more will not solve structural unemployment and its causes, but this does not mean there is no need for change.

Recommendations specific to this bill

1. Extend changes to the amount that pensioners and veterans can earn included in this bill so that all income support recipients can reach the poverty line before their payment is reduced.
2. Remove the sunset provisions to make the changes permanent.

Take meaningful action to address labour shortages

There is substantial evidence to show that two significant barriers to paid work are poverty and “mutual” obligations activities. At this time there is an additional strain on the community resulting from the ongoing pandemic. If the government is serious about putting people in the best position possible to take up a job or additional hours, they will ensure we are well enough to do so and remove unnecessary stressors:

- All income support payments must immediately be lifted to at least the Henderson poverty line



while work is done to develop a more sophisticated measure of poverty that is fit-for-purpose in the 21st century.

- Participation requirements must be removed, and the current privatised (un)employment services system dismantled and replaced with high quality, voluntary supports delivered by the public service.
- Use public health measures to minimise the spread of COVID and make the community safer for disabled people and others who are at high risk of complications if they contract it.

For enquiries related to this submission please contact team@antipovertycentre.org.

Regards,

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Antipoverty Centre

Acknowledgement of Country

The Antipoverty Centre acknowledges the original peoples of this unceded continent, who have been custodians of Country for thousands of generations. First Peoples have connections to place, land, water and community that have been unbroken for 120,000 years.² We recognise Indigenous sovereignty and the cultural significance inherent in these connections, historical and contemporary. We pay respect to Elders past and present and stand with all First Peoples in the quest for self-determination, justice and truth-telling in the face of ongoing colonial violence, including that inflicted through racism in the social security system.

About the Antipoverty Centre

The Antipoverty Centre was established to counter problems with academics, think tanks and others in the political class making harmful decisions on behalf of people they purport to represent. We are activists, advocates and researchers with lived experience of poverty and disadvantage. We defend and fight for the rights of people like ourselves who experience violence at the hands of an economic system designed to oppress us. It is our mission to shift how people speak about and respond to poverty in this country. We work closely with peer support groups, activists and grassroots civil society organisations to complement their work. Our goal is to help ensure the voices and rights of people living in poverty are at the centre of social policy development and discourse. We believe there should be no decision made about us without us. The Antipoverty Centre is not politically aligned and does not accept funding that places political constraints on our work.

² Bowler, J., Price, D., Sherwood, J. and Carey, S., 'The Moyjil Site, South-West Victoria, Australia: Fire and Environment in a 120,000-Year Coastal Midden — Nature or People?', *Proceedings of the Royal Society of Victoria*, 130/2 (2019), 71–93, <https://www.publish.csiro.au/rs/rs18007>.