



Tasmanian Council of Social Service Inc.

Submission to Senate Standing Committee on Community Affairs Inquiry into the Social Services and Other Legislation Amendment (Extension of Coronavirus Support) Bill 2020

November 2020



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About TasCOSS

TasCOSS' vision is for one Tasmania, free of poverty and inequality where everyone has the same opportunity. Our mission is two-fold: to act as the peak body for the community services industry in Tasmania; and to challenge and change the systems, attitudes and behaviours that create poverty, inequality and exclusion.

Our membership includes individuals and organisations active in the provision of community services to low-income Tasmanians living in vulnerable and disadvantaged circumstances. TasCOSS represents the interests of our members and their service users to government, regulators, the media and the public. Through our advocacy and policy development, we draw attention to the causes of poverty and disadvantage, and promote the adoption of effective solutions to address these issues.

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Introduction

Thank you for the opportunity to make a submission to the Social Services and Other Legislation Amendment (Extension of Coronavirus Support) Bill 2020.

TasCOSS advocates on behalf of low income Tasmanians who often live in vulnerable and disadvantaged circumstances. We advocate for public policy that values and respects the diversity of Tasmanians and makes a real difference to the lives of people who are experiencing vulnerability. We work to ensure that the human rights of all Tasmanians are integrated into government consultation processes, policy approaches and budget allocations.

TasCOSS submissions and advocacy are strongly informed by the expertise of our members and the lived experiences of the Tasmanians we represent. In this submission we draw on experiences of Tasmanians who are receiving the Coronavirus Supplement, some of whom have experienced life on the completely inadequate Newstart Allowance. They have told us the transformational difference the \$550 per fortnight supplement has made to their lives and their fears about their futures should the Coronavirus Supplement be withdrawn. People told us for the first time they were able to buy enough food to eat three meals a day, they were getting a haircut or going to the dentist for the first time in years, and they could actually save money because they could purchase goods in bulk.

At September 2020, approximately 54,000 Tasmanians were receiving the Supplement.¹ This brought an additional \$14.86m into the Tasmanian economy. When the supplement dropped to \$250 per fortnight this saw \$5.9m per week taken out of the Tasmanian economy. In addition to lifting people's incomes above the poverty line, the supplement provided a significant stimulus to the Tasmanian economy, as it did to economies in every state and territory.

TasCOSS believes that the Coronavirus Supplement should be converted into a permanent increase to the rate of JobSeeker, set at a level above the poverty line. A permanent increase to the JobSeeker rate would be consistent with Australia's human rights obligations and to the UN Convention on Human Rights, which states:

Article 22: Everyone, as a member of society, has the right to social security and is entitled to realization, through national effort and international co-operation and in accordance with the organization and resources of each State, of the economic, social and cultural rights indispensable for his dignity and the free development of his personality.²

¹ See Table 4, [JobSeeker Payment and Youth Allowance recipients - monthly profile - September 2020](#)

² <https://www.un.org/en/universal-declaration-human-rights/>.



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Voices of Tasmanians receiving Coronavirus Supplement

TasCOSS has been speaking with Tasmanians receiving JobSeeker and the Coronavirus Supplement. As the quotes below show, the supplement has changed lives for the better by allowing people to afford the basics and ease the crippling financial pressure of life on the previous low rate of Newstart.

"The extra money has meant I could do a few repairs in the house which was nice. New lights in the kitchen and bathroom, have the car serviced, just things I've had to put off while other things were more important. They got further and further down the list. Having the extra money meant I can do that, fix the house, make it liveable, or a bit more comfortable. The lights were \$110 and have made such a big difference because now I can cook past 6pm. But for years I just couldn't justify spending that, so I just had to cook my tea before 6 o'clock and eat while I could still see."

- 60 year old woman from Northern Tasmania

"I've definitely been able to afford more self-care things, like going to the dentist, and getting haircuts. Things that I just wouldn't do before because it was just out of reach to do them."

"When the coronavirus supplement came in, COVID was not as bad as it is now, and the economy was not as bad as it is now. We're going into a worse economy than when we started getting this money, trying to find work that isn't there."

- 25 year old woman, part time student from Northern Tasmania

"The new rate has made an extraordinary difference. It means that we eat well, we actually have money to buy some meat, some vegetables. It's meant having extra money to have petrol to go and visit my mother more often. We've also done things like buy in bulk, and then it's cheaper per kilogram, you know? The new rate meant we've been able to pay our car registration for the next year upfront."

- Woman in 40s, from east coast, husband migrant ineligible for support, moved back to Tasmania to be closer to sick mother

"In my very difficult situation at the moment, [the increased jobseeker rate] just took the edge off. Beforehand, I was selling firewood from my property. Jobseeker helped me actually reduce the use of those resources, it gave me the help to not have to cut so much wood just to get by. And I could actually buy myself a new chainsaw, which was actually a business investment."

- Male migrant in his 50s, lives in Southern Tasmania

"What they're giving us now is an amount of money you can live on. It's not making anyone rich. For people on Jobseeker, if they have extra money that goes straight back into the economy. It goes straight back because we're living on the edge. It doesn't go into a bank account, it doesn't make us rich. It just means we can live like decent humans, not like an animal."



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...the jobseeker payments of the past have not been a liveable amount of money for humans. It's not been possible to live well, to be able to be positive, to be able to be active in our community. It's a destructive evil thing to give people a pittance to live on that gives them no hope, no self-esteem. It's not enough."

- Woman in 40s from east coast

"...the government has set everyone up for failure when they take this payment off, because some people aren't going to have enough resources to keep going."

- 18 year old man from Northern Tasmania

"I didn't do anything to be put in this position. I'm 61 with arthritic legs. I can't really work like I used to. But I'm not a number. I'm a human being and I think I deserve a bit more than that. I've worked since I was 17. I've paid my taxes, I've paid my dues. My sister-in-law is about to turn 70, she's on an old aged pension. She's in the same circumstances as me across the board, but she gets \$150-160 per week more than I do."

- 60 year old woman from Northern Tasmania

Recommendations

TasCOSS welcomed the Federal Government's COVID-19 response packages that substantially increased JobSeeker and related payments, as well provided support to people to keep their jobs or an income via the JobKeeper wage subsidy. TasCOSS also welcomed a range of measures put in place to ease access to income support and prevent destitution. We urge the government to ensure income support payments for working-age people do not return to below-poverty levels. We also urge the government to retain important improvements in the system that will help people access income support quickly when they need it.

TasCOSS therefore recommends that the maximum rate of Jobseeker and other allowances be increased to current pension rates, and indexed to wages and prices, whichever is higher. This should be complemented by a 50% increase in Rent Assistance and additional supplements to meet the specific costs of disability and single parenthood.

The benefits of this proposal are that it would:

- help to lift people out of poverty and simplify the income support system by establishing one base payment level across different cohorts, recognising basic costs faced by all, while still allowing different conditions (e.g. job search) to be attached to payments depending on circumstances;
- be simple to implement because the payment infrastructure is already in place;
- establish couple rates of payment across the system at 150% of single payment rates, reflecting economies of scale experienced by couples over singles;



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- bring payment levels in line with poverty line levels (with the current poverty line being between \$469 and \$500pw for a single person without children)³;
- apply a consistent approach to indexation across payment types (all payments would be indexed at least twice per year in line with wages and prices, whichever is higher);
- target assistance at those most in need, including people who are unemployed, private renters (including older people) people with disability and single parents caring for children.

This reform would bring the single rates of payment up to the total single pension rate of \$472pw. That would result in a base rate increase of \$189pw for a single person receiving JobSeeker Payment, \$75pw for Parenting Payment Single and \$240pw for single, maximum rate of Youth Allowance.

³ Parliamentary Budget Office (2020)