



# **GetUp submission to the Social Services and Other Legislation Amendment (Extension of Coronavirus Support) Bill 2020**

17 November 2020

## **About GetUp**

By combining the power of one million members, movement partners and a central team of expert strategists, we work to have extraordinary impact on the issues that matter.

GetUp members come from every walk of life, coming together around a shared belief in fairness, compassion and courage. It is GetUp members who set our movement's agenda on the issues they care about, in the areas of Environmental Justice, Human Rights, First Nations Justice, Economic Fairness and Democratic Integrity. Our work is driven by our shared values, not party politics.

GetUp is an independent, not for profit community campaigning organisation, incorporated as a company limited by guarantee. GetUp receives no political party or government funding, and every campaign we run is entirely supported by voluntary donations.

GetUp's purpose is set out in our constitution – to advance progressive public policy in Australia. We do this by empowering everyday people to have their say.

GetUp is also guided by a Statement of Independence, which defines us as an active values-led participant in our politics, independent from the control, direction or influence of political parties and politicians.

Our Statement of Independence is here:

<https://www.getup.org.au/about/getup-statement-of-independence>



Committee Secretary  
Senate Community Affairs Legislation Committee  
PO Box 6100  
Parliament House  
Canberra ACT 2600

**Re: Social Services and Other Legislation Amendment (Extension of Coronavirus Support) Bill 2020**

We welcome the opportunity to make a submission to the Senate Community Affairs Legislation Committee's inquiry into the extension and reduction of the Coronavirus Supplement.

On 13 August 2020, we asked GetUp members on income support about the challenges of living on the base rate of JobSeeker and other payments, as well as how life had changed on the higher rate afforded by an additional \$550 per fortnight in income support.

Our members shared 500 powerful stories of immense hardship living on the base rate, as well as of life-changing hope, relief and opportunity on the new rate, even as their world was turned upside down by a pandemic.

It is heartbreaking to think that a once in a generation public health emergency, and the first recession in thirty years saw many people's standard of living reach a dignified level for the first time in years.

GetUp has a long history of campaigning for an income support system we can be proud of. A system that keeps people out of poverty while they're out of work, and that doesn't punish them for a level of unemployment that is a feature of public policy design. Over 100,000 people signed our petition to increase Newstart. Additionally, more than 40,000 members have signed a petition calling for Coronavirus supplements to be made permanent.

A country that can afford tax cuts for people at the top, can afford to keep people out of poverty as a rule, not a temporary exception.

Should you wish to discuss this submission, please get in touch

Sincerely,

Edward Miller  
Director, Economic Fairness



Noting the experiences and views of our members as well as external research, we'd like to raise the following objections to the bill:

**1. Cutting the Coronavirus Supplement will needlessly entrench poverty in our communities.**

When the Government increased the rate of income support in April, they proved that they could afford to give people enough to cover the basics. Cutting the supplement again will unnecessarily deepen the poverty crisis, and all of the devastation that comes with it: homelessness, mental illness, poor educational outcomes and more.

The Government's next income support cut will be widely felt. Modelling by the Australian National University shows that successive cuts to the supplement will have pushed an additional 1.6 million people into poverty by January 2021, compared with a scenario where the full supplement remained.<sup>1</sup>

**2. Australia remains in a historic recession and jobs crisis.**

The Government's 'jobs incentive' argument for cutting income support doesn't stack up. In late October of this year, the national effective unemployment rate was at a sky high 9.3 per cent,<sup>2</sup> and is not predicted to return to pre-pandemic levels for another five years.<sup>3</sup> Additionally, Anglicare's latest jobs report shows that there are up to 106 jobseekers for every entry-level position.<sup>4</sup>

The jobs that people on income support are supposed to find when the supplement is cut again simply will not exist.

**3. There is an economic rationale for increasing income support.**

In the two weeks after JobSeeker and JobKeeper were cut in September, job numbers fell by 1.6 percent, and salaries fell by 5 percent.<sup>5</sup> Furthermore, a Deloitte report released in September estimated that removing the supplement altogether by Christmas would cost the economy \$31bn in reduced spending and the equivalent of 145,000 full-time jobs over two years.

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<sup>1</sup> Covid welfare cut will cast 330,000 more Australians into poverty, *The Guardian*, 18 November 2020

<sup>2</sup> Unemployment won't return to normal in Australia for another 4 years, as new analysis reveals the 'marathon' recovery ahead, *Business Insider*, 28 September 2020

<sup>3</sup> Australia's unemployment rate could be higher than 6.9 per cent according to analysis of welfare payments, *ABC News*, 23 October 2020

<sup>4</sup> Jobseekers outnumber vacant jobs by as much as 106-to-one, study warning of coronavirus employment crisis reveals, *ABC News*, 14 October 2020

<sup>5</sup> Coronavirus pandemic's impact on household budgets laid bare in new postcode data, *ABC News*, 12 November 2020



Even before the COVID recession, the economic case for lifting income support was strong. Now, it's a no-brainer. A dollar to the unemployed is much more likely to be spent than a dollar anywhere else — and money flowing through our economy is exactly what's needed.

#### **4. A permanent increase to JobSeeker is long overdue.**

The base rate of JobSeeker has not been increased in real terms since 1994.<sup>6</sup> This is a blight on the record of a wealthy country like Australia.

In recent months, people on income support have been holding out hope that a permanent increase — and much needed certainty — was on its way. It's high time we ended the needless misery caused by keeping people in limbo on a woefully low base rate, and finally raised the rate for good.

In addition to concerns directly related to the lowering of the Coronavirus Supplement, we'd like to note wider issues in the Government's income support system.

Entire groups of people in our society have been forgotten in the Government's coronavirus support response. Migrants on temporary visas, casual workers – especially those with multiple jobs, people with disabilities and carers, and age pensioners have all been excluded from critical financial support.

The JobActive, mutual obligations and Cashless Debit Card programs are harmful and fundamentally broken. It was particularly concerning to hear recent reports of 260,000 income support payments suspensions in just one month, as well as the expected expansion of the Cashless Debit Card scheme despite no evidence of its efficacy.

Instead of returning to neoliberal economics that laid the groundwork for our economic crisis, the Government should learn from its early successes during the pandemic. An effective economic recovery puts everyday people at the centre – because it is everyday people that cared for our loved ones, kept our essential goods and services running, and maintained community resilience.

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<sup>6</sup> Election FactCheck Q&A: is it true Australia's unemployment payment level hasn't increased in over 20 years?, *The Conversation*, 16 May 2020



## **Recommendations:**

### **1. A permanent increase to JobSeeker above the poverty line.**

There's a moral and economic imperative for the government to permanently increase the Jobseeker rate to above the poverty line stipulated by UNSW (using a budget standards approach)<sup>7</sup> or the Henderson poverty line.<sup>8</sup>

### **2. Payments should be unconditional and automatic.**

People who've fallen on hard times need social services that lift them up, not pull them down. Policies like Work-for-the-Dole, cashless debit, drug testing welfare recipients, and mutual obligations were rightly recognised as needlessly dangerous during a pandemic – but this was the case before coronavirus, and it is the case after. Instead of further entrenching the misery of poverty, these programs should be abolished, and private JobActive employment agencies brought into community hands – for community benefit not private profit. Social services should instead be designed to help connect people with decent, local work, and provide social support when needed.

### **3. Extend income support increases to all.**

In a year where 'we're all in this together' has become a catch-cry, it's never been more clear that no one should be left behind in our community.

Income support above the poverty line should urgently be extended to people on temporary visas, who despite contributing immensely to our communities — not least through tax — have been left out in the cold during a vicious recession.

People with disabilities should be awarded a payment \$100 above the poverty line to reflect the higher cost of living associated with accommodating a disability.

Payments above the poverty line should immediately be extended to people doing crucial care work for their loved ones, and to pensioners, who after years of contribution to our society, deserve to retire to a life of dignity.

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<sup>7</sup> Poverty in Australia 2020, *UNSW and ACOSS*, 2020

<sup>8</sup> Henderson Poverty Line, *Melbourne Institute and University of Melbourne*



## **Testimonials:**

*My life has improved immeasurably since Newstart/Jobseeker was effectively doubled. I'm far less stressed about money, which means that my mental health is better. I've finally been able to replace my 30-year-old refrigerator and my 15-year-old mattress, both of which I've needed to do for years. I can afford better food, which means I'm eating better. I can afford to buy new clothes and shoes because I WANT them, not just because I need them. I can finally start to save for a rainy day. I was even able to afford to go on a short holiday to celebrate my birthday last month. None of that would have been possible on the base rate of Newstart/Jobkeeper.*

*Taking the Coronavirus Supplement away in September would harm so many people. It would effectively be a punishment for daring to not have a job, when there are literally not enough jobs to go around. Furthermore, not extending it to all income support recipients would be cruel. People on pensions and carer payments need that extra support as well.*  
**- Aeryn, 2527 NSW**

*I lost my job in May due to COVID and there are hundreds of applicants for every job that I'm qualified for, I've been applying for jobs consistently, often without even a response. My partner and I now have to support 3 dependent children and try to pay our mortgage on a single income, when my partner works part time and has just started a new job.*  
**- Jeff, 4053 QLD**

*As a single mother of 4 kids under 10 it's heartbreaking that I constantly have to tell my kids that we can't do what their friends were doing. After school activities, going places or even stopping at a cafe for a snack or drink is too expensive. But what was worse than that was having to ration everything they eat so we would have enough food for the week - every single bit of fruit, bread and cheese. With the jobkeeper supplement I still can't enrol my 10yr old into the woodworking class she wants to do but at least I don't have to decide between food and petrol every week.*  
**- Makushla, 2550 NSW**

*I lost my job in May due to COVID and there are hundreds of applicants for every job that I'm qualified for, I've been applying for jobs consistently, often without even a response. My partner and I now have to support 3 dependent children and try to pay our mortgage on a single income, when my partner works part time and has just started a new job.*  
**- Nicholas, 3765 Vic**

*I have had horrible times with my employment services provider. (I've been on JobSeeker/Newstart for a few years now). Despite mutual obligations being waived because of COVID, I have continued to get messages saying I have meetings with the provider, which makes me confused and anxious. When I raised the issue with the provider, they said it was an automated message they couldn't do anything about, and I don't need to attend the*



*meetings. But I'm still scared because I know if I get a strike against me by not attending meetings, then my benefits can be cut off. So I attended the (phone) meetings anyway.*

*Once the provider promised they would get me a new job plan I needed to sign as well as some other forms to apply for disability - they didn't send them for more than a month, despite my speaking to them about it four different times. Then they signed me up for the job plan without discussing it with me....*

*...The whole system is such a disaster - these private providers are being paid and they don't help at all, we vulnerable jobseekers are just numbers to them. I hate that my tax money is going to support a system which is patronising and infantilising and not helping me get work.*  
**- Anonymous, 2021 NSW**

*I have been on Newstart for years and now disability pension. Even on DSP it is a struggle to get and maintain housing, on Newstart I was almost guaranteed to be homeless by the end. My housing has often had periods of instability and even now I made a compromise that means that I struggle to get to places I want or need to go. I feel like I did something impossible getting disability, there are other people like my partner who are in impossible situations with disability on jobseeker. It effects everything, including relationships, mental and physical health. We have ended up in cycles of suicidal actions followed by uncaring health system that leaves you with nothing because they can't fix your financial and housing position.*

**- Louise, 5163 SA**

*My friend, a chef, is on an employer sponsored 457 visa. He has been working for his sponsor for about 30 months. He was laid off immediately when restaurants closed. As a sponsored visa holder he can't work for anyone else. He can't access JobKeeper, which is grossly unfair, nor JobSeeker. He has a family to support.*

**- Anne, 6201 WA**

*"I'm a sponsored worker. I have been in Australia for 6.5 years paying around \$65k in tax. Apparently, those on temporary visas are less likely to have permanent ties with Australia. So my sister, brother-in-law and nephew, who are all Australian citizens, aren't close ties? What about my partner of almost four years who is also Australian? I cannot "go home" to England. I will not receive any support as I have not been working there and paid nothing into the economy. The economy I have been paying into won't help me."*

**- Claire, 3013 VIC**

*Today I read that the government is seeking support from Universities to assist international students to come back to Australia, However, it is not so long ago that you asked that they leave this country. As a teacher in the university sector I was so distressed when you said that.*



*I was then doubly shocked when your government refused to assist people on temporary visas (including my students) who could not leave. I have been so worried for my students and others in this positions. And deeply, deeply ashamed in my government.*

**- Julie, 3206 VIC**