



19 November 2020

Committee Secretary  
Senate Standing Committees on Community Affairs  
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Dear Committee Secretary

**Senate inquiry into the Social Services and Other Legislation Amendment (Extension of Coronavirus Support) Bill 2020.**

The Commission welcomes the opportunity to provide comment on the Social Services and Other Legislation Amendment (Extension of Coronavirus Support) Bill 2020.

The Commission is generally supportive of the measures outlined in the Bill, which will go some way to alleviating financial hardship caused or exacerbated by the COVID-19 pandemic. The Commission does, however, have concerns that while the measures in the Bill are a step in the right direction, they are insufficient to protect our most vulnerable communities, our children, and those people on temporary visas, from poverty and associated harms.

**The inadequacy of regular income support payments**

The Commission has previously raised concerns about the inadequacy of social security payments.<sup>1</sup> Notably, Newstart (now JobSeeker) has not increased in real terms since 1994<sup>2</sup> and is only adjusted in accordance with the Consumer Price Index (CPI), not with wage growth. As such, Australians' wages and the costs of living have increased while Newstart has stagnated, leaving many Newstart recipients without the means for an adequate standard of living. Most single persons in receipt of the maximum amount of Newstart receive around \$278 per week.<sup>3</sup>

Bodies such as ACOSS use 50% of median household income as a measure of the poverty line. On this basis, in 2018 the poverty line was \$433 a week for a single adult living alone or \$909 a week for a couple with two children.<sup>4</sup> Accordingly, leaving aside

possible other financial sources such as Rent Assistance, a single person receiving Newstart with no other income is only receiving a little over half the amount needed to live above the poverty line.

Insufficient social security disproportionately impacts women and Aboriginal and Torres Strait Islander peoples. As at June 2019, women comprised around half the total number of recipients of the Newstart payment but were overwhelmingly more likely to be in receipt of the payment long-term, due in part to women three times more likely to be in voluntary or part-time work.<sup>5</sup> Aboriginal and Torres Strait Islander peoples, as at June 2018 made up more than 11% of Newstart recipients<sup>6</sup> despite only making up approximately 3.3% of Australia's population.<sup>7</sup>

Throughout the Wiyi Yani U Thangani (Women's Voices) engagements, the Commission heard directly from Aboriginal and Torres Strait Islander women about living in conditions of poverty prior to the Supplement and the difficulties that arose in seeking employment and undertaking education while trapped on inadequate social security payments. These concerns will be detailed in the forthcoming Wiyi Yani U Thangani report, which was transmitted to the Attorney-General last month.

### **The positive impact of the Coronavirus Supplement**

The measures taken by the Government since March this year, including the introduction of the Coronavirus Supplement ('the Supplement') have constituted some of the most significant social and economic measures in recent decades to alleviate poverty in Australia. Research has shown that there has been a 32% reduction of people living in poverty since these measures were taken.<sup>8</sup>

During the period over which the full Supplement was in effect, the Commission heard from Aboriginal and Torres Strait Islander parents who had—some for the first time in their lives—been able to pay for rent and electricity while also regularly putting food on the table for their children and putting fuel in their cars to travel to shops and access essential services. Before the Supplement, the combined cost of these activities had been unaffordable and attempting to make ends meet was the cause of great stress for many financially insecure households.

Furthermore, the Commission wishes to emphasise that it is not only adults on income support who have benefited from the Supplement. Children do not exist in isolation—what happens to their families, their parents and their communities affects them, and their wellbeing is best protected when those around them have their wellbeing protected too.

In September, the Commission and **yourtown** produced a report on the impacts of COVID-19 on children and young people who contacted Kids Helpline.<sup>9</sup> Children and young people spoke about the impacts of financial stress on their mental health and family life when parents lost their jobs or had hours reduced. Some children said they were worried that there would be no food. Some reported worries that they may have to move out of the family home, which made them feel sad and disappointed. A loss or reduction of employment of a parent was mentioned as an additional stressor to an already stressed family life, with increased arguments and tensions at home, and more alcohol consumption by adults in the house. The supplements to JobSeeker, and Parenting Payments for sole parents of young children, have been critical for supporting children's wellbeing.

In addition, a number of older children and young people told Kids Helpline they had lost their own jobs, or had hours reduced, which had impacts on their mental health and financial security. Some worried about paying their rent. Others said they felt forced to return to the family home, in circumstances where they did not feel comfortable or safe.

Evidence from the Household, Income and Labour Dynamics in Australia Survey in May 2020<sup>10</sup> shows that the approximately 3.5 million people employed in the industries most impacted by the economic shutdown in response to COVID-19 were low-wage workers and disproportionately female and/or young.

The supplement to Youth Allowance has helped many young people immeasurably at a time when they have been unable to find work. However, it has also highlighted that pre-COVID-19 rates of Youth Allowance, which are lower than the rate of income support for adults over 24, have been far too low.

### **The impacts of reductions to the Coronavirus Supplement**

While the Commission appreciates that the Supplement was always intended to alleviate the immediate hardships associated with the COVID-19 pandemic, its introduction has clearly demonstrated that the regular rate of many payments is not sufficient, and that increased payment levels which lift people out of poverty have the potential to deliver significant social returns.

On this basis, the Commission is concerned about reductions to the Supplement. These reductions include:

- a 50% reduction to the Coronavirus Supplement which took effect on 24 September 2020

- the planned reduction of unemployment benefits by \$100 per week from 1 January 2021
- the planned termination of the Supplement at the end of March 2021.

The Deloitte Access Economics report, *Estimating the economic impacts of lowering current levels of income support payments* identifies the disproportionate impact of Supplement reductions on disadvantaged communities. Of note is that the Local Government Areas shown to be impacted the most by Supplement reductions includes remote and regional areas with significant First Nations populations.<sup>11</sup>

The Commission is of the view that a return to inadequate income support payments is likely to have a disproportionately detrimental impact on the most vulnerable Australians, including Aboriginal and Torres Strait Islander communities.

The Commission encourages the Government to identify a long-term solution to the inadequate rate of income support payments. Any reduction in the Coronavirus Supplement prior to raising these payments is likely to impact significantly on already disadvantaged communities and to undermine progress towards achieving goals set under both the Closing the Gap Strategy and the National Framework for Protecting Australia's Children. If the Government is to see progress on its stated goals, its social and economic policy must go hand in hand.

### **Australia's human rights obligations to temporary visa holders**

The Human Rights Commissioner, Edward Santow, has been in regular contact with Ministers regarding the significant economic and health risks of the COVID-19 pandemic for temporary visa holders. Unlike others in the Australian community, the majority of the approximately 1.9 million people on temporary visas in Australia—international students, working holiday makers, bridging visa holders, asylum seekers and refugees, among others<sup>12</sup>—do not have access to many of the core Australian Government supports such as social security and Medicare. They are generally not eligible for any social security payments, and they have not been included in any of the temporary subsidies offered to businesses and individuals in response to the COVID-19 pandemic.<sup>13</sup>

Research on the impacts of COVID-19 on temporary visa holders and the adequacy of support available for people in this group indicates that:

- many temporary visa holders have acute ongoing needs for basic necessities, such as food, housing and medication, that is rapidly worsening

- they face substantial, and often insurmountable barriers to returning home
- current sources of emergency relief are inadequate to meet their ongoing needs.<sup>14</sup>

Federal, state and territory governments have taken some steps to addressing the acute needs of temporary visa holders in Australia, such as providing emergency relief funding for temporary visa holders experiencing financial hardship, to meet short-term basic needs such as food, housing and medication. The Commission welcomes these initiatives; however, further targeted financial and other supports for temporary visa holders is urgently required.

The Australian Red Cross (the ARC), an organisation that has provided emergency relief to temporary visa holders during the COVID-19 pandemic, considers that while emergency relief has assisted many temporary visa holders in the short-term, it is not enough to sustain the increasing needs of people in this group.<sup>15</sup>

The Commission considers that ongoing financial and other supports are required to support the acute needs of temporary visa holders who have been adversely affected by the COVID-19 pandemic. It must be noted that the Commission has longstanding concerns, prior to COVID-19, about the adequacy of support available for asylum seekers in the community,<sup>16</sup> and considers this group to be especially vulnerable.

Adequate income support over a clear and specified period, as opposed to more limited emergency relief, is a more appropriate way of meeting the acute and ongoing needs of many temporary visa holders. This would also provide greater support and opportunity for temporary visa holders who have been adversely impacted by the COVID-19 pandemic to find employment and contribute to Australia's recovery.

The Commission's primary position is that the Australian Government should make social security available for all temporary visa holders on the same basis as other visa holders, at least until the end of the COVID-19 pandemic. This Bill should be amended to provide for this.

In the alternative, eligibility for the Special Benefit payment should be extended to temporary visa holders who are not currently able to access it for the period of the COVID-19 pandemic. Unlike other social security payments, the Special Benefit is a discretionary payment that has been designed specifically for people experiencing severe financial hardship beyond their control, with these people being ineligible for

any other income support. This change could be achieved either by amending this Bill, or by ministerial decision.

Yours sincerely,

<p>June Oscar AO <b>Aboriginal and Torres Strait Islander Social Justice Commissioner</b></p>	<p>Anne Hollonds <b>National Children's Commissioner</b></p>
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## Endnotes

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- <sup>1</sup> Australian Human Rights Commission, *Submission to the Senate Community Affairs References Committee, Inquiry into the Adequacy of Newstart and related payments and alternative mechanisms to determine the level of income support payments in Australia*, 25 September 2019. At <https://www.aph.gov.au/DocumentStore.ashx?id=26f2de17-9b83-4dd3-8a1c-b07e029506e8&subId=670592>.
- <sup>2</sup> Minister for Social Security, Peter Baldwin, 'Measures to Assist Unemployed Peoples' (Media Release MPS 13/94, 18 March 1994), available at [https://parinfo.aph.gov.au/parInfo/download/media/pressrel/CFP10/upload\\_binary/CFP10.pdf;fileType=application%2Fpdf#search=%22media/pressrel/CFP10%22](https://parinfo.aph.gov.au/parInfo/download/media/pressrel/CFP10/upload_binary/CFP10.pdf;fileType=application%2Fpdf#search=%22media/pressrel/CFP10%22).
- <sup>3</sup> Centrelink, A guide to Australian Government payments 1 July-19 September 2019, 28 <https://www.servicesaustralia.gov.au/sites/default/files/co029-1907-rates.pdf> (last accessed on 14 August 2019).
- <sup>4</sup> Australian Council of Social Service and UNSW Sydney, 'Poverty in Australia 2018' (Report No 5, 2018).
- <sup>5</sup> Australian Council of Social Service and UNSW Sydney, 'Poverty in Australia 2018' (Report No 5, 2018).
- <sup>6</sup> Australian Institute of Health and Welfare, *Indigenous income and finance 2019*, At <https://www.aihw.gov.au/reports/australias-welfare/indigenous-income-and-finance> (last accessed 17 November 2020).
- <sup>7</sup> As at 30 June 2016, the Australian Bureau of Statistics estimated the resident Aboriginal and Torres Strait Islander population of Australia to be 798,400 people, or 3.3% of the total Australian population: Australian Bureau of Statistics, Summary Commentary: Estimates of Aboriginal and Torres Strait Islander Australians (18 September 2018), available at <https://www.abs.gov.au/ausstats/abs@.nsf/mf/3238.0.55.001>
- <sup>8</sup> Deloitte Access Economics and the Australian Council of Social Services, *Estimating the economic impacts of lowering current levels of income support payments (2020)* 18 <https://www.acoss.org.au/wp-content/uploads/2020/09/Final-ACOSS-Coronavirus-Supplement-to-ACOSS-09.09.2020.pdf>
- <sup>9</sup> **yourtown** and the Australian Human Rights Commission, *The impacts of COVID-19 on children and young people who contact Kids Helpline* (September 2020).
- <sup>10</sup> Melbourne Institute, 'Who's hit hardest by the economic effects of COVID-19: Evidence from the Household, Income and Labour Dynamics (HILDA) Survey on the characteristics of people likely to be experiencing the worst economic effects of COVID-19' 10/20 *Research Insights* (May 2020) 8.
- <sup>11</sup> Deloitte Access Economics and the Australian Council of Social Services, *Estimating the economic impacts of lowering current levels of income support payments (2020)* 31 <https://www.acoss.org.au/wp-content/uploads/2020/09/Final-ACOSS-Coronavirus-Supplement-to-ACOSS-09.09.2020.pdf>
- <sup>12</sup> Department of Home Affairs, Temporary entrants visa holders pivot table (30 September 2020) <https://data.gov.au/data/dataset/temporary-entrants-visa-holders>
- <sup>13</sup> See Australian Government, 'Government response to Coronavirus', *Social Security Guide* (Version 1.274, 9 November 2020) <https://guides.dss.gov.au/guide-social-security-law/coronavirus> ; Australian Tax Office, 'Your eligible employees', Jobkeeper Payment (Web page, 21 October 2020) <https://www.ato.gov.au/General/JobKeeper-Payment/Employers/Your-eligible-employees/>
- <sup>14</sup> Laurie Berg and Bassina Farbenblum, *As if we weren't humans: The abandonment of temporary migrants in Australia during COVID-19* (Report, 17 September 2020) <<https://www.mwji.org/covidreport>>. See also Unions NSW, No worker left behind: Survey results (Report) <https://tramandbusexpress.com.au/no-worker-left-behind-unions-nsw-survey-results-2020/>
- <sup>15</sup> Australian Red Cross, *COVID-19 impacts us all: Ensuring the safety and well-being of people on temporary visas during COVID-19* (Report, 2020) 10 <https://www.redcross.org.au/getmedia/0a4ca4bb-c5b9-4b6b-89e9-ff90df3a01fc/Australian-Red-Cross-COVID-19-TempVisa-Report-web.pdf.aspx>
- <sup>16</sup> Australian Human Rights Commission, *Lives on hold: Refugees and asylum seekers in the 'Legacy caseload'* (Report, 17 July 2019) <https://humanrights.gov.au/our-work/asylum-seekers-and-refugees/publications/lives-on-hold-refugees-and-asylum-seekers-legacy>