



Committee Secretary
Senate Standing Committees on Community Affairs
PO Box 6100
Parliament House
Canberra ACT 2600

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

Dear Secretary

I am writing on behalf of Anti-Poverty Week to urge the Committee to recommend against reducing the Coronavirus Supplement from 1 January 2021 and to ensure that all income support payments remain well above the poverty line.

*Anti-Poverty Week supports the Australian community to have an increased understanding of poverty and to take action collectively to end it. We are a diverse network of individuals and organisations who share this purpose and we focus our activity each year in the week around the United Nations Day for the Eradication of Poverty on 17 October. Our key message is **Poverty exists. Poverty hurts us all. We can all do something about it.** It is one of hope, not despair.*

Since the bushfires and COVID-19 pandemic in 2020 we have been focusing on the need to keep income support payments above the poverty line as well as ensuring all Australians have a safe, affordable place to call home (and supporting the [Everybody's Home](#) campaign). We have warmly welcomed the Federal Government's introduction of the \$550 per fortnight Coronavirus Supplement to income support payments including Job Seeker. It has helped protect from poverty more than 3.3 million Australians (including 1.1 million or 1 in 5 children). That has been documented by [research](#) conducted by Ben Phillips and colleagues at the Australian National University as well as numerous community surveys of recipients. That includes **one conducted by the National Council of Single Mothers & Their Children** as part of their [550 Reasons to Smile](#) campaign which found 94% of respondents said it was either critical (76.5%) or very important (17.5%) to keep the Coronavirus Supplement of \$550 per fortnight.

"When the \$550 ends I dread living like before again. I dread the kids going without. I dread the hunger, and fear of homelessness."

"I lost my job through no fault of my own through covid lockdown and will not get be getting it back unfortunately... without the CVS I would not be able to afford everyday living expenses and I am concerned about what will happen when it finishes..."

More than 630 recipients responded to the survey by 8 September and CEO Terese Edwards said: *“the supplement is helping women get the bond together to leave a situation of domestic violence, buy a family computer so kids can home school, put healthy food on the table three times a day and make it possible to repair cars and pay for other essentials like regular medication.”*

Anti-Poverty Week, like many of our supporters and partner organisations, is deeply concerned that the reduced rate of Coronavirus Supplement announced on November 10 and enabled by this Social Services and Other Legislation Amendment (Extension of Coronavirus Support) Bill 2020 will create unnecessary poverty and hardship for millions of Australians. The Coronavirus Supplement was paid to around **2.2 million social security recipients** on 9 October including 1.578 million relying on unemployment payments – 1.414 million receiving JobSeeker and 163,645 receiving Youth Allowance Other. Other payments receiving the Supplement include Parenting Payment Single and Partnered; AUSTUDY and Youth Allowance for students and apprentices.

The Department of Social Services has said they expect the number of people who will need unemployment payments to increase to 1.8 million by December. That will mean there will be close to **2.5 million adults and more than 1.1 million children** affected by the decision to cut payments by \$50 a week. That decision puts the base rate of payments to only \$51 a day or \$357 a week from 1 January to 28 March. This is \$100 a week below the poverty line for a single person. Commonwealth Rent Assistance, an additional payment available for some, hasn't been increased in real terms in 20 years. Too many Australians were already experiencing deep poverty before the Supplement was introduced. Mothers' skipped meals to feed their children, people missed out on necessary medications and some older people went to bed at 5pm in winter because they couldn't afford to warm their homes. As stated in your Committee's [Report of the Senate Inquiry into the Adequacy of Newstart](#) (released 30/4/20):

“In her submission, Aeryn explained how a small increase to Newstart would enable her to afford many basic essentials and concluded: But most importantly, I'd no longer be just surviving or even barely existing. I could afford to live.”

Regarding the central question, whether the payments were adequate, the Committee view was (section 2.124-2.127):

“In a wealthy country like Australia, no one should be forced to forego meals in order to pay for medications or housing. The committee heard throughout the inquiry distressing accounts of deprivation, highlighting the daily struggles of those living below the poverty line... Alarming, these lived experiences of poverty and extreme deprivation are those of people who do receive income support payments. They have not fallen through the cracks of the welfare system. Rather, the current system is failing them. The Australian income support system is clearly not meeting its objective of ensuring a minimum standard of living for all.”

In June 2020 more than 1.7 million households were relying on Commonwealth Rent Assistance, including many who have become unemployed due to the COVID-19 pandemic and subsequent economic shut-downs. As the special edition of [Anglicare Australia's Rental Affordability Snapshot](#) revealed, rentals in the lower end of the market have not reduced (and nor are they expect to as more people trade down as the recession continues). While the number of people who have needed DSS unemployment payments since December has increased by 100% to June 2020, the number of JobSeeker recipients needing rent assistance

has increased by 135%. People relying on JobSeeker were paying \$225 per week rent in June and only receiving ~\$66 per week in Commonwealth Rent Assistance (median figures). For a single parent with two children, the median rent paid in June was \$300 per week, the median CRA received was \$73 per week. The full Coronavirus Supplement of \$275 per week was helping fill the gap.

We are concerned that further cut of \$50 a week from 1/1/21, in addition to the \$150 a week from late September 2020 risks greater poverty, hardship and possible homelessness for all who are relying on these critical payments.

We are particularly concerned about the impact on their children. Growing up in poverty is simply bad for children. We have summarised the experience and evidence in our 2020 Fast Fact [Child Poverty in Australia](#). In particular we have drawn from [ARACY research](#) which shows *“Children in monetary poverty (that is children living below the poverty line) suffered effects far wider than just their material basics. For example, they are more than 1.7 times more likely to face food insecurity, nearly twice as likely to lack good relationships with friends and almost two and a half times more likely to be missing out on learning at home”*. We also note that in October 2020 Melbourne University published research that confirmed *“experiencing just a single year of poverty during childhood is associated with poorer socio-economic outcomes in terms of educational attainment, labour market performance and even overall life satisfaction in early adulthood. Children from poor households are 3.3 times more likely to suffer adult poverty than those who grew up in never poor households. (See [Does poverty in childhood beget poverty in adulthood in Australia?](#) by Dr Esperanza Vera-Toscano & Professor Roger Wilkins.)*

We all hope the economy and jobs market make a strong recovery from this terrible recession but that’s not going to be by March 2021. As one of the wealthiest nations in the world, we can and must protect those most vulnerable. It’s simply the right thing to do.

You can also see more at the [Anti-Poverty Week website](#) including our Fast Facts [Poverty in Australia](#) and [Poverty and Housing](#). Please contact our Executive Director Toni Wren on ed@antipovertyweek.org.au for further information.

Yours sincerely

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