



5 March 2021

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

Dear Secretary

RE: Social Services Legislation Amendment (Strengthening Income Support) Bill 2021

I am writing on behalf of Sacred Heart Mission (SHM), a not-for-profit organisation based in St Kilda, Victoria that has been delivering services and programs for people experiencing homelessness and long-term disadvantage over 36 years. SHM is committed to programs that build people's strengths, capabilities and confidence to participate in community life. We are one of Victoria's leading agencies working with people who are experiencing deep, persistent disadvantage and social exclusion, particularly people experiencing long-term homelessness.

We are deeply concerned by the Government's decision to end the coronavirus supplement, in effect cutting the current rate of the jobseeker payment to \$44 per day – a rate that is severely inadequate, and cruel to people who are experiencing unemployment. The proposal to end the coronavirus supplement, currently at \$150 per fortnight, but increase the base rate of the JobSeeker payment (currently at \$565.70) by \$50 per fortnight completely ignores calls from across the political spectrum that the rate of income support payments should not allow recipients to live in poverty.

In 2020, the Australian Government did a humane and decent thing in response to the sudden economic and social shock that is the COVID-19 pandemic. It recognised that because we needed to dramatically reduce community movement and prevent the spread of the virus, people would not be able to engage in their usual employment, and that a majority of businesses would suffer and need to let staff go. The Government prevented this by implementing JobKeeper, and by raising the rate of JobSeeker, effectively doubling it to a rate that people could survive on, as well as waiving waiting periods and mutual obligation requirements, so that those people who lost their jobs would be able to keep feeding their families and paying their rent, mortgages and bills. Australians are grateful that we went into lockdowns when we needed to, and the virus did not run rampant in our community and cause an immense amount of illness and death, as many countries are experiencing; but the COVID-19 pandemic has caused a global state of disaster that will take decades to recover from.

We applauded the Government for finally listening to calls from the community sector, economists, academics and politicians across the political spectrum that \$40 a day, the prior rate of Newstart was not liveable, and that it caused people to live in poverty. We have continued to advocate for a higher rate of the JobSeeker payment – but an increase of \$3.57 per day – less than the cost of a public transport fare in Melbourne – is not a true increase. \$44 per day is nowhere near enough for someone to survive and is



well under half the minimum wage. It will be the cause of greater poverty in this country, at a time when people have already suffered so much. This paltry increase will cause even more suffering and push more Australians into the cycle of poverty and homelessness.

Since the coronavirus supplement was implemented, SHM clients told us that they could finally afford essential medications, to run their refrigerators and heaters, and purchase healthy fresh food when they had been previously been subsisting on canned and non-perishable items. That they could afford three meals a day, when they were used to skipping meals and feeding their children before themselves. That they could finally replace a pair of shoes that were full of holes and no longer waterproof. They will now have to go back to going without and making difficult choices about buying medicine and other essential items or paying their rent. In a wealthy country like Australia, it is completely unacceptable, and it's cruel.

We also object to the tightening of mutual obligation requirements – in complete contradiction to what was recommended in April 2020 by this Committee, that supported the findings of the Department of Education, Skills and Employment's Expert Advisory panel in 2018 that employment services, especially those required to receive income support payments needed to build trust, be user friendly and personalised, and provide additional support to address long-term disadvantage and unemployment, designing a plan to increase someone's chances to gaining stable employment and provide them genuine choices in this process. The longer someone remains unemployed, the harder it is for them to re-engage in the workforce – without the right support, people are at risk of languishing in the income support system long-term. It is extremely disheartening that the government has not heeded the advice of its own reviews to build a better system that genuinely supports Australians into the workforce.

According to our most recent client survey, over 30 per cent of SHM clients are actively looking for work, however, many do not have the skills to immediately participate in existing work readiness and employment support programs, nor are those services able to provide the level of support they need.

Australia already has one of the strictest systems for income support compliance, but people experiencing disadvantage are not being supported into the workforce under the current system – employment services must move towards a targeted approach that provides intensive support to those who need it, and a 'light-touch' approach for those who are more likely to find work on their own. Put simply, under the tougher mutual obligation requirements, people will be forced to apply for 20 jobs a month, regardless of what they are or if they are aligned to someone's skills, experience, and interests; without being more likely to obtain a job.

Australia's economy is still recovering from the COVID-19 pandemic, with many businesses still not able to return all their previous employees to the workforce, and some will inevitably fold. There is one job for every nine people seeking work – and focusing on compliance will not create jobs for those who need them, all it will do is demonise those who are unemployed, and encourage a culture of division within Australian society, and a lack of trust in those who are doing it tough.

At Sacred Heart Mission, we see first-hand how the inadequacies of the income support system play out in the lives of recipients who have been living well below the poverty line



for many years. Every day around 400 people attend SHM's two Engagement Hubs, which provide access to the necessities of life - healthy food, showers, laundry facilities and medical assistance through our GP clinic. The hubs also facilitate access to our case management services and referral to specialist services. Many of our clients live on the JobSeeker payment and cannot meet their needs without assistance from us and other similar services. Even with the additional supports provided by the Government due to the COVID-19 pandemic, we did not see a drop in people visiting us for meals – even though those meals needed to be provided as a take-away only service due to restrictions. We have also found that many of our clients are not experiencing primary homelessness – they are housed, but in tenuous situations or are struggling to make ends meet and need our support. The proposed changes to JobSeeker will let those people down again and entrench poverty in more people's lives.

For people who have experienced deep disadvantage, trauma, and social exclusion, their capacity to participate fully in community life is deeply affected. Trauma can be both a cause and consequence of homelessness, and repeated exposure to trauma while experiencing homeless and its long-term impacts cannot be understated. Many find it difficult to access and remain engaged in meaningful activities such as social participation or employment – even more of a reason to provide intensive and tailored support to build skills, gain employment and be involved in the community.

Sacred Heart Mission supports the recommendation by the Australian Council of Social Service (ACOSS) to increase the base rate of the jobseeker payment to \$65 per day at a minimum, or \$910 per fortnight – an increase of approximately \$350 a fortnight. Since the coronavirus supplement has been reduced and the total rate of the JobSeeker payment now sitting at \$51 per day, many Australians are being forced to make terrible choices about what they can afford – between bills, food and medication – choices that Australians should not have to make.

It is profoundly evident that lowering the rate of JobSeeker to \$44 per day will not achieve the goal of getting people into the workforce. It is not possible for someone to be able to genuinely seek and obtain employment without their basic needs being met; and \$44 per day will not meet people's basic needs.

Sacred Heart Mission urges this Committee to recommend that the Morrison Government increases the rate of JobSeeker to a minimum of \$65 per day, in line with ACOSS' recommendation and truly reforms the employment services system and mutual obligation requirements to support people into employment. This will reduce poverty, disadvantage and the risks and experiences of homelessness.

Sincerely

Leanne Lewis
Acting Chief Executive Officer
Sacred Heart Mission