



House of Representatives
Standing Committee on Social Policy and Legal Affairs
PO Box 6021, Parliament House
CANBERRA ACT 2600

6 March 2019

Dear Committee

Jesuit Social Services welcomes the opportunity to respond to the *Review of the Social Security Commission Bill 2018*.

As an immediate first step, Jesuit Social Services is calling on the incoming Federal Government to raise the single rate of Newstart, Youth Allowance and related payments by a minimum of \$75 per week, as called for by the Australian Council of Social Service (ACOSS).

Jesuit Social Services supports the proposal to establish an independent Social Security Commission, as set out in the Social Security Commission Bill 2018, to ensure people in need have access to fair and adequate support.

Jesuit Social Services: Who we are and what we do

Jesuit Social Services has over 40 years' experience working with individuals and communities experiencing disadvantage. Our work draws our attention to the multiple and interrelated factors that cause disadvantage, push people to the margins, diminish communities' capacity to shape their future, and damage the natural environment we all depend on.

The people we work with are often experiencing multiple and complex challenges and face significant barriers to social and economic inclusion. We accompany them, address their needs and partner with community, business and government to support them to reach their potential and exercise their full citizenship.

As a social change organisation, we seek to *do* and to *influence* by working alongside people experiencing disadvantage and advocating for systemic change. Our service delivery and advocacy focuses on the key areas of justice and crime prevention; mental health and well-being; settlement and community-building; education, training and employment; gender and ecological justice.

A fairer income support system

There has been ongoing underinvestment in the social safety net and a lack of coordinated measures to lift the most disadvantaged out of poverty. This is starkly represented by the stagnant rate of Newstart Allowance, which has not increased in real terms since 1994.

An October 2018 report by the Australian Council of Social Service (ACOSS) in partnership with the University of New South Wales found that more than one in eight people in Australia (13.2 per cent) are living below the poverty line.¹ The report also found that those experiencing poverty at the highest rates are those relying on social security payments such as Youth Allowance and Newstart, underlining the importance of reforming the income support payments system to bring it up to standard.

¹ Davidson, P., Saunders, P., Bradbury, B. and Wong, M. (2018) *Poverty in Australia, 2018*, ACOSS/UNSW Poverty and Inequality Partnership Report No. 2, Sydney: ACOSS.



Increasingly, there is broad community support for a fairer system. A June 2018 Guardian Essential poll found that 70 per cent of people agreed that a fair government would raise the rate of Newstart, Youth Allowance and related payments to ensure everybody has enough to live on while they look for paid work.²

Jesuit Social Services is calling on the incoming Federal Government to raise the single rate of Newstart, Youth Allowance and related payments by a minimum of \$75 per week, as called for by the Australian Council of Social Service (ACOSS).

Jesuit Social Services' research has consistently demonstrated the concentrated and overlapping nature of disadvantage. In 2015, Jesuit Social Services, along with Catholic Social Services Australia, released the findings of its fourth *Dropping off the Edge* report, which clearly showed that complex and entrenched disadvantage is experienced by a small but persistent number of locations in each State and Territory across Australia.

Accessing income support should not be viewed as a problem in and of itself but, rather, as a symptom of the intergenerational disadvantage that some individuals and communities experience. The geographic concentration of disadvantage demonstrated in research such as *Dropping off the Edge* should demand the attention of governments. As people in the most disadvantaged postcodes become increasingly disenfranchised, costs to government also increase in terms of law enforcement, the justice system and health.

For many of the people we work with who are experiencing disadvantage and marginalisation, inadequate income support is compounded by the challenges they face in obtaining employment. The federal employment services system, with its focus on compliance and meeting narrowly prescribed outcomes, is clearly failing the most disadvantaged people.³ As at August 2018, almost two-thirds of people in jobactive had been in the system for more than 12 months, and one in five for more than five years.⁴ The most disadvantaged people in particular are not receiving the tailored support they need. Research suggests that, on average, employment services consultants have 148 people on their caseload.⁵

Jesuit Social Services supports the overall objective of the Social Security Commission Bill 2018 to institute an evidence-based approach to identifying the appropriate rate of social security payments.

The bill's proposal to establish an independent Social Security Commission to advise the Parliament on future changes to income support rates would be a positive step to ensuring people in need have access to adequate support.

Yours sincerely



Julie Edwards – CEO, Jesuit Social Services

² The Guardian Essential Report (June 2018) <https://www.theguardian.com/australia-news/ng-interactive/2018/jun/05/the-guardian-essential-report-5-june-results>.

³ Jesuit Social Services, October 2018, Submission to the Senate Education and Employment References Committee's *Inquiry into the appropriateness and effectiveness of the objectives, design, implementation and evaluation of jobactive*.

⁴ Employment Services Expert Advisory Panel (2018) *I want to Work, employment Services 2020 Report*, https://docs.jobs.gov.au/system/files/doc/other/final_-_i_want_to_work.pdf.

⁵ Ibid.