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**Submission Date: 27 Feb 2019**

**Submission Closed: 1 March 2019**

House of Representative Committees

Standing Committee on Social Policy and Legal Affairs

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### **Scholarly Analysis on Social Security Commission Bill 2018**

#### **1. Studies by ACOSS**

The Social Security Bill 2018 seeks to conduct reviews of social security payments, including recommendations for increases to payments where needed. The Commission would submit its recommendations to the relevant Minister, and the government would be required to respond. The reports of the reviews would also be tabled in Parliament and available to the public.

The studies of ACOSS indicates, though the bill has been amended before the Senate, however, it still imposes a four year wait to access New Start, hurting people most in need. It will also, for the first time, impose a one year wait to access Family Tax Benefit Part A, which is crucial payments for low -income families, including families without paid work and families on the minimum wage trying to give children the best start in life.

*ACOSS Recommendation 12 - Budget Priorities Statement, Federal Budget 2019-20 states 'a statutory Social Security Commission would provide independent expert advice to the Parliament about setting of security payment rates (including family payments), covering adequacy, means test settings and indexation.'* This measure would enable a fairer approach to social security design.

Around 25,000 people across the country are subjected to the "quarantining" of their social security payment (controls over their spending) largely because of where they live, the type of payment they receive and, for some, the length of time they have received their payment. There is no reliable evidence that this kind of intervention improves people's lives. Government must conduct genuine engagement with people subjected to cashless debit and income management about how to best address problems affecting them and their communities. **ACOSS Recommendation 13- Budget Priorities Statement, Federal Budget 2019-20 states 'compulsory income quarantining should cease,**

with participants given the option to continue cashless debit or income management arrangements on a voluntary basis or leave the schemes.'

More than one in six children live in poverty, with children in single parent families at the highest risk of living in a household that cannot afford the essentials. Government policy changes have reduced the incomes of single parent families, which has led to increase in child poverty. ACOSS suggest payments for these families and improve access to regular, secure employment to ensure no child lives in poverty in Australia. Priority should be given to payments to compensate for the extra costs of raising a child alone, and payments for older children (who are more expensive to raise).

**ACOSS Recommendation 11: To reduce child poverty:**

1. Family Tax Benefits should be benchmarked to the costs of children as they grow older.
2. Family Tax Benefit Part B should be replaced with Single Parent Supplement for single parent families, reflecting the diseconomies of scale experienced by single parents.
3. As a starting point, the Supplement should be set at a level that brings single parent families with children in the middle and teenage years at least up to the same income level as families with children under 8 years (currently receiving Parenting Payment Single), in conjunction with proposed increase in unemployment payments.

The biggest risk of living in poverty in Australia is to receive Newstart, Youth allowance or another allowance as the sole source of income. These payments have not been increased in real terms in 25 years and trap people in poverty as a matter of urgency.

**ACOSS Recommendation 10 Raise the rate of Newstart, Youth Allowances or related payments for single people by a minimum of \$75 per week, and index these payments to wages. The immediate increase should apply to:**

- Newstart Allowance (including the single parent rate)
- Youth Allowance (both away from home rates for student/ apprentice and Other)
- Austudy
- Abstudy
- Sickness Allowance
- Special Benefit
- Widow Allowance
- Crisis Payment

Seven in ten of us will live in a household that receives social security at some stage of our lives. Our social security system is one of the most important pieces of civic infrastructure we have. Without it, there would be widespread destitution, hunger, and sickness. Our social security system should therefore be a source of great pride, given its role in our society. However, in recent years, the safety net has been systematically weakened through social security cuts that have hurt those on lowest incomes, an increase in conditionally tied to payments, and unfair criticism of social security recipients which implies people receiving social security are deficient in some way.

**2. Studies by VCOSS**

*a) Expand and integrate homelessness prevention services*

- the only way to eliminate homelessness in the long term is to stop people becoming homeless in the first place. This means having services in place to help people as soon as

their housing comes under threat, and help people leaving prisons, mental health and residential care find a home;

- Victorian Government programs to help people avoid homelessness are haphazard, poorly funded and often not integrated. Homelessness prevention services should ‘wrap around’ people at risk of homelessness, and include tailored assistance, legal services and financial support. For example, an integrated service could provide legal advice while negotiating with landlords to resolve tenancy problems (including by repairing damage or addressing rent arrears), working with people to improve living skills to curb behaviour that may lead to eviction, and providing financial strategies to tenants struggling to pay rent.
- Mandate universal housing standards.

*b) Directly hire more people facing disadvantage*

- Unemployment is both a symptom and a driver of disadvantage. By directly hiring people disadvantaged backgrounds, such as Aboriginal Victorians and people with disability, the Federal and the Victorian Governments can change the trajectory of these cohorts and reduce the entrenched disadvantage they face. There are broader groups of people experiencing disadvantage who can also be assisted by public sector employment, and this should be encouraged, but it is useful that the Victorian Public Service Commission already monitors the proportion of aboriginal people and people with disability in the public sector employment (*Victorian Public Service Commission, The State of the Public Sector in Victoria, 2015-16*).
- The rate of unemployment among Aboriginal Victorians remains almost three times higher than the state unemployment rate (Australian Bureau of Statistics, National Aboriginal and Torres Strait Islander Social Survey, Australia, 2014-15, cat. No. 4714.0 April 2016 ). As of May 2016, about 0.9 per cent of the Victorian public sector workforce identifies as Aboriginal, slightly higher than the Victorian population of 0.7 per cent. However, these employees commonly held low paying positions (Victorian Public Sector Commission, *The state of the public sector in Victoria 2015-16*, amended February 2017, p.31)