

Committee Secretary  
Senate Standing Committees on Community Affairs  
Inquiry into the Social Services Legislation Amendment  
(Strengthening Income Support) Bill 2021  
PO Box 6100  
Parliament House  
Canberra ACT 2600

Via email: [community.affairs.sen@aph.gov.au](mailto:community.affairs.sen@aph.gov.au)

Dear Committee Secretariat

**SUBMISSION: SENATE COMMUNITY AFFAIRS LEGISLATION  
COMMITTEE (STRENGTHENING INCOME SUPPORT BILL  
2021)**

ACTCOSS welcomes this opportunity to make a submission regarding the Social Services Legislation Amendment (Strengthening Income Support) Bill 2021.

The ACT Council of Social Service (ACTCOSS) advocates for social justice and represents not-for-profit community service organisations in the ACT.

Regarding JobSeeker, ACTCOSS advocates for an increase of at least \$25 a day on top of the old Newstart rate of \$40 a day – to bring the JobSeeker rate to \$65 a day. This increase would ensure a better, more affordable and more sustainable quality of life for many of the 38,000 ACT residents who are currently living below the poverty line in a city with high costs of living.

As at 12 February 2021, there were 12,214 Canberrans receiving income support while looking for work. This is almost double the figure of 12 months ago. Health and economic shocks like COVID-19 reminds all of us that we may, one day, need to rely upon income support. Furthermore, the COVID-19 health and economic crisis has highlighted the need for an income support system that is responsive, sustainable and designed to lift people out of poverty, rather than entrench poverty.

As it stands, the Social Services Legislation Amendment (Strengthening Income Support) Bill 2021 would increase the maximum basic rates of working age social security payments by only \$50 per fortnight. This would leave single Canberrans on JobKeeper with just \$312 per week for essentials of life such as housing, food, transport and medical expenses. This is \$145

below the poverty line of \$457 per week for a single person and well below the amount needed to survive in a city with high costs of living.

ACTCOSS's cost of living reports have persistently shown that people in the ACT face relatively high costs of living for housing, transport and utilities as compared with other jurisdictions. Housing is the most significant of these costs, with 43% of low-income rental households in the ACT experiencing housing stress, paying over 30% of their household income on rent. Further, the latest Anglicare Australia Rental Affordability Snapshot undertaken in August 2020, found that of the 768 private rentals advertised in the ACT, only one was affordable for a JobSeeker recipient with the Coronavirus Supplement. With the increase to JobSeeker proposed in the Strengthening Income Support Bill 2021, there would be no affordable private rental properties in the ACT or Queanbeyan available to a person receiving JobSeeker.

Already, at \$51 a day with the temporary Coronavirus Supplement, people on JobSeeker are being forced to choose between housing, food, medications, basic toiletries and paying bills, with no money left over for emergencies. At the new proposed rate of \$44 a day, vulnerable Canberrans will have to make even tougher decisions.

The decision to raise the JobSeeker rate by only \$3.57 a day is woefully inadequate and will continue to see thousands of Canberrans in poverty and struggling to pay for basics including food, rent and medical care.

At income support community forums held by ACTCOSS on the old Newstart payment, Canberrans told us that they experience housing, food and health stress as a result of the low rates of payments. For example, prior to the implementation of the Coronavirus Supplement, a single mother receiving income support said that she consistently skipped meals during her pregnancy as she could often only afford to eat once a day.

Another woman on Newstart told us that she paid \$175 per week on rent, which left \$100 for food, electricity, medication, phone, internet and travel, with nothing left to treat her medical condition which was the reason she was unable to work.

Recent research from the Australian National University indicated that the 2020 Coronavirus Supplement of \$550 a fortnight and the JobKeeper payment of \$1,500 per fortnight significantly reduced poverty rates across the ACT. As the Coronavirus Supplement

was reduced in September 2020, poverty rates rose above pre-COVID levels.

A meagre increase of \$50 per fortnight would return us close to the levels of the former Newstart payment which were widely acknowledged as inadequate. Changes to income support including the introduction of the supplement have impacted poverty rates no matter where people live in Canberra.

**Impact of the introduction and reduction of Coronavirus Supplement on poverty rates, ACT, March – October 2020**

Region	March 2020 Poverty Rate	June 2020 Poverty Rate	October 2020 Poverty Rate
Belconnen	7.5%	5.7%	10.5%
Gungahlin	5.7%	4.7%	9.1%
North Canberra	8.9%	8.5%	11.9%
South Canberra	5.3%	4.4%	7.5%
Tuggeranong	6.4%	5.1%	10.1%
Weston Creek	5.6%	4.2%	8.3%
Woden	5.1%	4.0%	7.6%

**Source: B Phillips, unpublished data, ANU Centre for Social Research and Methods, Canberra, October 2020**

Services and community organisations in the ACT have expressed concern to ACTCOSS that the impending reduction in income support payments as the Coronavirus Supplement ends will result in financial stress, increased mental health crises and incidents of family violence.

We also note that there are economic benefits from sustainable rates of income support and economic costs if these payments are inadequate. In September 2020, a Deloitte Access Economics report commissioned by ACOSS, found that removal of the Coronavirus Supplement would result in the loss of a further 1,120 full-time equivalent jobs in the ACT in 2021-22. Based on the number of Canberrans currently receiving working age social security payments, the removal of the \$150 per fortnight Coronavirus Supplement and the introduction of a \$50 per

fortnight increase to payments would see a loss of around \$2 million each fortnight from the ACT economy from 1 April 2021.

We implore the government to permanently lift social security payments above the poverty line by increasing the JobSeeker rate to \$65 a day. We also join ACOSS in advocating for regular indexing of income support payments to median wages as well as establishing a Social Security Commission to guide the parliament on income support payment adequacy and other settings over time. This would ensure a social security safety net that is sustainable, fair and benefits everyone.

Please feel free to contact me on (02) 6202 7200 or 0424 910 617 to discuss this submission.

Yours sincerely,

A handwritten signature in black ink that reads "Emma Campbell." The signature is written in a cursive, flowing style.

Dr Emma Campbell  
Chief Executive Officer

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4 March 2021