

Social Services Legislation Amendment Bill 2021 (Strengthening income support)

Baptist Care Australia

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About Us

Baptist Care Australia is the national representative body for Baptist community service organisations and their clients in the national policy debate. We work to bring social justice to Australian communities, advocating nationally on issues important to our members.

A core principle in our work is to make sure that the interests and voices of marginalised people are heard when decisions are made that affect them. Our vision is a nation of hope-filled, purposeful people, building communities where every voice is heard. Our advocacy work seeks to help realise this aspiration.

Baptist Care Australia members serve people in aged care, retirement living, those affected by family violence, experiencing homelessness, on low incomes, experiencing relationship breakdown, living with a disability, and affected by multigenerational disadvantage.

Services provided include crisis accommodation, social and affordable housing, out of home care for children, counselling, education, no and low interest loan schemes, and other programs that help people rebuild their lives or live independently with the right support. Aged Care Services include home services (both through the Commonwealth Home Support Program and Home Care Packages), residential aged care and respite. Additional services provided by members include post-acute care with public hospitals, Veterans homecare services and fee for service homecare for clients.

With a combined annual turnover of \$800 million – of which around 80% is attributed to aged care activity, Baptist Care Australia members employ over 10,000 staff and engage with more than 3,000 volunteers annually.

Baptist Care Australia is a company limited by guarantee, a registered charity and a public benevolent institution.

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Introduction

Baptist Care Australia welcomes the opportunity to provide a submission to the *Social Services Legislation Amendment Bill 2021*.

Baptist Care Australia acknowledges the work of the Federal Government to commit to equitable income support for Australians and to ensure that everyone has a 'fair go'. Baptist Care Australia underlines that everyone in Australia should have access to decent and appropriate income support. Baptist Care Australia is concerned about the ever-increasing gap in household incomes. A recent studyⁱ published by the Australian Council of Social Service in partnership with the University of New South Wales showed a widening household income gap in Australia and an increase in wealth inequality. The study indicated that about 1.5 million people rely on Jobseeker and Youth Allowance payments and 3.5 million people are supported by JobKeeper wage subsidies.

Baptist Care Australia expresses its support for the key reform principles for income support as outlined by the Australian Council of Social Service (ACOSS) in July 2020ⁱⁱ:

- Rates of income support should be based on need (household cost of living) and how much paid work or other income is being received, not a person's previous income, notions of who is more deserving, how old a person is or their dependent children are, or their assessed "capacity to work".
- Assessment of current need should be based on minimum costs for each household type, with supplements for major variable expenses (e.g. rent, costs of disability, illness or single parenthood).
- The establishment of an income floor under which no one falls to protect people from homelessness, hunger, poverty and chronic social isolation. The income floor should be set above the poverty line (50% of median income) and also prevent material deprivation.

Baptist Care Australia will focus in this submission particularly on JobSeeker payments.

JobSeeker

Baptist Care Australia is opposed to the recent proposed changes by the Federal Government to the level of income support, including JobSeeker. We underline that \$44 a day is insufficient for people who depend on Jobseeker to cover the essentials of life, including rent and the cost of job searchingⁱⁱⁱ. Baptist Care Australia joins the many other voices across the spectrum of social welfare and peak policy groups, including ACOSS, advocating for a more substantial increase in the JobSeeker rate. We are concerned that the Federal Government's deliberations to increase JobSeeker by only \$3.57 a day will lead to thousands of people being evicted, tens of thousands of people unable to treat illnesses and injuries, and millions of people, including one million children, going cold and hungry.

We also highlight that harsher mutual obligation requirements, including a return to face-to-face meetings with job providers, will just make life even tougher for millions of people without improving their job prospects. We note that an expert panel review of *JobActive* recommended that to fix mutual obligations, it would be required to build trust, be user friendly and to take a human, personal approach to the individual circumstances of someone affected by unemployment by designing a plan that increased people's chances of getting into employment^{iv}.

When the JobSeeker Coronavirus Supplement ends on March 28, According to *Everybody's Home*^v, it is expected that we will see an increase in housing stress and homelessness in Australia, with those receiving the payment forced to live on \$80 less per week than the poverty line amount.

We note there is significant evidence that indicates that an increase in JobSeeker will not only help to create jobs but will also be beneficial to the economy^{vi}. Therefore, we argue that it is even more important to substantially raise the level of JobSeeker payments.

Recommendations

1. That the Australian Senate refrains from passing the proposed *Social Services Legislation Amendment (Strengthening Income Support) Bill 2021* in its current form.
2. That the Federal Government considers substantially increasing income support payments, including JobSeeker.
3. That an independent expert body is formed to determine appropriate levels of income support payments - including JobSeeker.

Case Study – Shane - Client at BaptistCare HopeStreet Port Kembla

Baptist Care Australia has provided a case study from its network to illustrate the hardship that people on JobSeeker experience.

Qualified and working as a chef for 14 years, Shane became a labourer when the hospitality lifestyle and difficult hours became hard to manage.

After finding work as a labourer in a hydraulic workshop, Shane was laid off two years ago with a few other colleagues, when business started to quieten down.

In his late 40s now, Shane has spent the last two years unemployed, searching for work, and living off JobSeeker – a difference [decrease] of \$1100 a fortnight from what he was earning as a labourer.

To make ends meet, Shane finds cans and bottles to recycle at local recycling centres. Without a car, he walks 20 minutes each way with the recyclables and gets approximately \$15 a month for his efforts.

He laughs; “It’s not much, but it’s something.” In reality, it’s probably a week worth of dinners for Shane, who is also extremely careful with what he spends.

“Mate, I watch what I spend. It ends up affecting my diet; food is a priority for me, it’s an instinct, to look after myself. So there’s no steak or lamb, but looking and saying, ok, what can I get a lot of for a little price. There’s only a certain amount of pasta, rice, sausage and mince you can eat. It goes a long way and fills you right up though.”

“I was also given some power saving light bulbs as they use a heap less power. That saves me a couple of dollars.”

Shane is motivated to work and explains he’s been employed since Year 10, and in the last two years has looked everywhere, from local supermarkets to the butcher.

“People think you’re a dole bludger. But I’m not just a dole bludger. This is happening here. I’ve put my name down to volunteer, and I’m looking for jobs.”

“I told the butcher, I’ll go out the back and wash up for ya and he looked at me and said by law I have to put you down as what you’re qualified as, and I can’t afford you.”

"I understand that, and even said, look you can pay me \$12/hour or give me some meat in exchange for a couple of hours a day, but he said we have to do it properly, and so it just hasn't been possible."

"I've asked to push brooms, be a cleaner or trolley boy, but a few of these places just want younger kids, they're cheaper. Look I guess my age has got something to do with it."

"I'm in a scenario where I'm over or under-qualified."

Housing wise, Shane lives in a one-bedroom unit where it recently took four months for his kitchen sink to be repaired.

"Some people would think it's a bit of a horrible place, but I can't afford anything else. I know there's nothing special about it, its cheap accommodation."

When asked how the last two years have been for him physically, mentally and emotionally, Shane replied, "I can answer all of them in one go: no good at all."

"Mentally, I have days where I'm just bummed out. You feel a bit useless."

Shane's story is one of motivation, to work, to stay positive and look on the bright side of life. But BaptistCare HopeStreet Manager in Port Kembla, Dianne, explains many people would be shocked to live in these conditions, and wouldn't cope, let alone be happy.

"Shane is such a great guy, and he's doing his absolute best with what he has. Shane has become used to this now, and he's incredibly positive. But if you stand back, it's not a situation that currently gives him great dignity, hope for a future, or the opportunity to contribute using his skills and strengths."

"He wants to work and wants to build his future, but between the lack of employment opportunities and minimal Government support payments, he's stuck."

"How much longer should we ask people like Shane to live like this, in a holding pattern where the only people that have his back is places like HopeStreet?" asks Dianne.

For Shane, HopeStreet is a place he can find support, friendship and hope. He has breakfast and lunch at HopeStreet most days unless he's out looking for work.

"Day to day, I try to stay positive. I just got to look on the bright side. Coming to HopeStreet, there's a mix of clients and staff. It gets me out of my unit. Talking, and coming up here, it helps a lot. We all sit here and chat, get it off our chest, and it makes us feel better. It's not like we're just flyscreens on a submarine, ya know?"

At the end of March, JobSeeker will change things again for Shane.

"Looks like I'll have to have smaller meals cause I got to pay for electricity. I'm not silly – I don't have all the lights on when I don't need them on. To be honest, it's going to leave me up the river. I'll just have to do my best to get by."

"Hopefully I won't have to live like this forever."

Conclusion

Wealth disparity has been continuously increasing in Australia over the last years. Major efforts from all sectors of Australian society – including the not-for-profit sector, businesses and government - will be necessary to revert this. One way to change this is to introduce measures that reform the assessment of income support payments based on people's needs. Baptist Care Australia continues to advocate for an increase in income support, such as JobSeeker, as we deem the current income support payments as inadequate. We hope that the presented case study will provide insight into the impact of current decisions and assist in changing the approach of public decision makers and hence help to bring about a fairer and more solidary social security system. Baptist Care Australia looks forward to elaborating on any issues raised in this submission with the Community Affairs Legislation Committee of the Australian Senate.

ⁱ Davidson P; Bradbury B; Wong M & B; Hill P (2020) Inequality in Australia, 2020 Part 2: Who is affected and why Australian Council of Social Service (ACOSS) and UNSW (Sydney). Retrieved from: http://povertyandinequality.acoss.org.au/wp-content/uploads/2020/12/Inequality-in-Australia-2020-Part-2-Who-is-affected-and-why_FINAL.pdf

ⁱⁱ ACOSS, 2020, Next steps for income support, Briefing, July 2020. Retrieved from: <https://www.acoss.org.au/wp-content/uploads/2020/11/Social-security-next-steps-JUL-UPDATED-2-9-copy.pdf>

ⁱⁱⁱ ACOSS, 2021, Raise the Rate for Good, What happened this week and what we need to do next, 26 February 2021

^{iv} ACOSS, 2021, Raise the Rate, Retrieved from: <https://raisetherate.org.au/>

^v Everybody's Home, 2021, Everybody's Home campaign, 25 February 2021, Retrieved from https://twitter.com/_EverybodysHome/status/1364824185445486593

^{vi} ACOSS, 2020, Why government must permanently increase JobSeeker, Youth Allowance and related income support payments, 10 November 2020. Retrieved from <https://www.acoss.org.au/wp-content/uploads/2020/11/Jobseeker-increase-briefing-note-.pdf>