

Committee Secretary
Senate Standing Committees on Community Affairs
PO Box 6100
Parliament House
Canberra ACT 2600
Email: community.affairs.sen@aph.gov.au

Thursday 4 March 2021

ADACAS Submission for Senate Inquiry into the Social Services Legislation Amendment (Strengthening Income Support) Bill 2021

We are writing to affirm that the proposed increase of \$3.57 per day to the base rate of JobSeeker rate is unacceptable: the amount of the proposed increase is far too low.

We join with ACOSS, and others across Australia in seeking a permanent, adequate raise to the rate of JobSeeker. It should be raised to a rate of a minimum of \$65 a day, i.e., the proposed increase should be a minimum of \$25 per day (not \$25 per week).

ADACAS is a disability advocacy service providing individual advocacy to and working with people with disability of all ages (and people who experience mental ill health). We have been operating in the ACT for 30 years, and more recently commenced working also with people with disability living in specific parts of NSW. ADACAS is a member of both the Disability Advocacy Network of Australia, and the Older Persons Advocacy Network, both of which represent organisations working with people with disability across all areas of Australia.

People with disability are over-represented amongst those in receipt of JobSeeker. Analysis of the Department of Social Services' dataset from December 2020 shows that 29% of the people who receive Job Seeker (activity-tested recipients) had been assessed as having "a physical, intellectual or psychiatric impairment, assessed in the last two years, which would prevent them from working 30 hours per week".¹ Given that this figure represents only those who had completed the assessment in the last two years – we would expect that the numbers of people with disability (whether physical, intellectual or those experiencing mental health related constraints on ability to work) in receipt of Job seeker is significantly higher.

Whilst it might be a reasonable expectation that any people with disability would be in receipt of the Disability Support Pension (the pension rate for which is set at a significantly higher level), the figures above clearly demonstrate that this is not the case. People with disability have told ADACAS of the onerous nature of the DSP entry requirements, and appeals processes to enable access.

The progressive tightening of the Disability Support Pension criteria over the last decade or more (changes to impairment tables and the capacity to work assessment expectations) has meant a decrease in the numbers of people in receipt of the Disability Support Pension (DSP) since 2012ⁱⁱ. Through the same period of time, there has been a marked increase in the number of people who are in receipt of Job Seeker (previously known as Newstart).ⁱⁱⁱ

Living with disability chronic conditions or mental ill health, can be expensive^{iv v vi}. Whilst the National Disability Insurance Scheme can assist some people (with costs for support, assistive technology, or vital therapies), NDIS participants form only approx. 10% of people with disability in Australia (there are approximately 4.4 million people with disability in Australia^{vii}, of which 430,000^{viii} are current NDIS participants). Even then – many people with disability have co-occurring illnesses or episodic conditions, for which treatments may be needed, and for which there may also be out of pocket costs.

Before the Coronavirus supplement, the last rise (in real terms) in what was then called Newstart base rate was in March 1994^{ix}. The cost of living has risen substantially over the last 25 years. The rate of Newstart, now JobSeeker has not kept pace.

Post the coronavirus supplement (which ends 31 March) – a return to a JobSeeker rate which is barely above the Newstart rate (approximately \$44 rather than \$40 a day) would require people to return to living below the poverty line^x. Research from ACOSS and UNSW in 2018 stated that “those experiencing poverty at the highest rates are those relying on government allowances”^{xi}, Newstart (JobSeeker by an earlier name) and Youth Allowance being specifically cited^{xii}.

Whilst some people on JobSeeker do receive supplementary payments, the additional amounts can be as low as \$37.40 for a single person for a fortnight (pension supplement to assist with utilities, bills and rates^{xiii}) or \$139.60 per fortnight for a single person living alone (rental assistance^{xiv}). This rental rebate is insufficient given increasing housing costs (as demonstrated in the recent Anglicare report on rental affordability)^{xv}. Housing is a social determinant of health^{xvi}: access to suitable and affordable housing is also one of the primary reasons that people with disability seek individual advocacy from ADACAS.

Poverty can impact very directly on an individual’s health and wellbeing. As at January 2021, there are 13,170 people in receipt of JobSeeker in the ACT^{xvii}. At ADACAS, we know people with disability who when receiving Newstart had to regularly choose between vital medications and food. We know other people with disability on Newstart who were too scared to turn on the heating (even in the depths of winter), as they cannot afford the gas or electricity bills. No-one should be having to make these choices in modern Australia.

In addition, as has previously been pointed out by Mr Ian Yates CEO of the Council of the Ageing (COTA), there are significant groups of people into their 50s and 60s who have found themselves in situations where they are needing to rely on Newstart payments for periods of years^{xviii}. For older people, this impacts their financial security, and their health, both of which can mean increased costs to Government in the longer term.^{xix}

We urge the Senate Inquiry to reject the current low proposed increase which will impact negatively on people’s dignity and human rights, and to work with all parties, and Government to replace this with a minimum increase of \$25 per day.

Please also do not hesitate to contact ADACAS via ceo@adacas.org.au, or via 0417 141 049 or at the office on (02) [6242 5060](tel:62425060) should any further information be needed.

Yours sincerely,

Wendy Prowse
CEO
ADACAS
Ceo@adacas.org.au
Phone 6242 5060 / 0417 141 049

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- ⁱ Department of Social Services (2020). DSS Demographics December 2020, Accessed via: <https://data.gov.au/dataset/ds-dga-cff2ae8a-55e4-47db-a66d-e177fe0ac6a0/distribution/dist-dga-0429d083-d8d2-4fff-bc75-f9100e1723ad/details?q=newstart> in March 2021.
- ⁱⁱ Australian Institute of Health and Welfare (AIHW) (2020) *People with Disability in Australia* report, (Income Support section) accessed via: <https://www.aihw.gov.au/reports/disability/people-with-disability-in-australia/contents/income-and-finance/income-support> in March 2021.
- ⁱⁱⁱ Australian Institute of Health and Welfare (AIHW) (2020) *People with Disability in Australia* report, (Income Support section) accessed via: <https://www.aihw.gov.au/reports/disability/people-with-disability-in-australia/contents/income-and-finance/income-support> in March 2021.
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- ^v Whitty JA, Sav A, Kelly F, King MA, McMillan SS, Kendall E and Wheeler A (2014) "Chronic conditions, financial burden and pharmaceutical pricing: insights from Australian consumers", *Australian Health Review* 2014 Nov, 38(5):589-95, accessed via: <https://pubmed.ncbi.nlm.nih.gov/25099307/> in March 2021.
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- ^{viii} National Disability Insurance Agency (2021), *Quarterly Report: 2020-21 Q2: 2020 in review*, accessed via the NDIS website, <https://www.ndis.gov.au/about-us/publications/quarterly-reports> in March 2021
- ^{ix} Probono Australia (2019) "A sad and sorry history of Newstart", accessed online via <https://probonoaustralia.com.au/news/2019/11/a-sad-and-sorry-history-of-newstart/> in March 2021.
- ^x Coates, B and Cowgill M (2021), "The JobSeeker rise is not enough" *the Grattan Institute Blog*, 24 February 2021, Accessed via <https://blog.grattan.edu.au/2021/02/the-jobseeker-rise-is-not-enough> in March 2021.
- ^{xi} ACOSS and UNSW Sydney (2018), *Poverty in Australia Report*, accessed on 22 July 2019 via: https://www.acoss.org.au/wp-content/uploads/2018/10/ACOSS_Poverty-in-Australia-Report_Web-Final.pdf
- ^{xii} Coates, B and Cowgill M (2021), "The JobSeeker rise is not enough" *the Grattan Institute Blog*, 24 February 2021, Accessed via <https://blog.grattan.edu.au/2021/02/the-jobseeker-rise-is-not-enough-in-March-2021>.
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- ^{xvi} World Health Organisation (2021), Social determinants of health website, accessed via: https://www.who.int/health-topics/social-determinants-of-health#tab=tab_1 in March 2021.
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