



**REF: SUBMISSION TO THE ADEQUACY OF NEWSTART AND RELATED PAYMENTS...
SENATE INQUIRY**

11 September 2019

Chair Senator Wendy Askew
Senate Standing Committee on Community Affairs
PO Box 6100
Parliament House
CANBERRA ACT 2600

Dear Senator Askew

I am the Executive Officer of Community Information & Support Victoria (CISVic), the peak body representing 57 local community information and support services, across 64 sites in Victoria. We are also the lead agency in a consortia of 29 local centres delivering federally funded Emergency Relief under contracts. In the year 2017-2018 we distributed \$1.7 million in emergency relief to community members from 39 sites. Other services provided by our member agencies include: information, advocacy, referral, case management, budgeting assistance, material aid, financial counselling, legal services, No interest loans, tax help, youth services, personal counselling, and settlement support.

Firstly, I would like to thank the Committee for conducting the current Inquiry into the *Adequacy of Newstart and related payments and alternative mechanisms to determine the level of income support payments in Australia*. The Inquiry is certainly timely and crucial. Every day our member agencies are inundated with requests for material and other assistance from people who are trying their best to survive on Newstart and similar payments and just don't have enough to live on. Many of these people are accessing services like ours for the first time in their lives, having led productive lives and suddenly finding themselves out of work or experiencing unexpected life events. This group includes older women who have spent much of their lives caring for others and are less financially secure as a result. Many young people on the Youth Allowance are also struggling to survive, let alone be in a secure position to apply for jobs. This would require adequate funding for housing, food, clothing and public transport at the very least. It is certainly hard for anyone living hand-to-mouth to find work and plan for a future.

The information provided in this Submission specifically addresses four of the Terms of Reference of the Inquiry i.e.:

- h. adequacy of income support payments in Australia and whether they allow people to maintain an acceptable standard of living in line with community expectations and fulfil job search activities (where relevant) and secure employment and training;*
- a. consideration of what constitutes an acceptable standard of living in Australia, including the cost of safe and secure housing;*
- f. impact of the current approach to setting income support payments on older unemployed workers, families, single parents, people with disability, jobseekers, students, First Nations peoples, people from culturally and linguistically diverse backgrounds, people living in regional and remote areas, and any others affected by the process;*
- d. appropriateness of current arrangements for supporting those experiencing insecure employment, inconsistent employment and precarious hours in the workforce.*

Community Information & Support Victoria

Adequacy of income support payments in Australia and whether they allow people to maintain an acceptable standard of living in line with community expectations and fulfil job search activities (where relevant) and secure employment and training (h)

Volunteers and paid staff at our member agencies witness the tragic inadequacy of Newstart and similar payments every day. Most people on these payments just do not have enough funds to make ends meet and are forced to seek out emergency relief to survive. While many are forced to live on a survival level under constant stress, they are unable to lead a decent life according to usual community standards, let alone plan for a hopeful and fulfilling future.

According to one of our member agencies, Community Support Frankston, people living on Newstart make up the majority of both once-off and 'repeat' service users. The agency reports assisting an increasing number of people on a Newstart payment who have deteriorating mental and physical health issues. Flow-on effects from people living below the poverty line (at a local level) has led to service changes in the agency, with the introduction of a perishable food program (as one example). This was, in part, due to increases in repeat service users living on Newstart that simply aren't able to survive on the payment.

One of the central effects of inadequate Centrelink payments and being forced to live in poverty is social isolation and disconnection, and the insidious accumulation of small humiliations as everyday needs are foregone. This is illustrated in the first-hand account below.

'Living on the payment itself, as grateful as I am of course, includes going without very standard things and this becomes your 'norm' (for example):

- decent, nutritious food for ourselves, our family and animals,
- forgoing medical treatments that cost more than one can afford without jeopardising the sanctity of the rent and bills,
- zero social life/integration, breeding isolation and encouraging depression,
- wearing the same few sets of clothes for a decade as new clothing is not a priority if you have something that covers your body,
- simple things that need replacing such as phone credit, light globes, a TV Aerial, shampoo etc. that are usually abandoned because without the rent money, you're homeless.

The list is boundless, but really; it's the basic requirements I personally need and forgo (unless my social worker angel happens to have some of these things) and I am one of a great many who live this way and many even less comfortably than me everyday'.

Consideration of what constitutes an acceptable standard of living in Australia, including the cost of safe and secure housing (a)

On any objective measure, we know that Newstart, Youth Allowance and similar payments do not cover the cost of basic rental, let alone other life necessities. This has been well demonstrated in studies on rental affordability across Australia, including research by Anglicare. In fact, the two issues of inadequate Centrelink payments and lack of access to affordable housing, are the main systemic issues that our member agencies have asked us to advocate on (along with escalating school costs in the public education system and increased pressure on parents to access technology).

The difficulty of assisting people who are homeless or in precarious housing is enormous and often distressing for our volunteers and paid staff – as the demand far exceeds the supply, and all too often affordable housing just can't be found. For people living on Newstart, one wonders how they can be expected to apply for jobs and go to interviews when they are sleeping rough or on other peoples' couches. Furthermore, how they can be expected to apply for jobs and go to interviews when they lack access to amenities, are in unsafe environments, and experience the stigma of homelessness?

According to Community Support Frankston, the area has no crisis accommodation and a complete lack of housing that is affordable for people on Newstart. Frankston has had a twenty per cent + increase in registered rooming houses (this year alone) and service users living on Newstart are paying up to an astonishing *80 per cent* of their total income on rent. This story is repeated in many other areas where CISVic member services are located.

In particular, CISVic agencies struggle to assist people who cannot afford to pay their rent and are in danger of eviction. These people include families with children. Once evicted, there is usually no cheaper housing available. In one example, a family presenting to an agency was unable to afford rent as the primary earner had health issues but had been rejected for a Disability Support Pension (DSP). According to our members, it is becoming more and more difficult to be deemed eligible for the DSP. This leads to very real financial and personal hardship for many, especially when the routine demands of Newstart compliance are totally unrealistic for reasons related to the disability.

Impact of the current approach to setting income support payments on older unemployed workers, families, single parents, people with disability, jobseekers, students, First Nations peoples, people from culturally and linguistically diverse backgrounds, people living in regional and remote areas, and any others affected by the process (f)

CISVic member agencies witness the inadequacy of Newstart and similar payments for all of the groups named in this TOR i.e. *older unemployed workers, families, single parents, people with disability, jobseekers, students, First Nations peoples, people from CALD backgrounds, and people living in regional areas.*

Those with dependent children who have moved from the Parenting Payment are particularly challenged. For example, a lady recently assisted by one agency was socially isolated due to her lack of adequate income. She could not even afford to have a cup of coffee with friends, let alone join in other local recreational activities. This is a typical story, demonstrating the generation and entrenchment of social and personal problems caused by grossly inadequate income.

As already noted, it is becoming increasingly difficult to receive the Disability Support Pension. Yet many people on Newstart suffer from mental health issues, which are exacerbated by the low level of payments that make it impossible to survive without accessing services and charities. Crucially, there are barriers to employment when clients are experiencing depression. Very often they are unable to even leave the house when struggling with trauma, and other mental health problems. As recounted by a support worker in a CISVic member agency:

'Nobody is getting the DSP (Disability Support Pension). It is getting very difficult for people to meet the narrow eligibility criteria and to be assessed as meeting them. People I have seen (variously) struggling to get out of bed due to prostrate cancer, having severe epilepsy, mental health issues, making suicide attempts – none of these have been eligible for DSP...'

Some of our agencies are also providing food to people with disabilities who live in Supported Residential Services (SRSs) in the community. Apparently after they pay for their supported accommodation, they have little money left and are often hungry, despite the meals that are provided. One agency has special food packs made for SRS residents. We know from first-hand accounts that the impact of inadequate nutrition then leads to physical health problems including dental problems.

The process of negotiating the Centrelink bureaucracy can be a huge stress in itself, commanding a very high level of skill, confidence and mental wellbeing. Although the operations of Centrelink are not the central focus of this Inquiry, they are relevant in relation to the inadequacy of payments when vulnerable people are so often cut off from their only source of income without a 'hearing' or warning. CISVic agencies often assist community members when they suddenly stop receiving Centrelink payments and become effectively destitute e.g. with food vouchers or parcels in the first instance. According to one CISVic support worker, *'a lot of people seeking material assistance as a result say that without this assistance they'd be dead'*.

In addition CISVic member agencies in some areas are seeing a high volume of new migrants. Very often they are waiting for visa applications to be processed and they may be on no income or reduced Centrelink payments. Quite a few need help with food just to live.

Appropriateness of current arrangements for supporting those experiencing insecure employment, inconsistent employment and precarious hours in the workforce (d)

People seeking assistance from our agencies often report that they can't afford to get a job. Brokerage from JSA providers to assist with courses, equipment, travel etc. isn't accessible to a lot of them and they lack the financial resources to properly job search and be job-ready. Many do not have access to reliable technology, credit, or are the victims of theft or abuse.

Those who are *under*-employed are often financially stressed, especially with the cost entailed by working, for example travel expenses. Nevertheless, there is a fear of losing casual work and declining shifts in order to care for children or family members, or to attend medical appointments.

Overall, it is extremely difficult and challenging for people on Newstart who do not have enough money for housing, food, clothes and travel, and who are often living from day-to-day, to apply for jobs and be chosen before others in a competitive market. Crucially, they often do not have access to technology to communicate and manage Centrelink payments and employment activities.

At the same time volunteers and support workers in our member agencies are often impressed and inspired by the everyday courage of people who find themselves in these circumstances. The least we can do is cover the basic cost of living through Newstart and similar payments, specifically through raising payments by the required \$75 dollars per week as per research by ACOSS. In addition to assisting with the costs of living, many would then be in a better position to establish a stable base, apply for jobs and plan for the future.

From the substantial experience of our member agencies, we need to raise Newstart, Youth Allowance and similar payments as a matter of urgency. This is literally a matter of life or death for many. For others it is a matter of maintaining some dignity and quality of life, and having the capacity to connect with community and work and remain socially engaged within the community.

Community Information & Support Victoria



Thank-you for your attention to the matters raised in this submission. Should you wish to discuss them, please do not hesitate to contact me on 0407 670 125 or at kate@cisvic.org.au.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Kate Wheller'.

Kate Wheller
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