

Australian Council of Social Service

26 May 2020

Select Committee on COVID-19
Department of the Senate
PO Box 6100
Parliament House
Canberra ACT 2600

By email: covid.sen@aph.gov.au

Dear Committee,

We thank the Committee for the opportunity to provide comment to the Inquiry on COVID-19. Below we briefly outline the key issues affecting our community during the COVID-19 pandemic, including the strengths and omissions in the government's response to date in the following structure:

- Engagement and process
- Supporting people financially: Jobseeker and Jobkeeper payments
- Supporting people financially: Centrelink and mutual obligation
- Addressing the needs of specific population groups
- Transparency, accountability and monitoring

While Australia has so far weathered this crisis far better than many other comparable countries, we must ensure that no one is left behind either now or during the recovery phase. In these uncertain times, people need certainty that they will be supported throughout this pandemic, no matter how long it takes. The final part of our submission outlines our priorities for economic recovery.

Engagement and process

In responding to this crisis and charting a pathway to economic recovery, it is essential that government engages with diverse stakeholders. The social services sector has on the ground experience and social and economic policy expertise that is fundamental to developing successful and sustainable policy responses.

ACOSS urges the government to actively engage with the social services sector and community and consumer perspectives, with gender and diverse perspectives, in

developing its policy responses and in its national advisory bodies. The sector can and will significantly contribute to the broader economic and employment debate and response, and government engagement with the sector must extend beyond sector operational issues. Sector representatives must be included in the policy development for what happens to Jobseeker after September and permanently.

ACOSS is concerned about the lack of transparency around the National COVID-19 Coordination Commission. The Commission has a significant role in advising the Prime Minister on “all non-health aspects of the pandemic response”, however there is limited public information available about how the Commission operates, the advice it issues, the process for developing that advice (and who it is consulting with) and the management of any conflicts of interest.

ACOSS urges the government to ensure transparency around the operation of the Commission, including its consultation processes, meetings conducted, advice provided to government, budget and spending. Commission membership should be expanded to include expertise in the role of the transfer and tax systems in economic recovery, in addressing long term unemployment and in ensuring that any policy proposals will benefit households, including those on low incomes, as well as businesses.

The government should also provide greater diversity in the Commission’s membership, including across sectoral, gender, ethnicity and First Nations representation.

Supporting people financially: JobSeeker and JobKeeper payments

ACOSS has welcomed the government’s response packages and commends its decisive and effective action to support people without paid work and to help people keep their jobs during COVID-19.

The doubling of the JobSeeker Payment as well as related allowances has lifted many people out of poverty and has meant they do not need to go without the basics. We have heard countless stories of people who can now afford things like long-overdue dental treatment, fresh fruit and vegetables, or to replace a broken fridge as a result of the new JobSeeker Payment. People have told us how they can afford medication, and for the first time in a long time, do not feel a heavy sense of dread when they think about their bills. The effect of the Coronavirus Supplement on people’s lives cannot be overstated.

Equally, the JobKeeper wage subsidy has greatly helped millions of employees retain their jobs. Without it, we would now see a much higher unemployment rate and many businesses and organisations would have had to lay off staff. We welcomed the extension of JobKeeper to the charities and not-for-profit sector, which we know has saved thousands in organisations that deliver critical services, especially in times of crisis.

However, gaps remain in the current system of support. More than one million people in Australia are excluded from the JobKeeper Payment and income support (including Jobseeker) because of their visa status. Temporary migrants, asylum seekers and international students are excluded from accessing these supports. Most are also excluded from accessing Medicare.

Many in these groups are not in a position to return to their country of origin because they cannot get a flight or it is unsafe to do so. Available evidence suggests that these groups are likely to have insufficient private resources to sustain themselves until the pandemic subsides. Senate Estimates showed that the median superannuation account balance for temporary visa holders (and permanent residents) was just \$7,250 in 2017/18. The lack of access to JobKeeper means that these groups are also most likely to lose their jobs because employers cannot afford to keep them on.

To ensure everyone is protected during this pandemic, ACOSS calls for income support, the JobKeeper Payment and Medicare to be extended to these groups.

ACOSS also cautions against a rapid withdrawal of the JobKeeper Payment. Any withdrawal of the wage subsidy should be gradual, to ensure that our economy can recover on the other side of COVID-19. See more on this below under “Priorities for economic recovery”.

Likewise, there must be no cuts to the new JobSeeker Payment (and other allowances) until Australia has a social security system in place that prevents poverty. The government must not cut the JobSeeker Payment to the old Newstart rate of \$40 a day. To do so would have a devastating impact on the community and the economy. We cannot condemn more than one million people to live in poverty, especially after the series of crises so many have faced in 2019/20 alone.

We call on the government to permanently increase the JobSeeker Payment and other income support payments so as to prevent people from living in poverty, whatever their circumstances.

Supporting people financially: Centrelink and mutual obligation

ACOSS welcomed government actions – in line with our advice – to protect people’s health and to ensure people could access to the support they need by:

- Removing the Liquid Assets Waiting Period, the one-week waiting period and the Newly Arrived Residents Waiting Period
- Streamlining access to payments by removing Third Party claim verifications
- Allowing people to claim payments online
- Pausing all debt recovery
- Restoring Intent to Claim
- Boosting staff at Centrelink
- Suspending mutual obligation requirements

We urge the government to reset the administration of income support after the pandemic, and permanently abolish the Liquid Assets Waiting Period as well as the one-week waiting period, which only serve to increase financial hardship. Likewise, the Third Party claim verification should never return. ACOSS calls for the increased Centrelink staffing to continue to ensure that people's payments are processed quickly.

ACOSS also urges the government to continue the suspension of mutual obligation for as long as people's movements are restricted. We should also take this opportunity to move away from punitive approaches to people without paid work, and redesign our system of employment services to provide people with tailored support to find a job.

ACOSS is concerned that the government has continued (and extended) mandatory cashless debit and income management at this time, including quarantining stimulus payments. At the same time, it has stopped new entrants from going onto cashless debit, suggesting that it did not want to subject newly unemployed people to the card. We reiterate our call for mandatory cashless debit and income management to cease, as it discriminates against people without paid work, is expensive to administer, and is impractical for those subjected to it.

Further action for specific population groups

As we review the health and economic measures that have been put in place and transition to a new phase of our response, it is important that we not lose sight of the people who are most at risk of serious illness or poverty related to this crisis. Decisions to relax health restrictions put in place to protect the entire community should be taken with due regard to the risks posed to all of us, particularly those most at risk of serious illness. These decisions should be taken based on the advice of health experts, with complementary measures to protect those at most economic risk from poverty.

There are a number of groups that face specific risks in relation to COVID 19, particularly (but not exclusively):

- Older people
- Aboriginal and Torres Strait Islander peoples
- People with chronic health conditions
- People in prison or immigration detention
- People with disability
- LGBTIQ and HIV positive people
- Temporary visa holders, refugees and asylum seekers
- People experiencing homelessness, including those in overcrowded housing
- Sole parents and their children

Several ACOSS members have undertaken work to highlight the issues for these population groups. We note and highlight the work of several ACOSS members in this area including:

- [National Aboriginal and Torres Strait Islander Legal Services statement on COVID-19](#)
- [An Open Letter to National Cabinet from disability organisations](#)
- [An Open Letter to the Prime Minister from civil society organisations aiming to ensure people seeking asylum, refugees and other vulnerable groups are included in COVID-19 responses](#)
- [A Statement from the National LGBTI Health Alliance and the Australian Federation of AIDS Organisations in responding to the health needs of LGBTI people during COVID19](#)
- [An Early Childhood Australia submission on the Review of the Early Childhood Education and Care Relief Package](#)
- [Human Rights Law Centre's submission regarding people held in immigration detention centres](#)

We urge the Federal Government and the National Cabinet to prioritise the needs of and risks to people with specific vulnerabilities in the COVID 19 health and economic responses.

Priorities for economic recovery

The COVID-19 health emergency is closely connected with a different crisis – high and prolonged unemployment. Unemployment is expected to reach 10% in mid-2020, and we cannot afford to allow it to remain in double digits next year. Before COVID-19, there were already half a million people on Newstart and Youth Allowance long-term (over 12 months). If we enter 2021 with double-digit unemployment, a much higher level of long-term unemployment is likely to become entrenched.

Production and employment will not 'bounce back' to previous levels after the lockdowns of their own accord. Many businesses will close, exports will be constrained, and households reluctant to spend. Therefore, the keys to economic recovery over the next six to 12 months are direct public investment, and confidence from households and businesses that their incomes and job security will be restored.

Efficiency-boosting 'micro-economic reforms', especially those that improve people's skills, health and well-being, are needed to lift productivity over the medium term, but changes announced during a crisis that threaten income and job security will undermine confidence and recovery.

The government has already strengthened demand substantially through wage subsidies and increased income support to tide us over the lockdowns. To prevent another surge in unemployment, the JobKeeper Payment and moratoriums on debt repayments, should be eased carefully and gradually. The increased Jobseeker Payment should remain in place until social security payments for people of working age are permanently lifted above poverty levels. The evidence indicates that this will greatly strengthen household spending on essentials as well as easing hardship among the much larger group of people experiencing unemployment.

Well designed and targeted public investment can strengthen growth in jobs and incomes in the short-term, and improve well-being and productivity in the long-term.

In addition to these improvements in income support, we propose two major public investment programs be implemented over the next two to three years:

- A national low-income energy productivity program; and
- Construction of 30,000 social housing dwellings.

Clearly these are not the only new public investments that will be needed to aid recovery, but priority should be given to timely and well-designed infrastructure projects. These two proposals were carefully chosen because they meet important social (reducing homelessness) and environmental (reducing carbon emissions) objectives, and can be quickly scaled up.

To boost employment, infrastructure investment alone will not suffice. This is the right time for governments to close long-standing gaps in jobs-rich care services. Specifically, we propose a \$2.3 billion increase in home care packages for older people.

Public procurement should be used to directly reduce long-term unemployment via requirements for those receiving public funding to offer a proportion of new jobs created to suitable applicants among people who have received Jobseeker Payment long-term.

Transparency, accountability and monitoring

Timely information on the impact of our efforts to contain COVID-19, the state of the economy and employment, and the effectiveness of public programs are all vital, both as planning tools and to maintain public confidence.

This Committee can play a key role in holding government and other stakeholders to account.

We suggest that the government should make the following data publicly available on at least a monthly basis:

- COVID-19 infections, transmission rates, hospitalisations and deaths
- Jobseeker Payment recipients, broken down by:
 - Self-employed, carers and others
 - demographic and payment duration breakdowns as published in data.gov.au
- Jobkeeper Payment recipients (workers), broken down by:
 - industry, occupation and region
 - type of employment (full-time, part-time, permanent & casual employees, self-employed)
 - whether stood down or still working
 - distribution by rates of pay (if feasible)

- demographic characteristics (gender, age if possible).
- Jobkeeper Payment recipients (employers), broken down by:
 - industry and region
 - size of workforce
 - annual turnover
 - type of organisation (for profit, NFP, company, partnership, trust, sole trader)
- Labour market flows – flows into and from employment, broken down by:
 - labour force status (employed, unemployed, NILF)
 - changes in paid working hours
 - receipt of Jobkeeper Payment
 - receipt of Jobseeker Payment
 - demographic characteristics (age and gender)
 - region, occupation and industry
- Long-term unemployment (LTU):
 - levels of (ABS) LTU by duration, region, gender and age
 - flows into and out of LTU, broken down as above
 - characteristics of long-term recipients of DSS labour market payments, by age, gender, region, and labour force status
 - flows into and out of DSS labour market payments, by age, gender and labour force status
 - flows into and out of long-term receipt of DSS labour market payments, by age, gender and labour force status
- Young people (16-19, 20-25 years), education and employment:
 - Number and proportion of young people in education, training, employment, and none of these (by age group, gender and region)
 - Labour force status (employed part time and fulltime, unemployed, NILF)
 - Receipt of Jobkeeper/Jobseeker Payment/Youth Allowance (student and other)

If the Committee has any questions regarding this submission, the ACOSS contact person is Edwina MacDonald, Director of Strategy (COVID), on (02) 9310 6200 or edwina@acoss.org.au.

Sincerely,

A handwritten signature in blue ink, which appears to read 'Jacqueline Phillips'.

Jacqueline Phillips

Acting CEO

Australian Council of Social Service