



# AUSTRALIA'S COMMUNITY SECTOR & COVID-19

IMPACT OF INCREASED INCOME SUPPORT ON COMMUNITY SERVICES

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# Introduction

*A joint initiative of ACOSS, the COSS Network and Community Sector Banking.*

This snapshot uses information from the forthcoming publication *Australia's community sector and COVID-19: Supporting communities through the crisis*. This research was conducted by the Social Policy Research Centre at UNSW Sydney in collaboration with the Australian Council of Social Service (ACOSS) and the network of Councils of Social Service of Australia (COSS Network), supported by Community Sector Banking.

The Australian community sector survey on which this publication is based was conducted during July 2020, at a time during which the sector was grappling with significant health, social and economic consequences of the COVID-19 pandemic and associated changes in policy and service delivery.

The survey was completed by 744 community sector staff, including 264 organisational leaders (CEOs or senior managers), comprising 36% of respondents. To establish the impacts of the pandemic on the community sector and the people the sector serves, several questions were asked about government policy changes resulting from the pandemic, including the increase to the JobSeeker (formerly Newstart) Payment, Youth Allowance, Parenting Payment and other income support, by way of the \$550 per fortnight "Coronavirus Supplement".

# Key Findings

- The **Coronavirus Supplement**, which has increased JobSeeker and other income support payments, was **overwhelmingly viewed** (by 81% of respondents) as having a **positive effect** on community sector clients.
- The temporary **cessation of mutual obligations** for people receiving JobSeeker was **also viewed** by the **majority** of respondents (72%) **as positive**.
- A **majority of all service types** reported the **Coronavirus Supplement** as having a **positive effect** on clients and communities, with nearly all respondents reporting a positive effect from organisations classified as multiple service types (other); Aboriginal and Torres Strait Islander services; financial support and counselling services; and legal, advocacy, and peaks.
- **Serious concerns** were expressed about the **impacts** of both **removing the Coronavirus Supplement** and **re-imposing mutual obligations**. There was **strong support** for **retaining the current, higher level** of income support.
- Respondents outlined the **negative impacts** of **excluding certain groups** – such as people seeking asylum and temporary visa-holders – **from the payments** and the follow-on effects for community services providing help to these groups.





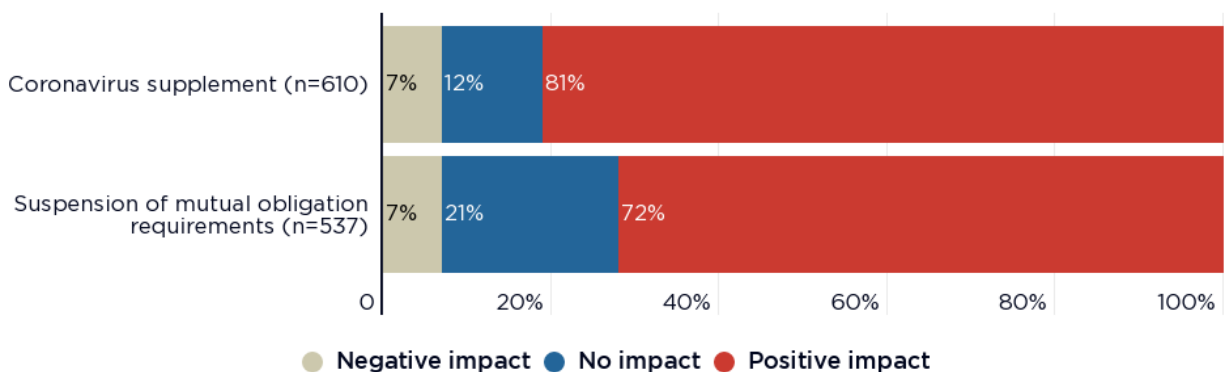
# Increased income support viewed as positive

In response to the pandemic, the Australian Government increased JobSeeker Payment, Youth Allowance and related payments through the \$550 per fortnight Coronavirus Supplement in April 2020. This delivered the first real increase to these payments in 26 years. This was warmly welcomed by community sector workers and leaders for alleviating very high levels of financial disadvantage among people on the lowest incomes in Australia.

Additionally, mutual obligation requirements for people on relevant income support payments, including JobSeeker, were temporarily suspended. Figure 1 shows community sector workers' perspectives on the effect of these changes for clients and communities their services were working with:

- 81% of respondents perceived the Coronavirus Supplement was having a positive effect on the clients and communities they served; and
- almost three quarters (72%) saw the suspension of mutual obligation as positive.

**FIGURE 1: PERSPECTIVES ON THE IMPACT OF CHANGES TO JOBSEEKER PAYMENT FOR CLIENTS AND COMMUNITIES SERVED**



Survey respondents attested to the positive impact the Coronavirus Supplement had on community sector clients and communities. A number reported reduced financial stress for their clients. For example:

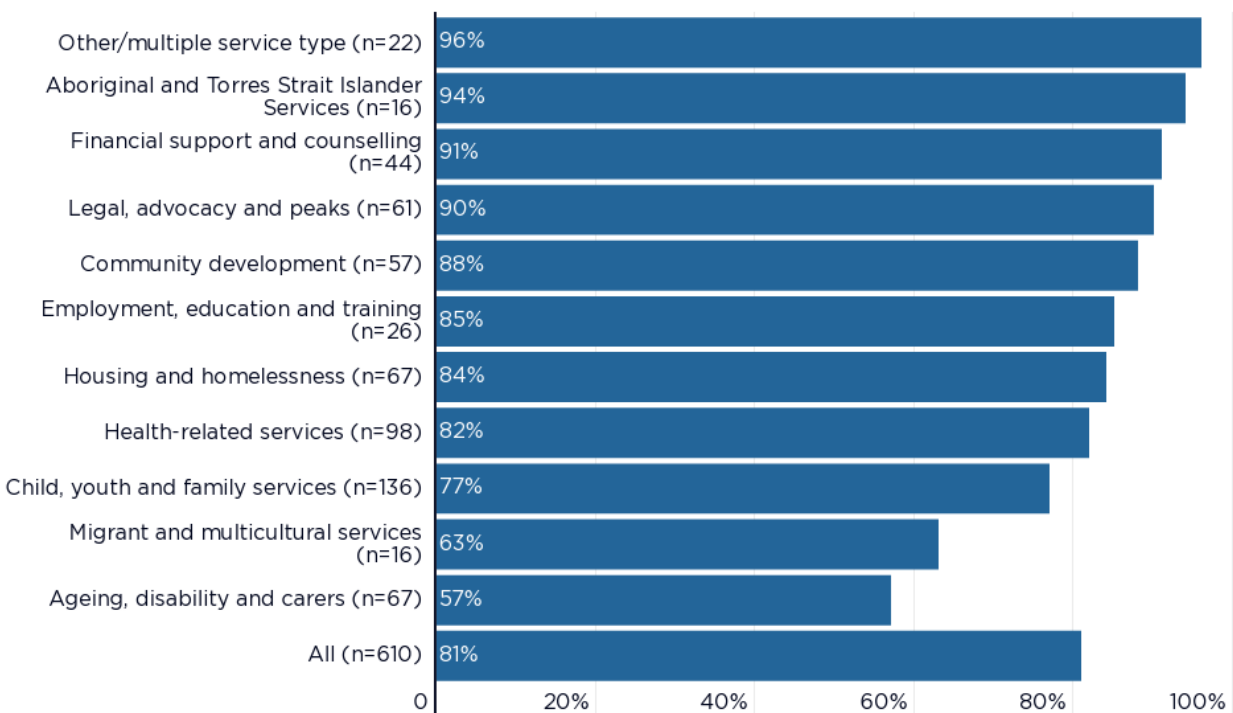
- *Extra payments for COVID 19 meant people could pay for accommodation and eat!* (Team leader, Housing and homelessness service)
- *The doubled JobSeeker payment has meant that, for the first time in years, very low-income single mothers have been able to buy new winter clothes, replace broken whitegoods, repair cars etc.* (Project officer, Child, youth and family service)

- *[Income support] supplements and waiving of fees and requirements have allowed those who have recently lost work to focus on maintaining some stability in their family home with the ability to afford to pay for basic living needs.* (Practitioner, Community development organisation)
- *Reduced poverty and financial stress for people on Newstart (now Jobseekers), who number around 20% in our community.* (CEO, Community development organisation)

The majority of all respondents in all service types agreed that the Coronavirus Supplement was beneficial. For some services types, nearly all respondents reported positively on the Coronavirus Supplement:

- Other/multiple service types were most likely to report on the positive impacts of the supplement (96%)
- Aboriginal and Torres Strait Islander Services (94%), financial support and counselling services (91%) and legal, advocacy and peaks (90%) were also likely to report on the positive impacts of the supplement.

**FIGURE 2: PROPORTION OF WORKERS WHO REPORTED THE CORONAVIRUS SUPPLEMENT WAS POSITIVELY IMPACTING ON CLIENTS AND COMMUNITIES, BY MAIN SERVICE TYPE**

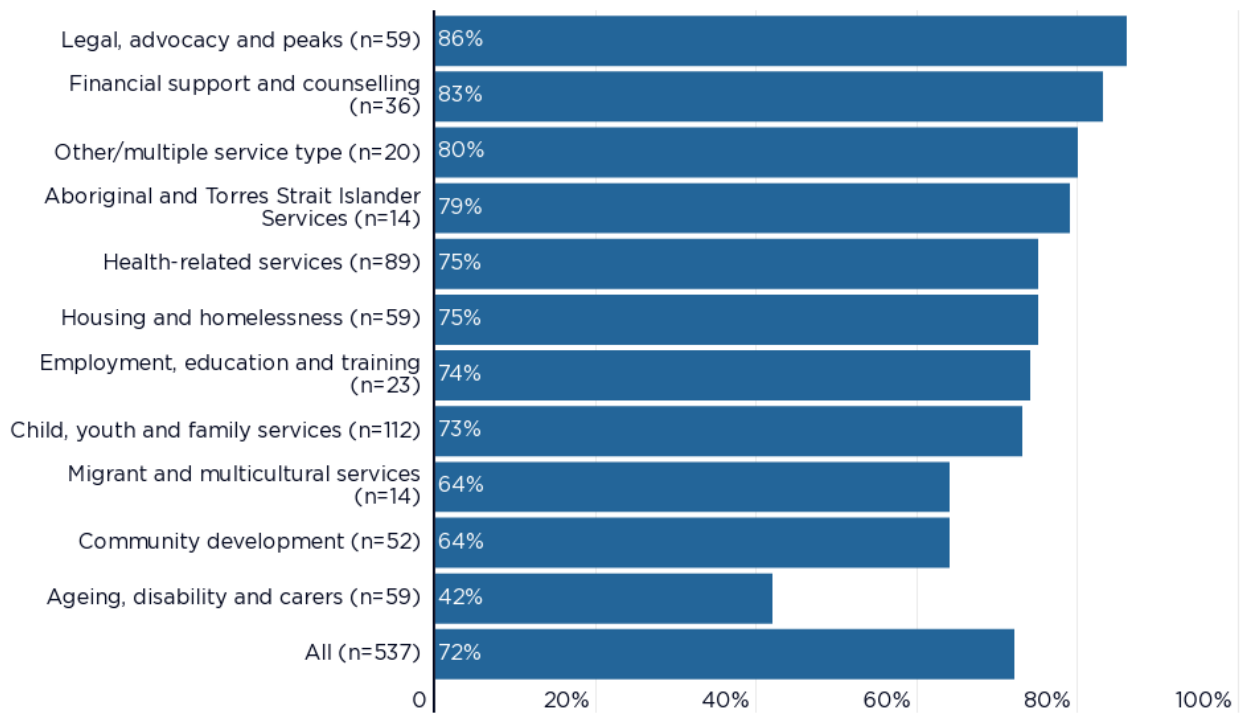




Similar service types were likely to report positive impacts of the suspension of mutual obligations:

- Legal, advocacy and peaks were most likely to report positive impacts (86%).
- Financial support and counselling services (83%), Other/multiple service type (80%) and Aboriginal and Torres Strait Islander Services (78%) were also very likely to report on the positive impacts of the suspension of mutual obligations.

**FIGURE 3: PROPORTION OF WORKERS WHO REPORTED THE SUSPENSION OF MUTUAL OBLIGATIONS WAS POSITIVELY IMPACTING ON CLIENTS AND COMMUNITIES, BY MAIN SERVICE TYPE**



# Effects of increased income support on demand for community sector services

While, overall, respondents reported an increase in demand for services (more detail on this will appear in our forthcoming survey report), some survey respondents reported demand for their services had not been growing during the pandemic, citing increased income support as a key reason:

- *Possible dip in demand could be because of the JobSeeker supplement - less financial distress, less FV, less legal problems. (CEO, Legal, advocacy or peak body)*

A number of respondents anticipated that demand would increase significantly once the Coronavirus Supplement is reduced (planned for 25 September 2020):

- *I don't expect the increase in demand to be fully seen until government relief reduces. Increases to JobKeeper and JobSeeker are supporting people better than normally, but once these cease I expect demand to sharply rise. (CEO, Child, youth and family service)*
- *We work with rough sleepers who have not as yet been negatively affected by COVID-19. We are more likely to see an increase in rough sleeping if the additional funds for JobSeeker and JobKeeper cease and people from the private market lose their accommodation. (Practitioner, housing and homelessness service)*

# Strong support for retaining current higher levels of income support

Many respondents expressed concern about the removal of the Coronavirus Supplement because it would negatively impact clients and communities

Respondents were asked, 'To help the sector respond to COVID-19, is there any support you would like to see from Government, philanthropy, business, the finance sector, or from within the community sector itself?' Responses were wide ranging, and driven by concerns about the communities they serve as well as the capacity of the community sector and its workers to continue to work in the context of COVID-19.

Many spoke of the benefits that increased levels of income support have brought to members of the community, but also, indirectly, to the community sector. This is because income support recipients who had previously relied on community sector support for many of their needs, had higher incomes after the Coronavirus Supplement was paid, and so they had much less need for community sector assistance:

- *Keep the original increased COVID financial assistance (raise to Newstart/Jobseeker). Anecdotally this had the single most positive impact to mental health outcomes for the people I support. (Practitioner, Health related service)*
- *I think the government needs to raise the rate of Newstart permanently - I'm sure it's been a huge buffer for households (Project officer, Housing and homelessness service)*
- *I would like Government to retain Jobseeker (including full COVID supplement) so as to reduce pressure on community sector services (e.g. foodbanks, emergency relief). (Project officer, Legal, advocacy or peak body)*

Given the positive impact of the Coronavirus Supplement, when thinking about the future needs of the sector, many respondents were also concerned about a reduction or termination of the supplement, observing that lower rates of income support would lead to greater demand on the community sector:

- *Continue current levels of welfare support. If not we will see an increase in demand which will be difficult to meet, particularly in the mental health field. (CEO, Ageing, disability and carer service)*
- *Continued government support through increased Centrelink eligibility and payments is essential for our clients and communities. Without it, the burden that will fall onto the community sector will be too great and the system will collapse. (Team leader, Child, youth and family service).*
- *Ensuring people have adequate incomes to live a decent life is a key way to support the sector, and avoid increased demand for community services such as emergency relief, [and support] people's mental and physical health. Before COVID-19 funding was not adequate to meet demand in most areas. Some Government responses to this crisis have meant that the sector has finally been able to meet that underlying demand. This support needs to continue to ensure we can meet existing need as well as need created by the COVID-19 pandemic. (Project officer, Legal, advocacy or peak body)*

# Concerns about people excluded from income support

Many of those surveyed faced increased demand for services from groups excluded from income support payments, including JobSeeker. Those groups impacted included people seeking asylum and refugees:

- *Asylum Seekers are unable to access the Australian social safety net or JobKeeper. As a group they are disproportionately impacted by COVID-19 and have been experiencing homelessness and mass unemployment.* (CEO, Migrant and multicultural service)
- *Changes in clientele - more visa holders and New Zealand citizens, who have been put out of work and cannot access Jobseeker or JobKeeper* (CEO, Community based or community development organisation)
- *Most people on temporary visas are ineligible for these initiatives. The only positive for this group would be to access their superannuation and many people do not have adequate savings in their super.* (Senior manager, Migrant and multicultural service)
- *A look into visa holders, who cannot return home for whatever reason, not being able to receive any financial support from the government during this unfortunate time.* (Board member, Legal, advocacy or peak body)

Services identified an increase in demand for some services from new clients ineligible for government assistance:

- *A lot of newly unemployed people who have never needed food relief/charity support before. Also, the number of international students, temporary visa holders and seniors accessing food relief has increased dramatically.* (Project officer, financial and emergency relief service)
- *Demand for food hampers has doubled* (CEO, Housing and homelessness service)
- *Different clients accessing international, eg university students needing food.* (Team leader, Community based or community development organisation)

Young people were identified as missing out on the benefits of income support:

- *There were also young people who were not entitled to income support, because they are considered dependent on parents, or they are international students or temporary visa holders. Finally, young people who had taken a gap year to work and save money to move away for tertiary education have now lost their jobs and may also lose their ability to access youth allowance when they study as they have not earned enough in their gap year to be considered independent.* (CEO, child, youth and family service)



