

# Addressing inadequacy of income support

## Briefing note

January 2023

### Summary

An adequate income support system is an essential feature of any society committed to fairness and decency. As a wealthy country, Australia should have an income support system that protects people from poverty and homelessness and supports people to be economically and socially included. Our income support system should support people's well-being, not be a cause of people's mental decline and onset or exacerbation of chronic illnesses.

For far too long, Australia's woefully low unemployment payment has been in economist Chris Richardson's words, a standout "fairness fail".<sup>1</sup> Although the lowest income support payments JobSeeker Payment and Youth Allowance were increased in real terms by \$25 per week in April 2021, they remain totally inadequate to cover essential costs like food, power, and a place to live.

There are also large gaps in our income support system whereby people in need are excluded from support. People seeking asylum, and others on temporary visas are ineligible for Centrelink income support payments even where they have no other means. There is also a four-year wait for permanent residents to gain access to income support payments, which should be reduced to a maximum of six months.<sup>2</sup>

This briefing note outlines reform of income support payments so that people who are without paid work, studying, caring for children or who have a disability or illness have enough income to cover the essentials.

### Key Recommendations

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<sup>1</sup> Chris Richardson quoted in *The Australian*: <https://www.theaustralian.com.au/nation/politics/greens-dole-hike-to-cost-taxpayers-12bn/news-story/d773865ab121561deac989eedc2f460e?amp>

<sup>2</sup> For further information about this recommendation, see our latest budget submission here: <https://www.acoss.org.au/wp-content/uploads/2022/02/ACOSS-BPS-2022-23-FINAL-220228.pdf>

ACOSS recommends that the following be implemented as soon as possible:

***Adequate and fair payment rates***

- Set a minimum income floor across the working age payments system set at the current pension rate (including the Pension Supplement). This is currently \$513 per week for a single person.<sup>3</sup>
- Increase base rates of non-pension payments (including Parenting Payment) to this income floor. This would require an increase of \$175pw to the single maximum rate of JobSeeker Payment and \$232 per week for single, maximum rate of Youth Allowance. This would simplify the income support system, while securing fairness (these increases would apply to all allowance payments, including Austudy and Abstudy).
- Depending on individual circumstances, people would also receive one or more of the following supplements:
  - o *Housing Supplement*: Benchmark Commonwealth Rent Assistance to rents paid, lifting the maximum rent threshold by 50%, which would deliver a 100% increase to maximum rates of payment.<sup>4</sup>
  - o *Disability and Illness Supplement*: Introduce a Cost of Disability and Illness Supplement that recognises the additional costs faced by people with disability. This Supplement should be at least \$55 per week.<sup>5</sup> This is in addition to ACOSS's long-standing call for broader access to the Disability Support Pension to avoid people with disability ending up on JobSeeker Payment.
  - o *Single Parent Supplement*: Introduce a Single Parent Supplement that recognises the added costs of single parenthood. The Single Parent Supplement should be at least \$200 per week and would replace Family Tax Benefit Part B.
- Roll universal payments like the Energy Supplement into base rates of income support to simplify the system, recognising that they are intended to assist with basic household expenses.
- Index income support payments twice per year to wages as well as prices
- Abolish mandatory income management.

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<sup>3</sup> Single pension rate including pension supplement as at September 2022.

<sup>4</sup> While this would secure a more adequate payment rate, future reforms are needed to improve the effectiveness and adequacy of Rent Assistance, including to eligibility and indexation. Other ACOSS proposals to improve access to affordable housing for people on low incomes are outlined in <https://www.acoss.org.au/wp-content/uploads/2019/08/ACOSS-Brief-Social-Housing-Investment-as-Infrastructure.pdf> and <https://www.acoss.org.au/wp-content/uploads/2020/04/200429-EconomicRecovery-Briefing-PDF-1.pdf>

<sup>5</sup> Please see NATSEM modelling of the cost of disability: Li, J., Brown, L., La. H.N., Miranti, R., and Vidyattama, Y. (2019). Inequalities In Standards of Living: Evidence for Improved Income Support for People with Disability. NATSEM, Institute for Governance and Policy Analysis, University of Canberra. Report commissioned by the Australia Federation of Disability Organisations. September 2019. ACOSS has updated this figure to reflect CPI.

- Ensure all parents receiving income support payments are eligible for child care subsidies (including additional transition-to-work subsidies).

### ***Remove barriers to accessing payments***

- Permanently remove the Liquid Assets Waiting Period and the One-Week Waiting Period.
- Reduce the Newly Arrived Residents Waiting Period to a maximum of six months (as it was when first introduced).
- Increase permanent staff numbers at Centrelink including social workers.
- The Federal Government should ensure people seeking asylum and temporary migrants with no other means of assistance have access to crisis support and financial assistance.

### ***Establish an independent mechanism to advise on income support payment settings***

- Establish an independent statutory Social Security Commission to advise government and the parliament on income support payment adequacy and other settings over time. The Economic Inclusion Advisory Committee could fulfill this role.

## **Background**

The COVID-19 pandemic threw into stark relief the importance of our income support system as an essential piece of social and economic infrastructure, preventing widespread poverty and deprivation, and strengthening a weakening economy.<sup>6</sup>

In April 2020, the Federal Government introduced the Coronavirus Supplement tied to working-age income support payments including the unemployment payment JobSeeker Payment, Youth Allowance and Parenting Payment. The Supplement was \$275pw for singles and \$550pw for couples and was in place at these rates for five months.<sup>4</sup>

This increase was widely considered an acknowledgement by the former Federal Government that the old Newstart (now known as JobSeeker) rate of \$40 a day was grossly inadequate to meet living costs. The government doubled these

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<sup>6</sup> Nicki Hutley (2020) Presentation on JobSeeker Beyond COVID-19, ACOSS webinar, 21 May

payments (and in the case of couples and Youth Allowance, more than doubled) for all who received them, totalling more than 1.6 million people.<sup>7</sup>

The effect of the increase could not be overstated. People were able to replace broken fridges, fill their cupboards with groceries, and enrol in training courses that helped them get paid work. People reported that for the first time in a long time, they did not feel anxiety and stress each week because they had enough money to pay bills *and* buy food.

In addition, higher income support payments did not affect take-up of paid work. Labour-market economist Jeff Borland found that when the Coronavirus Supplement was in place, people on JobSeeker moved into paid work at the same rate as before the pandemic, when payments were just \$40 a day. In short, higher income support payments did not lead to a drop in take-up of paid work.<sup>8</sup>

The temporary doubling of income support payments was almost three years ago. Despite the small real increase of \$25 per week to JobSeeker and related income support on 1 April 2021, people receiving these payments are unable to cover the cost of essentials. ACOSS research published in September 2022 found that two thirds of people on JobSeeker were skipping meals or not eating enough because they could not afford food. Of people who rent, 96% pay more than 30% of their income in rent alone, meaning they are in housing stress. Almost all said that the inability to cover the cost of living because their incomes are grossly inadequate is harming their physical and mental health.<sup>9</sup> The inadequacy of income support is harming people receiving it, damaging their health and wellbeing and making it harder to get back on their feet and secure paid work.

This briefing note outlines why the Federal Government must address its responsibility to ensure income support payments do their job of supporting people in need.

## Key reform principles

The Federal Government should adopt the lessons learned during COVID-19 and build an income support system that provides adequate support for everyone who needs it. The government should reform our income support system so it prevents poverty and is fair and simple for all.

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<sup>7</sup> Josh Frydenberg (2020) Interview with Patricia Karvelas, ABC TV, 22 May:

<https://ministers.treasury.gov.au/ministers/josh-frydenberg-2018/transcripts/interview-patriciakarvelas-abc-tv>

<sup>8</sup> Borland, Jeff (2021) <https://findanexpert.unimelb.edu.au/news/13845-new-finding--boosting-jobseeker-wouldn%27t-keep-australians-away-from-paid-work>

<sup>9</sup> ACOSS (2022) [https://www.acoss.org.au/wp-content/uploads/2022/09/ACOSS-cost-of-living-report\\_web\\_v02.pdf](https://www.acoss.org.au/wp-content/uploads/2022/09/ACOSS-cost-of-living-report_web_v02.pdf)

Key principles for permanently increasing and reforming working-age income support payments must include:

- Base rates of income support should be based on need (household cost of living), not a person's previous income, notions of who is more deserving, the person's age or that of their children, or 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., private rent, costs of disability, illness, single parenthood).
- There should be 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.

There must be recognition of the major flaws in the system, including:

- Income support for people who are unemployed, studying or caring for children is too low to meet common essential costs.
- There is insufficient support for major variable costs, especially private rent and the cost of disability.
- There are large inequities across payments for people in similar circumstances. For example, Youth Allowance and JobSeeker Payment are paid well below pension rates (at least \$175pw less than the pension), despite similar costs of living. These inequities are particularly stark between people with disability with similar needs receiving the higher Disability Support Pension and people with disability or chronic illness receiving the JobSeeker Payment. They are also apparent in the relative rates of payments for singles and couples, where the single rate of allowances is grossly inadequate compared with the couple rate. Finally, the difference in indexation of payments means the gap between payments is growing. For example, Youth Allowance indexed once per year to CPI grows more slowly than JobSeeker, which is indexed twice per year in line with CPI. JobSeeker has not maintained pace with pensions, which are indexed twice per year in line with wages, the PBLCI or CPI (whichever is higher).
- There are arbitrary rules in income support despite no change in need. These include:
  - single parents losing \$90 per week when they lose eligibility for Parenting Payment Single once their youngest child turns eight and receive to JobSeeker Payment,
  - Someone not qualifying for the Disability Support Pension because they do not meet 20 points in one impairment table but have well over 20 points across tables and are clearly unable to engage in paid work because of their health or disability, and

- People aged 60 to Age Pension age receive different rates of income support depending on how long they have received JobSeeker Payment.

## Reform proposal context

For five months from April 2020, the Coronavirus Supplement closed the gap between pensions and allowances.<sup>10</sup> The supplement demonstrated the substantial benefits of lifting income support payments above the poverty line.

Almost three years on from early 2020 when the pandemic took hold, we are now in an environment of low unemployment and high inflation. Ensuring that people without paid work can afford basic goods is the key reason to lift income support payments, but an increase would deliver additional benefits that strengthen the economy in the long run. Lifting JobSeeker and related payments would act as an automatic stabiliser, putting more money into the economy when unemployment is rising, and reducing fiscal supports when unemployment is low.

### Evidence base

There is an overwhelming evidence base for the need to lift JobSeeker and related income support payments. Academic research, senate inquiries, and the huge amount of qualitative research with people living on income support conclude that JobSeeker is insufficient to cover basic costs.

In 2022, **ACOSS surveyed 449 people receiving JobSeeker Payment, Youth Allowance and parenting payment** and found that these payments are totally inadequate to cover basic living costs.<sup>11</sup> People reported going without food, electricity, transport, medication, and other essentials to get by week to week.

The report found:

- Of respondents renting privately, 96% were in rental stress, paying more than 30% of their income on rent.
- 62% were eating less or skipping meals.
- 70% of people who regularly use a car said they had difficulty travelling to work, medical appointments, or other commitments because of increased fuel costs.
- More than half (57%) of respondents shorten or take fewer showers because of increased energy costs.

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<sup>10</sup> Except for Youth Allowance.

<sup>11</sup> ACOSS (2022) 'How JobSeeker and other income support payments are falling behind the cost of living' [https://www.acoss.org.au/wp-content/uploads/2022/09/ACOSS-cost-of-living-report\\_web\\_v02.pdf](https://www.acoss.org.au/wp-content/uploads/2022/09/ACOSS-cost-of-living-report_web_v02.pdf)



- 28% currently have energy bill debt and a further 22% expected to go into debt when they receive their next bill.
- Almost all (96%) said that the inability to cover the cost of living harmed their physical and mental health.

The clear message from the report was that inadequate income support payments drive people into such severe financial distress that it impairs their ability to function. Rather than support people to rebuild their lives, inadequate income support debilitates people.

**The ACOSS and UNSW Poverty and Inequality Partnership** report on experiences of the pandemic and supports provided found that the \$275pw Coronavirus Supplement paid in 2020 made an incredible difference to people's lives. It immediately alleviated financial stress, allowed people to buy essentials like food, pay off debt, and meet the cost of items and services that were generally unaffordable like medical, or household goods.

However, the reduction and then removal of the Supplement had "a pernicious effect". Respondents said the Supplement was 'a tease', with its removal returning people to a life of financial stress, debt and depression. Others spoke about how losing the Supplement meant they had to focus on keeping a roof over their head, like Katie who said:

"I started looking at doing courses and upskilling. But then once the payments started going down, you sort of retreat back into looking inwards to manage the payments so you can cover the basics and not have to worry about getting homeless or that sort of thing. That sort of restricted, well it restricts how you sort of live; I think." <sup>12</sup>

Research carried out by the **Melbourne Institute Applied Economic and Social Research** titled 'Protecting mental health during periods of financial stress: Evidence from the Australian Coronavirus Supplement income support payment'<sup>13</sup> found that the Coronavirus Supplement "significantly reduced reported financial stress". It also found that the supplement reduced mental distress for people who lost income, and that the Coronavirus Supplement was "successful in protecting community mental health, indirectly through its effect of reducing financial stress." **Suicide Prevention Australia** argues that the drop in suicides during 2020 despite the pandemic and widespread job loss was thanks to government supports like higher rates of JobSeeker. Adequate income is a protective factor against suicide thanks to the reduction in financial stress.

<sup>12</sup> ACOSS & UNSW Poverty and Inequality Partnership [https://povertyandinequality.acoss.org.au/wp-content/uploads/2022/12/Australian-experiences-of-poverty\\_risk-precarity\\_uncertainty\\_WEB.pdf](https://povertyandinequality.acoss.org.au/wp-content/uploads/2022/12/Australian-experiences-of-poverty_risk-precarity_uncertainty_WEB.pdf)

<sup>13</sup> <https://melbourneinstitute.unimelb.edu.au/publications/working-papers/search/result?paper=4000659>

**The Senate Inquiry into the adequacy of Newstart** (JobSeeker Payment) found that JobSeeker and related payments drove people into poverty, acted as a poverty trap and lead to a deterioration of people’s health and wellbeing. The Committee highlighted the flow-on effects of inadequate income support payments: inability to get healthcare and medication, people (mostly women) are unable to leave a violent partner, students drop out of higher education because they cannot afford to study and people report loneliness because they cannot afford to leave the house (if they have one). The committee recommended that the Australian Government increase the rates of JobSeeker Payment, Youth Allowance and Parenting Payment to ensure that people receiving these payments do not live in poverty.<sup>14</sup>

A 2022 report from **the Salvation Army** showed that, with the withdrawal of the Coronavirus Supplement, 93% of people receiving JobSeeker Payment found it difficult to meet living costs. After paying for housing, people receiving JobSeeker Payment had, on average, \$19 a day left for everything else. In terms of deprivation, the report found that 81% of people receiving income support payments could not raise \$500 in an emergency, 68% said they could not afford getting together with friends or family for a drink or meal once per week and 51% said they couldn’t afford dental treatment when they need it.<sup>15</sup>

### **ACOSS Proposal for reform of Jobseeker: background and detail**

ACOSS recommends that **the maximum rate of Jobseeker and other allowances** be increased **to current pension rates (including the pension supplement), and indexed to wages and prices, whichever is higher**. This should be complemented by a 100% increase in Rent Assistance and additional supplements to meet the specific costs of disability and single parenthood.

The benefits of this proposal are wide-ranging. For example, it would:

- lift people out of poverty and simplify of the income support system by establishing one base payment level across different cohorts. This recognises basic costs faced by all (see graph 2 below), while still allowing different conditions (e.g., job search) to be attached to payments depending on circumstances;

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<sup>14</sup> Community Affairs References Committee (2020) ‘Adequacy of Newstart and related payments and alternative mechanisms to determine the level of income support payments in Australia’, Senate Inquiry [https://parlinfo.aph.gov.au/parlInfo/download/committees/reportsen/024323/toc\\_pdf/AdequacyofNewstartandrelatedpaymentsandalternativemechanismstodeterminethelevelofincomesupportpaymentsinAustralia.pdf;fileType=application%2Fpdf](https://parlinfo.aph.gov.au/parlInfo/download/committees/reportsen/024323/toc_pdf/AdequacyofNewstartandrelatedpaymentsandalternativemechanismstodeterminethelevelofincomesupportpaymentsinAustralia.pdf;fileType=application%2Fpdf)

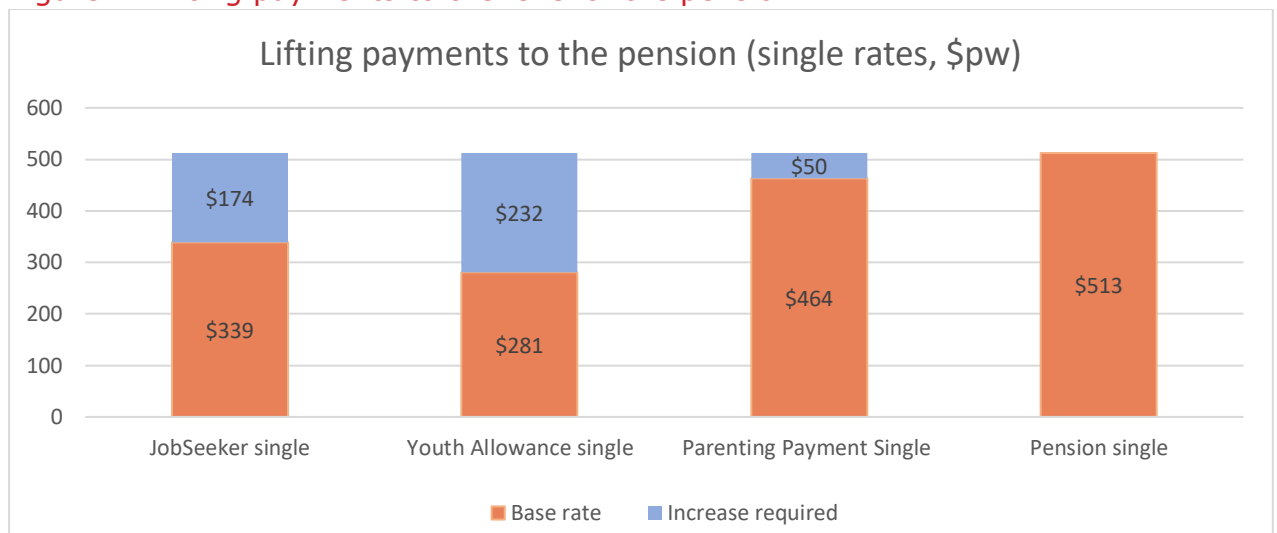
<sup>15</sup> Salvation Army (2022) ‘Between a rock and a hard place’ [https://www.salvationarmy.org.au/subscribe/sites/auesalvos/files/RSA2022/RSA22\\_Research\\_Report\\_FINAL.pdf](https://www.salvationarmy.org.au/subscribe/sites/auesalvos/files/RSA2022/RSA22_Research_Report_FINAL.pdf)



- be simple to implement because the payment infrastructure is already in place;
- ensure all couple rates of payment are 150% of single payment rates, reflecting economies of scale experienced by couples over singles;
- apply a consistent approach to indexation across payment types, removing the risk of different groups of people being left behind (all payments would be indexed at least twice per year in line with wages and prices, whichever is higher).
- target assistance at those most in need, including people who are unemployed, private renters (including older renters) people with disability and single parents caring for children.

This reform would result in a base rate increase of **\$175pw** for a single person receiving JobSeeker Payment. Other payments would increase between **\$50pw** for Parenting Payment Single and **\$232pw** for Youth Allowance. Single rates of payment would be brought up to the single pension rate of **\$513pw**.

Figure 1. Lifting payments to the level of the pension



The following payments would increase under this proposal:

- JobSeeker Payment
- Youth Allowance
- Austudy
- Abstudy
- Special Benefit
- Crisis Payment
- Parenting Payment

In addition to aligning allowance and pension rates, supplements should be introduced or increased to recognise the cost of private rent, disability and single parenthood. This would ensure the extra costs faced by these households to achieve the same standard of living as others are factored into the income support system.

### **Benchmark Commonwealth Rent Assistance to rents paid**

Commonwealth Rent Assistance should be benchmarked to actual rents paid rather than set at an arbitrary amount that rises in line with CPI only.

Current rates of CRA offer little help to people with low incomes facing the highest rents, especially in our larger capital cities. This freezes people out of places where employment opportunities have grown the strongest, and forces those who remain there to live with family (often with parents long after reaching adulthood) or in sub-standard accommodation in the 'informal' rental sector.

We propose to link the maximum rent threshold to average rents paid for outer Sydney, Melbourne and Brisbane, as done by UNSW's Social Policy Research Centre in their budget standards work. This would deliver an increase of 100% to CRA. Higher maximum rates would not be restricted to residents in these capital cities, recognising the high median rents paid outside capital cities. Rather, rents in these three cities (which together comprise most rental dwellings across the country) would be used for benchmarking purposes.

The following table shows how CRA would change by benchmarking the payment to rents, including rates of payment and maximum rent thresholds for selected households.

## Benchmarking CRA to rents (2022, \$pw)

Household size	Dwelling size	Weekly rent 2022*	Current CRA max rent pw threshold	Proposed max rent threshold pw	Proposed % increase to max CRA rent threshold	Increased weekly CRA paid <sup>^</sup>
Single	1brm unit	\$283	\$169	\$256	68%	\$141
Couple no chn, Single Parent 1-2 chn	2brm unit	\$325	\$205 <sup>+</sup>	\$310-\$315	58%	\$151-170
Couple 1-2 chn,	3br house	\$387	\$250	\$380	30%	\$186
<b>Average</b>					50%	

Source: Saunders et al (2017) Healthy living budgets for unemployed and low paid workers, Social Policy Research Centre UNSW Sydney. \*average lowest quartile, outer Syd, Melb & Bris (March).  
<sup>+</sup>Current maximum rent for a sole parent with 1 child is \$208pw. <sup>^</sup>Based on an across the board 50% increase in maximum CRA rent thresholds.

### Disability or Illness Supplement

We propose that this supplement be set at the rates outlined by the 2019 NATSEM report into the cost of disability.<sup>16</sup> NATSEM showed that for a single person with a disability receiving the Disability Support Pension to achieve the same standard of living as a single person without a disability, their income would need to increase by \$55 per week.<sup>17</sup>

We propose that people with disability, as well as people with an illness that prevents them from undertaking full-time paid work be eligible for the supplement.

### Single Parent Supplement

To ensure the additional costs of single parenthood are adequately recognised in our income support system, we propose a supplement of at least \$200pw week for a single parent, recognising that these households need a higher level of income than single households without children. We suggest that this Supplement replace Family Tax Benefit Part B.

<sup>16</sup> Li, J., Brown, L., La. H.N., Miranti, R., and Vidyattama, Y. (2019). Inequalities In Standards of Living: Evidence for Improved Income Support for People with Disability. NATSEM, Institute for Governance and Policy Analysis, University of Canberra. Report commissioned by the Australia Federation of Disability Organisations. September 2019.

<sup>17</sup> This figure would need to be updated to reflect current living costs. If increased in line with CPI, and rounded up to the nearest \$10, this figure would be \$60pw in 2023.

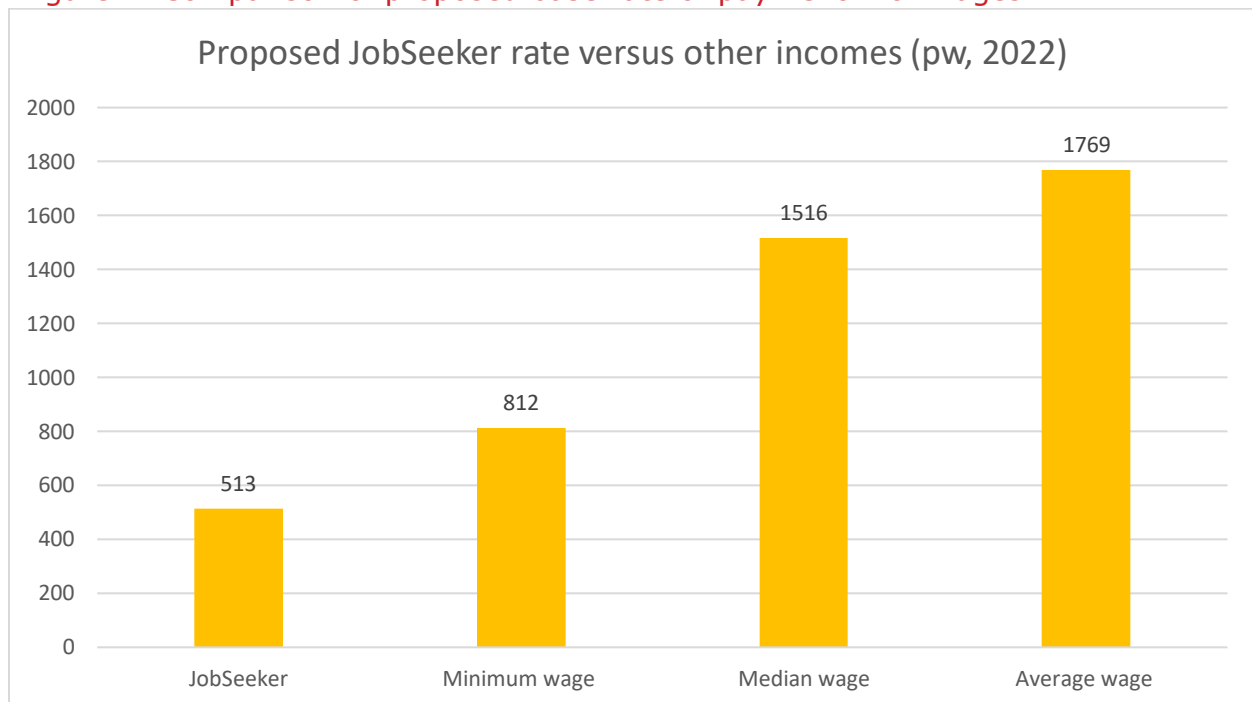
## Providing adequate payments while maintaining work incentives

The ACOSS Proposal to establish a minimum income floor for all working age payments set at the pension rate, with supplements, would maintain very strong incentives to obtain paid work, with people generally much better off financially in paid work, as Figure 2 demonstrates.

The single pension rate of \$513 per week is currently 63% of the minimum wage (before tax). It is just **29% of average wages** in Australia and **around 41% of median wages**.

The base rate of JobSeeker Payment is currently 42% of the minimum wage (before tax).

Figure 2. Comparison of proposed base rate of payment with wages<sup>18</sup>



In addition, because income support payments are income tested, the amount of JobSeeker Payment received tapers off as people secure paid work. Therefore, someone working two days per week at the minimum wage whilst receiving JobSeeker would be much better off than someone whose sole source of income is JobSeeker.

<sup>18</sup> DSS, ABS and minimum wage data.

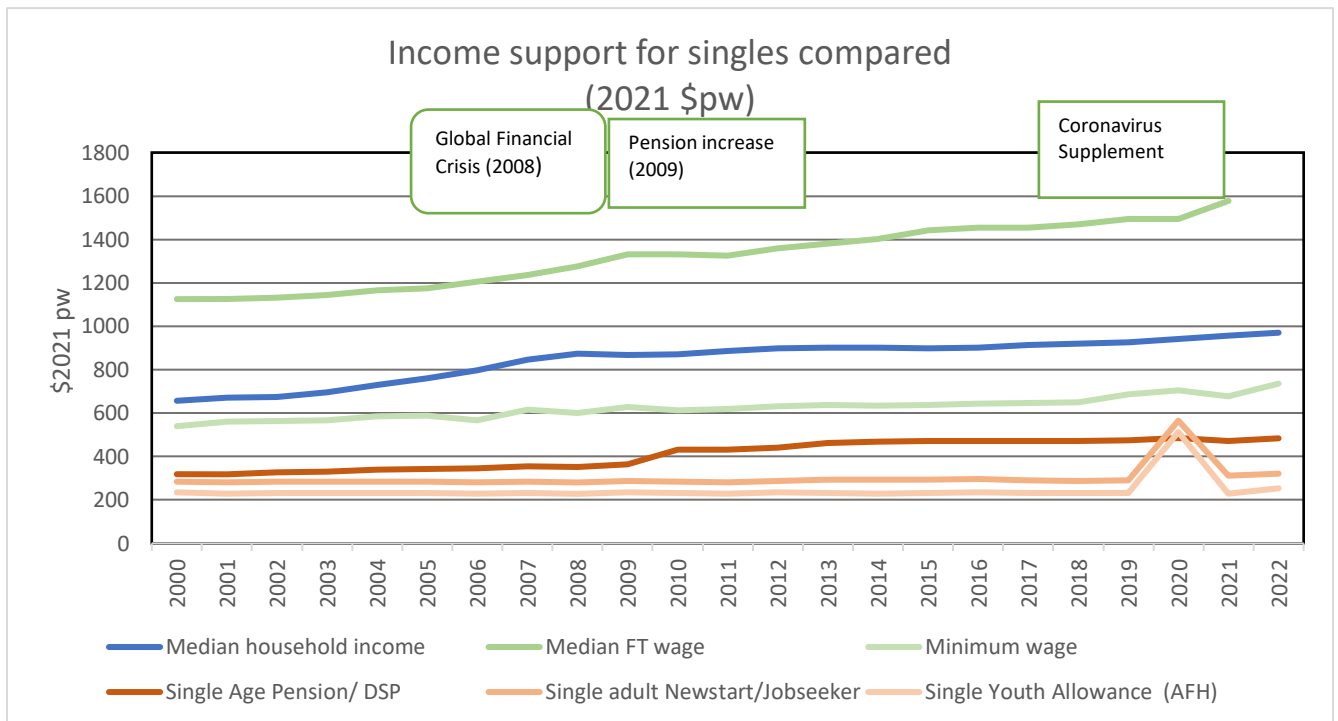
It has been well argued that the low rate of JobSeeker presents a barrier to getting paid work as people cannot sufficiently sustain their existence.<sup>19</sup> The Business Council of Australia and respected economists have argued that the low rate hinders people’s ability to get employment. If we want people to secure paid work, then we must ensure they can meet their basic needs like food, housing and healthcare while looking for paid work.

**The proposed reform would remove inequities that have grown over time**

As Figure 3 shows, just 12 years ago, the rate of JobSeeker Payment (formerly known as Newstart) was just \$56 per week below the pension rate. It is now almost four times that (\$175pw difference).

The disparity between these payments cannot be justified. 80% of people receiving unemployment payments receive them for 12 months or more, while people in otherwise very similar circumstances receive much higher levels of income if they qualify for a pension.

Figure 3. Comparison of the pension, JobSeeker, Youth Allowance and wages.



<sup>19</sup> For example, the Business Council of Australia, Grattan Institute, Deloitte Access Economics.

Paying people according to current need rather than their (predicted) future work prospects would make the system fairer, simpler, and ease transitions towards paid work for many.

## Lessons from 2020

In addition to lifting base payment rates, there is a range of other measures the government implemented temporarily in 2020 that should be made permanent including:

- Abolition of the Liquid Assets Waiting Period.
- Abolition of the one-week waiting period for income support payments.
- Restoration of the Intent to Claim provisions for all.
- Increased Centrelink staffing (permanent positions).
- The Newly Arrived Residents Waiting Period, suspended during the COVID-19 crisis, should be to six months as it was when first introduced.

## Summary of recommendations for permanent reform

ACOSS recommends that the following be implemented as soon as possible:

### ***Adequate and fair payment rates***

- Set a minimum income floor across the working age payments system set at the current pension rate (including the Pension Supplement). This is currently \$513 per week for a single person.
- Increase base rates of allowances to this income floor. This would require an increase of \$175pw to the single maximum rate of JobSeeker Payment and \$232 per week for single, maximum rate of Youth Allowance. This would simplify the income support system, while securing fairness. (Note. These increases would apply to all allowance payments, including Austudy and Abstudy).
- In addition, depending on circumstances of need, people would also receive one or more of the following supplements:
  - o *Housing Supplement*: Benchmark Commonwealth Rent Assistance to rents paid, delivering a 100% increase to the payment.
  - o *Disability and Illness Supplement*: Introduce a Cost of Disability and Illness Supplement that recognises the additional costs faced by people with disability. This Supplement should be at least \$55 per week. This is in addition to ACOSS's long-standing call for broader access to the Disability Support Pension to avoid people with disability ending up on JobSeeker Payment.



- *Single Parent Supplement*: Introduce a Single Parent Supplement that recognises the added costs of single parenthood. The Single Parent Supplement should be at least \$200 per week and would replace Family Tax Benefit Part B.
- Roll universal payments like the Energy Supplement into base rates of income support to simplify the system, recognising that they are intended to assist with basic household expenses.
- Index income support payments twice per year to wages as well as prices.
- Income support payments must not be subject to mandatory cashless debit or income management.
- Ensure all parents receiving income support payments are eligible for childcare subsidies (including additional, transition to work subsidies).

### ***Remove barriers to accessing payments***

- Permanently remove the Liquid Assets Waiting Period and the One-Week Waiting Period.
- The Newly Arrived Residents Waiting Period, suspended during the COVID-19 crisis, should be reduced after the pandemic to a maximum of six months (as it was when first introduced). Furthermore, anyone who has accessed income support under this suspension should be able to continue to access income support once the suspension is lifted, providing they have financial need (as many may be without paid work).
- Increase permanent staff numbers at Centrelink.
- Continue online payment claims as well as Intent to Claim for everyone who needs it.
- The Federal Government should ensure people seeking asylum and temporary migrants with no other means of assistance have access to crisis support and financial assistance.

### ***Establish an independent mechanism to advise on income support payment settings***

Establish an independent statutory Social Security Commission to advise government and the parliament on income support payment adequacy and other settings over time. The Economic Inclusion Advisory Committee could fulfill this role.