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Committee Secretary  
Senate Standing Committees on Community Affairs  
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Canberra ACT 2600

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Submission to the Senate Community Affairs Legislation Committee  
on the Social Services Legislation Amendment (Strengthening Income  
Support) Bill 2021.

Prepared by The Wyatt Benevolent Institution Inc.

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## Recommendations

- 1. An immediate and permanent increase to the current base rate of JobSeeker of a minimum of \$150 per week plus indexation based on the equivalent percentage rise in average wages or prices, whichever is higher.**
  - 2. Youth Allowance and Youth Disability Support Pension, Parenting Payment, Austudy and Abstudy should be similarly increased and aligned with the Age Pension.**
  - 3. Permanent removal of barriers to accessing payments including liquid assets waiting period, one-week waiting period and third-party verification claim requirement.**
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## Introduction

### Who we are:

The Wyatt Benevolent Institution Inc. (Wyatt) has been providing grants to South Australians experiencing financial hardship since 1886. In the last twenty years alone, we have provided over \$45 million in support to people in the form of financial grants, payments and housing subsidies.

Wyatt has a small team of staff tasked with working with partner organisations and referrers to ensure that individuals and families have access to basic necessities in times of crisis.

### Financial hardship

The term financial hardship can refer to many situations where an individual or family does not have adequate income to cover expenses. For Wyatt, eligibility and demonstrating financial hardship has a yardstick of receiving income support – i.e., if you are in receipt of government income support and cannot meet your basic expenses you may be eligible for Wyatt support. This dollar amount is also applied to those who may be eligible for income support but not able to access it due to barriers or being employed but earning an amount commensurate with government income support. Each year demand for Wyatt assistance far outstrips available funding.

### Further context

In January 2021 there were over 333,000 South Australians receiving JobSeeker. This was an increase of over 20,000 people compared to April 2020<sup>1</sup>. In the 2020 financial year over 6,000 individuals and families received support from Wyatt, reaching the limit of Wyatt's granting resources for the year.

Of the Wyatt direct grant recipients where income data was recorded:

- 96% of households or individuals received government income support as their primary income
- 33% of households received JobSeeker payments, 21% received parenting payment single, and 6% received youth allowance.
- A further 22% received the disability support pension as their main income.

JobSeeker Payment	33%
Disability Support Pension	22%
Parenting Payment Single	21%
Youth Allowance	6%
Carer Payment	5%
Age Pension	4%
Parenting Payment Partnered	1%
NEIS Allowance	1%
Abstudy	1%
Wages - Part-time	1%
Wages - Full-time	1%
Wages - Casual	1%

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<sup>1</sup> <https://data.gov.au/data/dataset/JobSeeker-payment-and-youth-allowance-recipients-monthly-profile>

- While 21% of recipients received Parenting Payment Single, the number of single parent households who received assistance from Wyatt is far higher. The Parenting Payment Single figure does not include the single parent households that have children who are over the age of 8 years, where parents have been transferred to JobSeeker. 96% of these single parents are women
- A woman was the main applicant of 68% of all recipient households
- 25% of grant recipients were aged 25 to 34, the age bracket that received the greatest level of income support in the last twelve months.

The primary issues people are facing which cause them to seek assistance from Wyatt include:

- 41% are in significant financial stress
- 20% are homeless, or have recently experienced homelessness
- 14% are in financial need due to domestic or family violence.

Just a few of the essential day-to-day needs of those in South Australia living below the poverty line, which cannot be met on income support, and have been made accessible to families through Wyatt assistance include:

- 1,232 essential whitegoods (fridges, washing machines, cooktops/ovens)
- 330 Items of essential furniture (beds, seating, storage, tables etc)
- 130 furniture removalist services
- 115 utilities arrears payments (water, electricity, gas, phone)
- 70 youth education supports (school fees, course fees, uniforms, education assessments, school camps, childcare/OSHC, BYI laptops)
- 70 vocational training supports (fees, equipment, clothing, licences)
- 66 skips, security items, and home maintenance services
- 60 rent arrears payments
- 48 electrical goods (hot water service, heating, microwaves, vacuum cleaners, televisions)

Wyatt grant recipient:

*'Wyatt grants are for purposeful reasons – nothing fancy or indulgent'.*

Wyatt grant recipient:

*'As you may imagine, it is hard to sleep at night, with this constant stress and this financial struggle, I just want to finish my placement to be able to find a job... and my financial situation will improve, I will be able to provide to (sic) my children and I will become financially independent....'*

Wyatt works with, and understands intimately, the challenges of people living on Government income support. We know that the base level of JobSeeker and other like payments does not come close to providing an adequate level of income on which to meet all reasonable day-to-day expenses.

Every person that receives Wyatt support comes to us via a referrer. Referrers include financial counsellors, youth workers, health professionals and government departments. Therefore, people receiving Wyatt support are already connected into services and supports beyond the income support system *and are still not able to get by*. Government departments and their workers who have a mandate of supporting those in extreme hardship still refer to Wyatt for additional support – i.e., a person receiving government income support *and* case management *still* does not have enough to get by.

**The income support system is grossly inadequate and requires systemic change via a permanent raise to the base rate of working age social security payments.**

## Social Services Legislation Amendment (Strengthening Income Support) Bill 2021

### Response

Increasing the base rate of working age social security payments by \$50 per fortnight, or \$3.57 per day, does not provide for an adequate standard of living.

In South Australia the poverty line, based on 50% of the equivalised median household disposable income as per the ABS 2015-16 Survey of Income and Housing, was \$408 per week for a single person household, (compared to \$423 per week for Australia)<sup>2</sup>. This figure (adjusted to 2018 dollars) is still over \$100 higher than the proposed rate increase (Figure1).

Using 2019 figures, JobSeeker (then Newstart Allowance) was over \$430 per week less than the minimum wage<sup>3</sup>. Among many others in statutory or public positions, The Reserve Bank Governor Dr Philip Lowe is on the record a number of times stating that he agrees a permanent increase is necessary<sup>4</sup>.

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<sup>2</sup><https://www.sacoss.org.au/sites/default/files/public/documents/Submissions/180809%20SACOSS%20Submission%20to%20Select%20Committee%20on%20Poverty.pdf>

<sup>3</sup> <http://povertyandinequality.acoss.org.au/inequality/trends-in-the-single-rate-of-newstart-allowance-pensions-and-wages/>

<sup>4</sup> <https://www.theguardian.com/australia-news/2021/feb/03/reserve-bank-forecasts-australian-economy-will-return-to-pre-pandemic-size-by-mid-year>

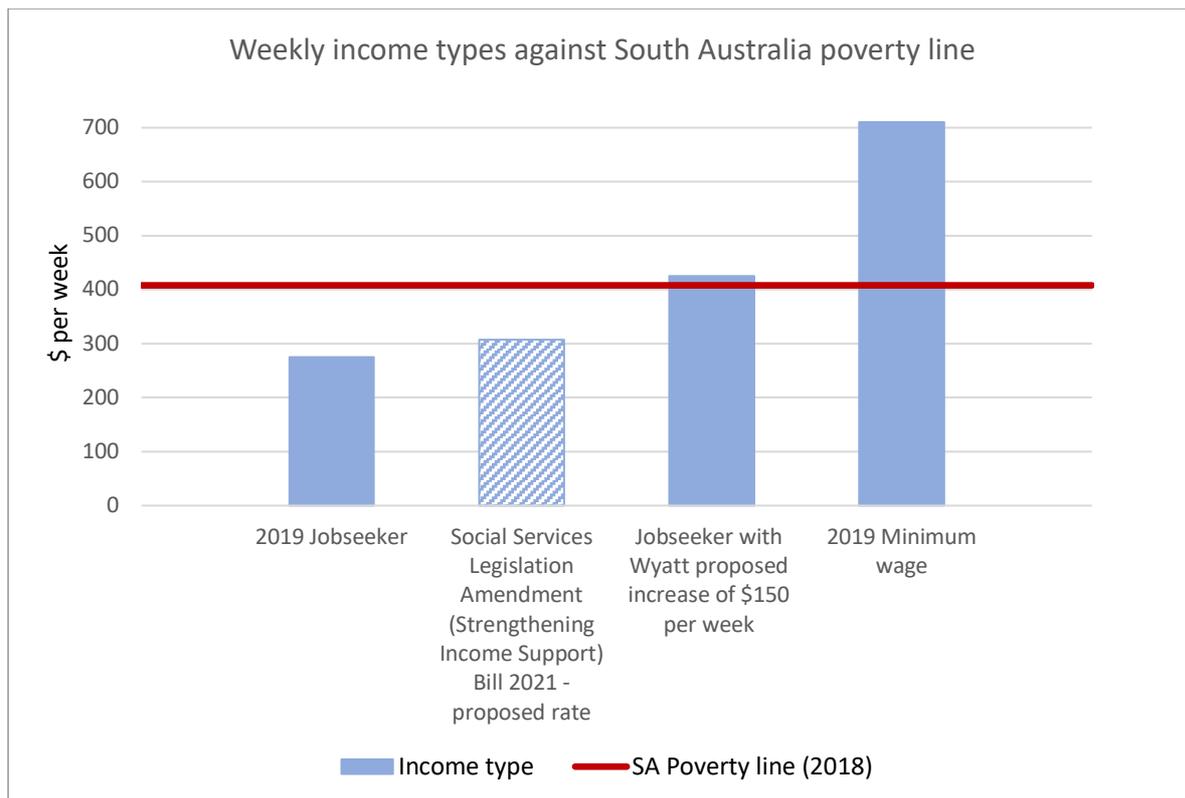


Figure 1. Weekly JobSeeker rate and proposed increases mapped to SA poverty line

**For economic growth, but more importantly, for ensuring we don't trap generations into cycles of poverty, the rate needs to be permanently increased beyond the proposed \$3.57 per day to an additional \$21.43 per day.**

Income support including Youth Allowance and Youth Disability Support Pension, Parenting Payment, Austudy and Abstudy should be similarly increased and aligned with the Age Pension. No one income support time should subject its recipient to living significantly below the poverty line.

Furthermore, there are significant barriers to people accessing social income support. These barriers became apparent during the COVID-19 crisis and the Government recognised the need to remove them. The following were improvements to the income support system and should be permanently removed:

- Liquid assets waiting period
- One-week waiting period
- Third-party verification claim.

### Compatibility with Human Rights

The Explanatory Memorandum outlines how the Amendment Bill engages the following Human Right:

*'the right of everyone to social security in Article 9, and the right of everyone to an adequate standard of living for an individual and their family, including*

*adequate food, clothing and housing, and the continuous improvement in living conditions in Article 11 of the International Covenant on Economic, Social and Cultural Rights;’ pp13.*

‘Adequate’ standard of living, including ‘adequate food, clothing and housing, and the continuous improvement in living conditions’ has been shown to not be possible on the current base rate of \$40 per day. An increase of \$3.57 per day to this base rate does not do anything to provide adequacy.

Wyatt grant recipient:

*‘My Centrelink payments only cover my weekly rent and hardly cover my groceries expenses (sic). Hence, I used the funds to cover my weekly costs, utility bills, transports (sic) expenses, internet bills.’*

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Wyatt thanks the Senate for calling this inquiry and the opportunity to share some further detail on the immense challenges of trying to survive on the current rate of JobSeeker. We implore all Senators to require the Government to do more to assist Australians who desperately need support and to ensure this Bill is not passed without a significant amendment increasing the base rate and removing barriers to accessing payments.