



## **Submission to the House of Representatives' Standing Committee on Social Policy and Legal Affairs: *The Social Security Commission Bill 2018***

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## 1. About Uniting Communities

Uniting Communities works with South Australians across metropolitan, regional and remote South Australia through more than 90 community service programs. The organisation is made up of a team of more than 1,500 staff and volunteers who support and engage with more than 20,000 South Australians each year.

We work with children, young people and families to support them through difficult times. Our services include family and relationship support including support for single parent families with accompanying children, domestic violence services, support for families new to Australia, financial and legal services, advice with social security issues, homelessness services, and alcohol and other drug support.

Uniting Communities is concerned about the provision of equitable and appropriate social security support to economically marginalised Australians, with particular reference to the effects of compulsory income management and welfare conditionality.

## 2. Introduction

Uniting Communities welcomes the opportunity to provide comment to the House of Representatives' Standing Committee on Social Policy and Legal Affairs on the *Social Security Commission Bill 2018*.

Many of Uniting Communities' clients are people for whom maintaining their wellbeing and a decent standard of living is a daily challenge as they are reliant on receiving social security payments, which are too low and do not enable them to live a decent life.

Our organisation supports this Bill and its objectives of ensuring that 'the living standards of people relying on social security payments reflect the broader changes in community living standards and maintain purchasing power, in line with wage and cost of living increases (Explanatory Memorandum – Section 3: Principle Object)'.

To this end, Uniting Communities supports the establishment of a Social Security Commission that is to provide the Parliament with independent advice on the minimum levels for social security payments, such that all recipients can meet an accepted contemporary minimum standard of living.

While supporting this Bill and calling for it to be established as soon as possible, we also believe that this Bill opens up a timely opportunity for an expansion of the scope and function of the proposed Commission and the matters which it might consider. Uniting Communities is calling for the Bill to include an additional function for the Commission, namely, that it conducts a comprehensive review of Australia's social security system with a particular focus on the conditionalities and penalties that have become integral to the framing and implementation of this system and its various programs. We believe that a Bill that is focused on establishing a Commission to consider the minimum levels of social security payments should include a consideration of the ways in which these minimal payments are eroded through the imposition of penalties and harsh sanctions for non-compliance.

While we advocate for the proposed establishment of the Commission to review social security payments and believe that it is essential that the rate of these payments is increased, it would be essential to also review the ways in which these meagre payments are further diminished as a result of the conditional welfare mechanisms that are imposed on income support recipients.

### **3. The current status of social security payments**

It is evident that the rate of social security payments across all categories of social security support are well below the ever-increasing cost of living and do not meet community needs or expectations.

It is alarming that, as one of the richest countries in the world, Australia does not adequately and fairly address the needs of those who require social security support. In Australia, providing adequate social security is not a question of affordability but, rather, one of misallocation. In a country that enjoys so much wealth and access to resources, we could easily provide all citizens with adequate support to enable everyone to live a good life.

For more than two decades, there have been repeated calls to increase the rate of Newstart and Youth Allowance. Those who are unemployed or not working for a range of reasons are expected to live on approximately \$39 per day. This amount of money does not enable a person to live a good life but pushes them into further poverty.

The current system and rate of social security payments is not meeting the needs of Australians in an equitable and adequate manner and is in urgent need of a thorough overhaul, which would be enabled by the establishment of a Social Security Commission.

### **4. The value of establishing a Social Security Commission**

While it is acknowledged that social security policy is a complex area, the current process for determining the rate of social security payments is *ad hoc* and does not appear to be informed by the necessary evidence or linked to specific socio-economic markers or rates of indexation, and is not conducted on a regular basis or in a transparent manner.

The establishment of a Social Security Commission through this bill is welcomed because it will provide Parliament with independent and informed advice on the minimum level for all social security payments made under the *Social Security Act 1991* – including pensions, Newstart and the Youth Allowance – so as to enable an acceptable minimum standard of living.

Through its function of conducting transparent social security payment reviews, the Commission is to determine the following: an acceptable standard of living for recipients of the payment; whether the current level of the payment provides adequate support; and a recommended increase to the payment level or rate of indexation.

### **5. Proposals for consideration by the Committee**

Section 8 of the Bill sets out the functions of the proposed Commission. Uniting Communities supports the proposed functions, however, we wish to highlight specific aspects for the Committee's consideration.

### ***Scope of the function of the Commission***

The establishment of the Commission offers an opportunity for a more thorough overhaul and recalibration of Australia's social security system. Uniting Communities believes that there would be value in expanding the role and function of the Commission to include a more in-depth consideration of the structure, modalities and mechanisms, as well as the associated payment rates, of the entire social security system.

Uniting Communities believes that a consideration of the rate of social security payments is critically important, but that looking only at these payments is insufficient in light of the punitive and conditional nature of most of Australia's social welfare systems and services and the harm it is causing to welfare recipients; more especially those programs which include penalties for breaches which result in people earning even less than the inadequate stipulated payment rate. To this end, we would urge that consideration be given to expanding the scope of the role and functions of the Commission, so as to include a comprehensive review of the entire social security system and its programs.

Uniting Communities, in conjunction with the Accountable Income Management Network and a number of community-based organisations working with people receiving income support payments, is calling for all the punitive social security measures such as ParentsNext, compulsory income management in the form of the BasicsCard and Cashless Debit Card, work-for-the-dole programs such as the Community Development Program (CDP), and exploitative youth employment programs such as PaTH to be abolished. We would welcome the Bill including the Commission having the function of conducting a more broad-based review of all social security systems and programs.

### ***Mechanism for broader community and public input***

We wish to make reference to Section 8(c) which states that the Commission is to 'conduct reviews, relating to social security payments, *at the request of the Minister or the Parliament*'. While it is recognised that the Bill provides that the Commission must ensure a reasonable opportunity for interested parties to make comments for consideration in a review and on the material that is published, we believe that the work of the Commission would be strengthened if a mechanism was identified and established so as to accommodate a broader scope of input and enable the Commission to respond to requests from the public and/or community organisations regarding the need to review particular social security payments, and not be solely based on requests from the Minister or the Parliament.

### ***Frequency of reviews***

The Bill sets out a requirement that the Commission must ensure that each social security payment is the subject of at least one social security payment review every four years.

Uniting Communities wishes to propose that these reviews are conducted more frequently, in light of the rapidly changing nature of a number of socio-economic factors such as the rise in the cost of living, increasing unemployment, underemployment and changes in the nature of work, such as increased casualization and the rise of the 'gig-economy'. The four-year cycle of reviews may not be sufficiently responsive to the ever-changing socio-economic environment and the needs of those requiring social security support.

## 6. Conclusions and recommendations

The realisation of this Bill will enable Parliament to consider independent and expert advice so as to improve the current punitive and *ad hoc* nature of Australia's existing social security system, and develop a more equitable and respectful approach towards those requiring social security support.

In conclusion, Uniting Communities recommends that the social security system and its associated payments should not be viewed as a short-term cost but, rather, as a long-term investment in citizens and in a more fair, participatory and compassionate society in which everyone is valued and taken care of. In the absence of such an approach, our society will become even more unequal and fractured and the social challenges that are currently not being addressed will become compounded and, ultimately, cost our society more, both financially and in terms of social cohesion and the wellbeing of all citizens.

Uniting Communities recommends that:

- the independent Social Security Commission should be established as soon as possible;
- in the interim, and as a matter of urgency, the rate of Newstart should be raised by a minimum of \$75 per week;
- the scope of the role and functions of the Commission should be expanded, so as to include a comprehensive review of the entire social security system and its programs;
- aligned to the above recommendation, all punitive social security measures such as ParentsNext, compulsory income management in the form of the BasicsCard and Cashless Debit Card, work-for-the-dole programs such as the Community Development Program (CDP), and exploitative youth employment programs such as PaTH are to be abolished;
- the functions as set out in Section 8 of the Bill should include a mechanism that enables the Commission to respond to requests from the public and/or community organisations regarding the need to review particular social security payments, and that the motivation for conducting reviews should not be based solely on requests from the Minister or the Parliament;
- the frequency of conducting the social security reviews should be every three years, in light of the rapidly changing nature of a number of socio-economic factors – noting that the four-year cycle of reviews may not be sufficiently responsive to the ever-changing socio-economic environment and the needs of those requiring social security support.