

Submission to the Senate Community Affairs Committee

Social Services Legislation Amendment (Strengthening Income Support) Bill 2021

05 March 2021

The Western Australian Council of Social Service Inc. (WACOSS) welcomes the opportunity to make a submission to the review of the Social Services Legislation Amendment (Strengthening Income Support) Bill 2021.

WACOSS is the peak body for the community services sector in Western Australia and works to create an inclusive, just and equitable society. We advocate for social and economic change to improve the wellbeing of Western Australians, and to strengthen the community services sector that supports them. WACOSS is part of a network consisting of National, State and Territory Councils of Social Service, who advance the interests of people on low incomes and those made vulnerable by the systems in place.

Inadequacy of Payment Increase

In 2015, the then Minister for Social Services, the Hon. Scott Morrison released the final report of the McClure Review of Australia's Welfare System, *A New System for Better Employment and Social Outcomes*. The report clearly stated that "Australia's social support system needs major reform to deliver better outcomes for all Australians now and in the future" and that "the system is out of step with today's labour market realities and community expectations."¹

One of the core values for reform put forth in the report was payment adequacy: providing income support recipients with sufficient support to ensure a basic standard of living in line with community standards. The main purpose of Australian income support payments is to prevent individuals and families from falling into poverty and entrenched disadvantage. To ensure this, people need a payment that enables them to meet their day-to-day living costs and maintain an acceptable standard of living that also allows them to look for work, or to study, and/or to support children. Prior to the introduction of the Coronavirus Supplement, JobSeeker payment (formerly Newstart) fell well below the poverty line² and were not enough to cover the cost of essentials. These payments have not kept pace with rising day-to-day expenses and, unless they are sufficiently increased and properly indexed, will continue to push many recipients into poverty and contribute to financial stress, housing insecurity, diminished health and wellbeing, and capacity to secure work.

¹ Commonwealth of Australia (2015) [A New System for Better Employment and Social Outcomes: Final Report](#)

² The Organisation for Economic Cooperation and Development (OECD) defines the poverty line as half the median household income of the total Australian population. In dollar figures, this poverty line works out to \$457 a week for a single adult living alone; or \$960 a week for a couple with 2 children.

In order to assess the adequacy of income support, payments should, therefore, be benchmarked against a current and adequate measure of community living standards. The basis of which must be informed by robust empirical evidence and diverse expertise that contributes to a valid assessment of the adequacy of allowances for people requiring social security payments to afford basic goods and services and to live with dignity. It is simply not sufficient to compare current and past rates of payment.

JobSeeker and Youth Allowance, and other payments paid at the same rate have long been regarded as inadequate by a broad and substantial cross-section of the community. Proponents for a permanent and *adequate* increase to the base rate of these payments, include some of Australia's eminent economists,³ business organisations like the Business Council of Australia and Australian Industry Group; health organisations like the Australian Medical Association; regional organisations like the Country Women's Association; community sector organisations like ACOSS (and associated peak Councils of Social Service), Anti-Poverty Network, Australian Unemployed Workers Union, Anglicare, Mission Australia, and St, Vincent de Paul; 47 local governments across the country, and the majority of the Australian public.⁴

Opinion polls have consistently indicated that there is strong public support for raising JobSeeker and allowances to be above the poverty line. In Western Australia, research findings from the *Above the Line* report⁵ found that more than two million Western Australians – nearly 75 percent – supported a permanent increase in the JobSeeker rate prior to the Federal Government's announcement of the \$3.57 per day increase. One in three respondents believed that this increase should be much higher than the JobSeeker base rate. This belief is shared across the political spectrum, regardless of respondents' voting intentions.

Though this Bill implements the first real *permanent* increase in working-age payments since 1994, it only lifts JobSeeker Payment for single people from \$41 a day to \$44.50 a day (including the Energy Supplement). While every dollar counts for people receiving these payments, this meagre increase is completely inadequate to ensure people can cover basic essential costs like housing, food, transport, and healthcare. WACOSS is urging this Senate Committee to support amendments to this Bill to raise the rate of JobSeeker payments beyond the \$3.57 per day increase to a value well above the poverty line.

Furthermore, given the context of this minimal increase to the base rate coming at the same time as the removal of the Coronavirus Supplement – which was hugely successful as a stimulus measure, strongly supported by the Australian community *and* demonstrably effective in improving living standards and life outcomes of those otherwise living in poverty – it is widely perceived as a harsh and unnecessary cut to the incomes of vulnerable households.

³ Martin, Peter (2020) [Top economists back boosts to JobSeeker and social housing over tax cuts in pre-budget poll](#). The Conversation.

⁴ Raise the Rate Campaign (2020) [Survey Of 955 People Receiving The New Rate Of JobSeeker And Other Allowances](#)

⁵ Anglicare WA, Commicare, Foodbank, Ruah, Uniting, WACOSS (2020) [Above the Line: Perceptions of Poverty in WA](#). Research Report.

We support the further recommendations made in the submission by the Australian Council of Social Service.

Housing Stress

In January 2021, there were 144,159 JobSeeker Payment and Youth Allowance (other) recipients in Western Australia out of a total of 1,371,563 recipients nationally. A clear example of the inadequacy of the increase to JobSeeker, and inadequacy of other related social security payments, is the inability of people receiving those payments to be able to access affordable and appropriate housing.

The annual *Anglicare Rental Affordability Snapshot* takes a 'snapshot' on a given day of the rental market (in this case, 21 March 2020), examining whether properties advertised are affordable for a range of different low income types and whether those properties are appropriate for the composition of their household. The *2020 Rental Affordability Snapshot*⁶ highlights the lack of affordable housing options for low income households in Western Australia, and how those that rely on Government benefits continue to be priced out of the private rental market across the State. Even with the Coronavirus Supplement, only 0.8 per cent of properties in the Perth metropolitan region are affordable and appropriate for a single on JobSeeker. Without the supplement, they would be unable to find any affordable and appropriate rental properties anywhere in Western Australia. Adding to this analysis, the 2020 Rental Affordability Index⁷ revealed that, even with the temporary addition of the Coronavirus Supplement, a single person on JobSeeker was still needing to spend 56 per cent of their income on rent in both Perth and the rest of Western Australia. This places their housing situation in the severely unaffordable category.

A couple receiving JobSeeker, with two children, saw their ability to find affordable and appropriate properties in Perth appreciably improved, rising from just 1 per cent with the supplement to 29.7 per cent with it. In the South West and Great Southern, they went from 5.5 per cent to 53.7 per cent, while they fared less well in the North West, rising from being able to access just 0.3 to 10.2 per cent. A single parent with one child and relying on the JobSeeker Payment, however, were unable to find any affordable and appropriate rental properties across Western Australia prior to the supplement. With that increase to their income, they still only able to find 2.5 per cent of properties in Perth that were affordable and appropriate, 8.9 per cent in the South West and Great Southern, and a mere 0.3 per cent in the North West.

The low level of accessible properties available to rent for households receiving government payments, including single parents, strongly indicates the likelihood that many of those households will be living in housing stress or making do with housing that is not appropriate for their circumstances. Limited stock and highly priced rental properties leave tenants unable to find a home, which will only get worse when the moratorium on rent increases and evictions ends in

⁶ Anglicare WA (2020) [Rental Affordability Snapshot – Western Australia](#)

⁷ 9 National Shelter, Bendigo and Adelaide Bank, SGS Economics & Planning and the Brotherhood of St Laurence (2020) [Rental Affordability Index](#)

March 2021. According to the Unlock Housing campaign, there is a shortfall of 39,200 social and 19,300 affordable homes across Western Australia to meet current need.⁸ Fewer appropriate and affordable housing choices often means that low income households are being forced onto the fringes to find housing, putting them further away from jobs, schools and services and placing a greater strain on the weekly travel budget. The more of their income that these households must dedicate to covering housing costs, the less they will be able to spend on other essentials like food, energy and health. It can also mean that any slight increases in their rent can have a dramatic impact on their ability to stay in a property and maintain the important connections they have established throughout their local community.

New research just released by AHURI⁹ highlights the link between *income volatility* and risk of housing stress, financial stress and relationship conflict. Access to new flow data indicates there appears to be a lot more income volatility than previously indicated from stock data (e.g. yearly or quarterly figures). It shows that demand for Commonwealth Rent Assistance is much higher than previously understood *and* there is a lot more churn in access to CRA than previously thought. More analysis is needed to determine the extent to which this churn is a result of increased income volatility, increased housing security and tenure – or both. [International research](#) has found households whose incomes fluctuate by more than 25 per cent from pay to pay experience sharply higher risks of emotional conflict, housing instability and financial hardship.

⁸ Unlock Housing (2021) [2021 State Election Policy Recommendations](#)

⁹ Yanotti, M., Banks, M., de Silva, A., Anantharama, N., Whiteford, P., Bowman, D. and Csereklyei, Z. (2021) [The utility of new data in understanding housing insecurity](#), AHURI Final Report No. 351

Affordable and Appropriate Properties by Region and Household Type

| Household Type | Payment Type | Perth Metro | | South West and Great Southern | | North West | |
|-----------------------|--|-------------|----------------------------|-------------------------------|----------------------------|------------|----------------------------|
| | | % Old rate | % with COVID-19 supplement | % Old rate | % with COVID-19 supplement | % Old rate | % with COVID-19 supplement |
| Couple, two children | JobSeeker Payment (both adults) | 1% | 29.7% | 5.5% | 53.7% | 0.3% | 10.2% |
| Single, two children | Parenting Payment Single | 0.3% | 6.1% | 3.2% | 16.6% | 0% | 2.9% |
| Couple | Age Pension | 3.4% | 4.4% | 8.8% | 11.2% | 1.6% | 1.6% |
| Single, one child | Parenting Payment Single | 0.2% | 5.3% | 2.5% | 15.3% | 0% | 2.9% |
| Single, one child | JobSeeker Payment | 0% | 2.5% | 0% | 8.9% | 0% | 0.3% |
| Single | Age Pension | 0.6% | 0.6% | 0.3% | 0.6% | 0% | 0.8% |
| Single aged over 18 | Disability Support Pension | 0% | 0% | 0.1% | 0.4% | 0% | 0.8% |
| Single | JobSeeker Payment | 0% | 0.8% | 0% | 1.2% | 0% | 0.8% |
| Single aged over 18 | Youth Allowance | 0% | 0.6% | 0% | 0.6% | 0% | 0% |
| Single in share house | Youth Allowance | 0% | 0.5% | 0% | 0.3% | 0% | 0% |
| Couple, two children | Minimum Wage + FTB A (both adults) | 43.5% | 43.5% | 71.4% | 71.4% | 19% | 19% |
| Single, two children | Minimum Wage + FTB A & B | 10.7% | 20.7% | 24.8% | 24.8% | 6% | 6% |
| Single | Minimum Wage | 1.2% | 1.2% | 3.5% | 3.5% | 1% | 1% |
| Couple, two children | Minimum Wage + Parenting payment (partnered) + FTB A & B | 18.8% | 34.1% | 35.3% | 60.6% | 7.3% | 12% |

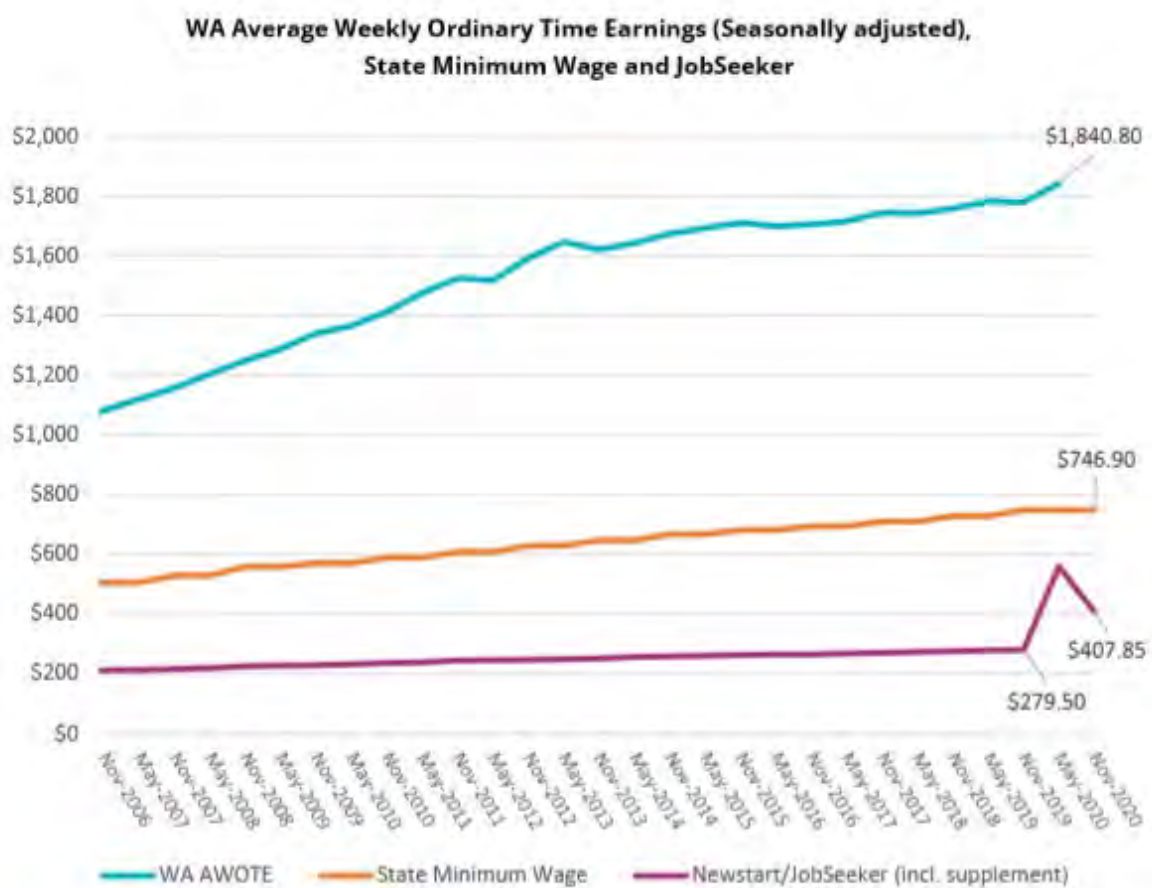
Source: Anglicare WA (2020) *Rental Affordability Snapshot*

Financial Stress and Poverty

As part of our 2020 Cost of Living Report, WACOSS modelled the income and expenditure of five household types during the 2019/20 financial year in comparison to the two preceding financial years (2017/18 and 2018/19). WACOSS is confident that the conservative assumptions underpinning each model (clearly considered and referenced in Appendix 1 of the 2012 report) ensure the conclusions drawn reflect the real-life experiences of low-income households in WA. We cannot overstate the profound impact that the addition of the \$550 per fortnight Coronavirus Supplement

made to the lives of people who had been surviving on the woefully inadequate Newstart Allowance/JobSeeker Payment rate of \$40 a day (explained in further detail in subsequent section).

Even at its height, however, when JobSeeker was joined by the full rate of the Coronavirus Supplement, it made up just 30 per cent of full-time average weekly ordinary time earnings in Western Australia. The State Minimum Wage sat at around 41 per cent of the average weekly earnings.



Source: ABS 6302.0, WA Department of Commerce, Australian Department of Human Services

That the minimum wage continues to fall behind the growth of average weekly earnings makes the notion that the JobSeeker increase is “commensurate with what it was during the time of the Howard government”¹⁰ a misleading comparison. It fails to account for the long-term fall in the relative value of the minimum wage and thus the decline in relative living standards of Australia’s lowest-paid workers since the Howard era. Indeed, households surviving on government allowances are twice as likely to be living in poverty than 25 years ago.¹¹

¹⁰ ABC News (2021) [VIDEO: Morrison says new JobSeeker rate is 'appropriate'](#)

¹¹ Canberra Times (2019) [Poverty rates in Newstart households rising, Centre for Social Research and Methods report finds](#)

The degree of overlap between material deprivation and income poverty, as well as rates of financial and personal distress among people on the JobSeeker Payment, Youth Allowance, and other payments is highlighted in a recent ACOSS survey:

- 66% of people had less than \$14 a day to live on, after paying their rent or mortgage
- 75% of people said they skipped meals because of a lack of funds, with 20% of people saying they were skipping at least 1 meal per day
- 70% of people were struggling with medical costs, including the costs of medicines and seeing a dentist, as well as specialist services like physiotherapy¹²

Using the minimum wage as a benchmark not only ensures JobSeeker falls well behind average weekly earnings, but well below the relative poverty line,¹³ widening Australia's wealth and income inequality gap and exacerbating the inability for JobSeeker recipients to maintain an adequate standard of living commensurate with community standards.

More than 3 million people in Australia live below the poverty line and poverty rates have been steadily increasing over time. The 2020 Household, Income and Labour Dynamics in Australia (HILDA) Survey revealed a 10.7 per cent increase in the relative poverty rate between 2016 and 2018. The anchored poverty rate (which maintains the real value of the poverty line at its 2001 level), reveals a rise since 2015, suggesting a decline in living standards over the three years.¹⁴ HILDA finds poverty rates to be consistently higher for older people, particularly singles, and for people living in single parent families. Single parent families saw an increase in the poverty rate from 15 per cent in 2016 to 25 per cent nationally in 2018. Poverty is also more common for children in single parent households, which rose from 16.1 per cent in 2016 to 28.1 per cent in 2018.

Growing rates of child poverty in Western Australia are a significant cause for concern because of their long-term implications for the future health, wellbeing and life prospects of children. Recent research has highlighted a clear link between child poverty, access to early learning and developmental disadvantage. Bankwest Curtin Economic Centre found that children in the most disadvantaged communities in WA are far less likely to be attending preschool and far more likely to be developmentally vulnerable.¹⁵ The poverty rate for children in single parent households is currently more than nine times the rate of children up in households with both parents, with around 1 in 3 children in single parent households living in income poverty. JobSeeker is not and has never been an appropriate mechanism for a single parent to support a young family. The current system forces these single parents into the position where they have to balance caring responsibilities, job-seeking or piecemeal work, and compliance activities, which in no way assists in creating the supportive and caring environments that children need to thrive.

¹² ACOSS (2020) ['I Can Finally Eat Fresh Fruit And Vegetables': Survey of 955 People Receiving The New Rate of JobSeeker and Other Allowances](#)

¹³ The OECD definition of relative poverty is 60% of median earnings

¹⁴ Roger Wilkins et al (2020) The Household, Income and Labour Dynamics in Australia Survey: Selected Findings from Waves 1 to 18, The Melbourne Institute

¹⁵ Cassells R., Dockery M., Duncan A., Kiely D., Kirkness, M., Twomey C., Nguyen T., and Seymour, R., (2020) [The Early Years: Investing in Our Future. Focus on Western Australia Report Series](#), No. 13, August 2020.

Low payment rates produce a range of compounding factors that make it very difficult for individuals living on JobSeeker to search for and maintain employment. Current payment rates do not cover basic living costs, let alone the additional costs of looking for work, including internet expenses, or clothing, transport child care costs to attend job interviews. Research has shown that inadequate income support payments don't increase labour force participation and, by pushing people into poverty, can act as a barrier to securing employment.¹⁶ The ongoing stress and struggle to pay for essential goods and services such as housing, food, transport, and energy on a very limited income can detract from job search activities and undermine health and wellbeing, further diminishing employment prospects. There is also a lack of evidence to support the notion that poverty-level payments are necessary to 'incentivise' people to search for take up paid work. Recent analysis suggests that "the size of the JobSeeker payment could increase by a substantial amount without significantly reducing the relative monetary returns from working compared to only receiving the payment."¹⁷

Tangible benefits of the Coronavirus Supplement

Studies have consistently demonstrated that the daily struggle for recipients to survive on benefits has a wide range of damaging material, social, emotional and health consequences.¹⁸ Conversely, research examining the impacts of the Coronavirus Supplement for recipients of JobSeeker and other allowances demonstrates the positive, tangible benefits, particularly people's ability to cover essential costs like housing, bills, food, medicine, and other vital expenses.

One example is the *100 Families WA* project, a collaborative research project between WACOSS, Anglicare WA, Jacaranda Community Centre, the Centre for Social Impact, The University of Western Australia (CSI UWA), the UWA Social Policy, Practice and Research Consortium, the UWA School of Population and Global Health, Wanslea Family Services, Centrecare, Ruah Community Services, UnitingCare West and Mercycare. The *100 Families WA*¹⁹ project utilises a unique combination of longitudinal quantitative data, fortnightly qualitative interviews with family members, and linked administrative data together with active engagement of those with lived experience in the design of the study to develop a comprehensive picture of entrenched disadvantage in Perth, Western Australia. Baseline surveys with 400 family representatives identified by service delivery agencies as experiencing entrenched disadvantage took place between November 2018 and April 2019. From the 400 people that completed the survey, 100 that indicated interest were selected to take part in fortnightly interviews for a year, beginning in May 2019.

¹⁶ . Mesén Vargas, J, & Van der Linden, B, (2018). Is there always a trade-off between insurance and incentives? The case of unemployment with subsistence constraints

¹⁷ Borland, J (2020) [Labour market snapshot #71](#). The University of Melbourne.

¹⁸ See, for example, Morris, A, & Wilson, S, (2014). *Struggling on the Newstart unemployment benefit in Australia*. The Economic and Labour Relations Review 25(2):202-221.

¹⁹ Seivwright, A., and Flatau, P. (2019). *Insights into hardship and disadvantage in Perth, Western Australia: The 100 Families WA Baseline Report. The 100 Families WA project* (Anglicare, Centrecare, Jacaranda Community Centre, Mercycare, Ruah Community Services, UnitingCare West, Wanslea, WACOSS, the University of Western Australia (Centre for Social Impact and the School of Population and Global Health), Perth, Western Australia: 100 Families WA <https://100familieswa.org.au/resources/100-families-wa-baseline-report/>

100 Families WA findings show that, before the introduction of the Coronavirus Supplement, Western Australian families on Newstart, Austudy and Youth Allowance (n=164) were living well below the poverty line with allowances proving grossly inadequate in terms of providing for basic needs. Families experienced high levels of financial hardship that translated into high levels of stress and anxiety. Despite families' active attempts to improve their situations, many experienced barriers to finding and maintaining employment. These compounding factors evidently made it very difficult for individuals living on the Newstart rate²⁰ and related allowances to navigate the world of employment.

Key findings on material deprivation and barriers to employment for 100 Families WA family members on Newstart, Austudy and Youth Allowance (n=164)

| Key findings on material deprivation |
|--|
| 85% did not have access to \$500 in savings for an emergency (vs. 12% of the general Australian population) |
| 73% do not have home contents insurance because they could not afford it (vs. 8% of the general Australia population) |
| 52% could not afford dental treatment when required |
| 51% reported that they did not have a motor vehicle because they could not afford it |
| 40% could not afford access to the internet at home |
| 30% reported that they were unable to afford new school clothes for school-aged children every year |

| Key barriers experienced when finding and maintaining employment |
|---|
| 46% reported that illness or disability made it difficult for them to get employment |
| 29% reported that they faced discrimination (including age, appearance and race) |
| 28% felt they had the wrong or not enough educational qualifications |
| 24% reported a lack of help finding employment |
| 23% reported a lack of accessible transport options as a barrier to employment |
| 17% have child care responsibilities |

The 100 Families COVID-19 report²¹ demonstrates the positive benefits that the Coronavirus Supplement had on family members receiving income support payments. For many, the Coronavirus Supplement effectively doubled their income, taking them above the relative poverty line. To examine the positive effects of increasing income support, family members were asked what they planned to do with the additional income. Families planned to catch-up on bills and reduce debt, buy more food (and more nutritious food) and cover the cost of new essential appliances.

²⁰ The new JobSeeker rate results in a real-world increase of \$3.57 from previous Newstart rates.

²¹ Callis, Z., Seivwright, A., Orr, C. & Flatau, P. (2020). The Impact of COVID-19 on Families in Hardship In Western Australia. The 100 Families WA project (Anglicare, Centrecare, Jacaranda Community Centre, Mercycare, RuahCommunity Services, Uniting WA, Wanslea, WACOSS, The University of Western Australia (Centre for Social Impact and the School of Population and Global Health)), Perth, Western Australia. doi: 10.25916/5f3b2a5e4bb42

Planned expenditure for the CoronaVirus Supplement

Note: Includes only those who reported they were receiving the coronavirus supplement (n = 79).

| Key items families used the Coronavirus Supplement to pay for | Percentage |
|---|------------|
| Pay overdue bills | 46.3% |
| Save an emergency fund | 37.5% |
| Get ahead on rent or mortgage | 23.8% |
| Repay debts to financial institutions | 23.8% |
| Repay debts to family and friends' | 22.5% |
| Food | 10% |
| Car running costs | 7.5% |
| Purchase or save for a car | 7.5% |
| White goods, furniture or electronics | 7.5% |
| Get ahead on bills | 3.8% |
| Pay off credit card | 2.5% |
| Other | 22.5%* |

* Percentages do not add up to 100.0 as family members could select multiple options

To further investigate the benefits of the Coronavirus Supplement, family members were asked “From April 27, an additional \$550 fortnightly supplement has been/will be added to your income. In what ways has this or is this going to affect your life?”. The most common expenditures were bills, including rent, utilities, debt repayments, car registration, and car repairs, and food. Most family members reported that the Supplement allowed them to afford enough food, though many reported increases to the quality of their food. Other essentials, such as winter clothes for kids and educational supplies for both family members and their children, were also commonly cited as expenditures facilitated by the Supplement.

Case Study: Renna, Consumer Advisory Board, 100 Families WA

As part of the 100 Families WA project, the Speaking from Experience series²² gives an insight into the experiences of people with lived experience of hardship or entrenched disadvantage. Renna is a member of the Community Advisory Group of the 100 Families WA project and speaks of her experiences of receiving the Coronavirus Supplement. Asked “*What was life like before the Coronavirus Supplement?*” Renna provides the following personal account:

“\$21 a day is what I had. That’s for everything apart from my rent. So that’s education, food, clothes. I was skipping medication, I quite often would go without meals. If I had to go to uni, then I’d make lunch for my daughter, but I wouldn’t eat all day.”

Asked, “*How has the Coronavirus Supplement made a difference to your family’s life?*”, Renna responded:

“I’ve been able to be on my medication throughout, which has kept my mental health quite stable, which has been good because it hasn’t been easy.”

²² 100 Families WA (2021) [Speaking from Experience series](#)

For me, as the cost of food was rising – especially toilet paper – that little bit of extra money helped because the price of food has gone up...Knowing that I can pay my internet, so that I don't get cut off from the outside world, so that I can study, so my kids can study.

And lucky for me, I was able to save a bit, I finally got to \$1000, which was amazing, and then my car stopped working. Cost me \$1200. So, it's made a huge difference.

It makes me very concerned about what happens when they take it away. Don't get me wrong, I'm very grateful for having that extra money, but I don't know how all the extra people that have come on to JobSeeker are going to manage to pay for private rentals, mortgages, or keep up with the bills that they've got."

[Watch the video of [Renna's statement](#) here]

Similar findings can be found in ACOSS's survey of 955 people who received the new rate of JobSeeker and other allowances, with a significant number of people reporting that they were better able to cover the cost of essential items, including:

- 83% reported that they ate more nutritious and frequent meals
- 75% reported that they were able to catch-up on bills
- 69% reported that they found it easier to pay their rent, or were able to considering moving into safer or more appropriate accommodation
- 61% reported that they were better able to cover the cost of emergency expenses
- 59% were able to save up for major household items like fridges and freezers²³

Research from the Grattan Institute suggests that lowering the overall level of unemployment benefits (to \$50 a week lower than what recipients are currently receiving with the Coronavirus Supplement) in the middle of a recession is likely to cost jobs due to the subsequent decline in spending from JobSeeker recipients. This is estimated at around 40,000 job losses which would likely push the unemployment rate higher by 0.1 to 0.15 per cent.²⁴

Conversely, raising the JobSeeker base rate to above the poverty line will have a positive effect on the economy, contributing to job creation and boosting regional economies. These positive economic effects will arise largely because every spare dollar received by someone on a low income goes back into the economy through increased consumer spending. By alleviating the poverty of those who are unemployed, additional economic and social benefits would be likely arise due to a reduction in the costs involved with entrenched disadvantage, such as reduced pressure and demand on frontline health and community services.

²³ ACOSS (2020) ['I Can Finally Eat Fresh Fruit And Vegetables': Survey of 955 People Receiving The New Rate of JobSeeker and Other Allowances](#)

²⁴ ABC News, [Cuts to the JobSeeker COVID-19 supplement could cost 40,000 jobs, says Grattan Institute](#)

WACOSS urges this Senate Committee to heed the wealth of evidence that demonstrating how the stark inadequacy of JobSeeker is pushing many recipients into poverty, contributing to housing insecurity, financial stress, child poverty and diminished health and wellbeing for individuals and families across Australia. Increasing the base rates of JobSeeker, and related payments, is vital to reduce poverty and inequality, and to enable people who receive income support to live with dignity.

If you would like to discuss this submission further, please contact the WACOSS Senior Policy Officer Graham Hansen at graham@wacoss.org.au or 6381 5300.

Yours sincerely,

A handwritten signature in black ink, reading "L. Giolitto". The signature is written in a cursive, flowing style.

Louise Giolitto
Chief Executive Officer
WACOSS