



19 August 2020

The Treasury
Australian Government

Dear Secretary,

RE: 2020-21 PRE-BUDGET SUBMISSION

The St Vincent de Paul Society National Council of Australia (the Society) is a lay Catholic charitable organisation that comprises over 60,000 volunteers and members and over 3,000 employees who provide on-the-ground assistance across Australia.

Our members and volunteers work directly with those in need by giving them a hand up so that they can achieve their full potential. The Society has consulted with the states and territories in preparing this 2020-21 Pre Budget submission.

On behalf of those we assist, we appreciate the Government's support that has been made available during COVID-19, particularly with respect to one-off payments, JobSeeker and JobKeeper initiatives and the recently announced disaster payment.

However, there remain several key social policy issues that if addressed in the 2020-21 Budget would significantly improve the lives of many Australians and stimulate economic growth. These include increasing the old Newstart payment on an ongoing basis, supporting those who are currently falling through the cracks, increasing affordable housing and establishing a more permanent response to natural disasters and emergency management.

Inadequacy of the old Newstart payment

We are concerned that during an economic recession, the JobSeeker payment has been reduced by \$150 per week and extended to 31 December 2020 only (while JobKeeper has been extended to 28 March 2021). At July 2020, there was only one job vacancy available for every 13 people on JobSeeker or Youth Allowance.¹ Unemployment increased 85,700 to 927,600 people, with a corresponding increase in the unemployment rate from 7.1 percent to 13.1 percent.² From March to May 2020, employment fell by 6.5 percent (835,000 jobs) and hours worked by 10.2 percent. Altogether, in both April and May 2020, over 2 million people (20 percent of people employed) either lost jobs or had their paid hours cut.³

We know that many people on the old Newstart payment who were on the increased JobSeeker payment were finally able to access essentials like prescription glasses, a fridge, warm jumpers and school supplies for their children.^{4, 5} People benefitted directly – the number of people skipping meals dropped by over half, to 33 percent, while the number of people struggling with medical costs dropped similarly by over 40 percent.⁶ Most concerning is the impact the \$150 per week reduction will have on over 1.1 million children whose parents receive a qualifying payment for the coronavirus supplement.⁷

The reduction in JobSeeker will also adversely affect the economy. Since the COVID-19 stimulus payment was made, lower income shoppers spent 14 percent more than usual.⁸ Sixty percent of people saved up to purchase large household items.⁹ Assuming the number of recipients stays the same, the \$150 per week reduction represents weekly losses to the economies of NSW, Vic, Qld, WA, SA, Tas, NT and the ACT of \$100m, \$82m, \$77m, \$70m, \$26m, \$8m, \$5m and \$3.4 m respectively.¹⁰

The Society's submission to the Parliamentary Inquiry into Newstart (Submission No.119)¹¹ contains case studies that demonstrate the hardship experienced by those forced to live in poverty on \$40 per day. 'Snapping back' those on JobSeeker to the old Newstart payment would have dire community consequences and make it impossible for those on income support to break the poverty cycle, particularly if a significant economic downturn occurs concurrently.

The Australian Government should:

- implement all 27 recommendations made by the Community Affairs References Committee in its final report on the [Adequacy of Newstart and related payments, April 2020](#).
- support existing research that is underway (i.e. [UNSW/ACOSS](#)) to define poverty, which the Society has sponsored.
- establish a Social Security System Expert Group to advise and report to Parliament on whether the Australian Government is meeting its responsibilities and to ensure that eligible recipients are not living in poverty.
- bring all pensions and payments into line until the Expert Group is established. This means that the COVID supplement (JobSeeker) should be an additional \$370 (not \$250) per fortnight, bringing the total fortnightly payment to \$920 (not \$800).

Asylum seekers, refugees and temporary visa holders

The Society's submission to the current Parliamentary Inquiry into COVID-19 (Submission No. 258)¹² outlines the change in profile of people seeking assistance during the pandemic, namely casual workers who have lost their jobs, asylum seekers on bridging visas and temporary visa holders including refugees, temporary migrant workers and international students.

We note the Australian Government has recently implemented a disaster payment, but this requires a disaster to be declared and the agreement of state and territory governments to fund their share. We believe that as the payment is one-off, people who have no other means of support will continue to be forced to work, even when they are unwell. The Society is currently using mostly its own resources to provide housing and emergency assistance to these people.

The situation has also been made worse by cuts to the Status Resolution Support Service (SRSS), the effect of which was being felt well before the pandemic. Several states have reported an increase in the number of asylum seekers requiring support services. In one jurisdiction, it is estimated that over 100 additional clients have sought assistance as a result of the changed eligibility criteria and funding cuts to the SRSS implemented in early 2018. In another jurisdiction, finding sustainable housing and covering rental costs continues to be a significant issue for this group.

Research commissioned by the [Refugee Council of Australia](#)¹³ in partnership with a number of community-based organisations including the Society has found that changes to SRSS have forced people into situations of material poverty rather than assisting them to find employment. Almost four in five people seeking asylum are at risk of homelessness. Only one in five are job ready. Removing income and case management support also shifts federal welfare costs and responsibilities to state agencies as well as to community-based organisations, many of which depend on private donations and volunteer support. The total costs to the states and territories is estimated to be between \$80 to \$120 million per year. The changes represent an unnecessary penalty for a group already rendered vulnerable by the immigration status resolution process.

The Australian Government should:

- make SRSS payments based on need, such as for those awaiting assessments or review of their claims for protection, including claims before the Courts
- discontinue denial of SRSS payments to persons because they are studying or otherwise deemed eligible to work
- reinstate the 2014 eligibility criteria and SRSS program comprising income and other support services as it existed prior to the almost 60 percent cut in funding implemented over two years from 2018-19
- increase SRSS payments to the JobSeeker level.

We support the Refugee Council of Australia's call to the Prime Minister to fill the gaps in the Government's COVID-19 support package, which currently leaves over a million people on temporary and bridging visas without access to financial, legal or medical support.

The Australian Government should:

- extend JobSeeker to people on bridging visas currently ineligible for income support

- extend JobKeeper to temporary visa holders so that businesses employing them can continue to operate
- remove penalties for Safe Haven Enterprise Visa (SHEV) holders accessing Special Benefit in light of the pandemic and remove restrictions on accessing Special Benefit for Temporary Protection Visa or SHEV holders who are studying, and
- take action in a way that prevents people losing legal status and access to support.

Increased need for social housing and improved access to state energy concessions and low income energy productivity

ACOSS' Community Services Survey found that the most common issues affecting people accessing services were housing pressures and homelessness (observed by 74 percent of staff) and inadequate rates of income support (69 percent). Staff involved in housing and homelessness were amongst those most likely to report demand pressures. Levels of unmet need were high particularly in regional and rural areas, where people also grappled with energy costs.¹⁴

Even prior to the pandemic, demand for safe, secure and affordable housing was not being met. Recently released data indicates that there is a shortage of almost 430,000 homes that are affordable (135,000 in NSW, 100,000 each in Vic and Qld, 38,500 in WA, 32,500 in SA, 11,400 in Tas, 7,700 in NT and 3,000 in ACT).¹⁵

The Society's submission to the current Parliamentary Inquiry into Housing and Homelessness (Sub No. 142)¹⁶ outlines the community housing and support services that we provide, along with the issues faced by those trying to secure affordable and appropriate housing.

The Society commends the agreement of Australian governments to a moratorium on evictions over a six-month period for residential tenants in financial distress who are unable to meet their commitments. We also commend additional state and territory funding in the form of rental grants and private rental assistance/subsidies, as well as increased temporary accommodation options for the homeless. However, as the economic situation is predicted to worsen over the next few months, we are concerned about the longer-term welfare of those who have been temporarily housed but may find themselves back on the streets, sleeping rough. Exit strategies must be developed now so that people can be transitioned to appropriate and long-term accommodation, with case-managed support.

A significant investment in the building of new social and community housing would help kick-start the economy and provide the foundation for long-term benefits to the community as a whole. Access to housing is recognised as a vital determinant of wellbeing that is associated with better outcomes in health, education and employment, as well as economic and social participation.¹⁷

The Master Builders Association has urged governments and the private sector to partner to fill the gap as market demand softens, saying the way out of COVID-19 could be accelerated by investment into affordable supply, while boosting vital trade and valuable flow-on market activity. Affordable and social housing by definition needs a level of government support to be viable, as the burden cannot be borne by the private sector (or any one sector) alone.¹⁸

The Housing Industry Association has also called on governments to invest in social housing now, as the risk of government crowding out private-sector investment during a weak economic period is low. The current down cycle in the housing market also means that governments are likely to get a far better return on their investment by investing in public housing infrastructure.¹⁹

The Community Housing Industry Association considers that a "social housing-led recovery" would create thousands of jobs and start to make inroads into the huge national shortfall in rental housing affordable to ordinary people. Further, immediate renovation work on existing social housing properties would improve their energy efficiency and bring down bills for tenants.²⁰

As a community housing provider, the St Vincent de Paul Society holds a variable accommodation profile across Australia. It has established Amelie Housing Ltd, a national initiative that offers social and affordable housing to those in need, with up to 1200 dwellings in New South Wales, the ACT and South Australia. Other accommodation options are available in the states and territories, ranging from short-term crisis arrangements, through to long-term permanent residencies.

Amelie Housing Ltd is currently undertaking preparatory work so that it is shovel-ready and able to deliver additional social housing should government funding be made available. The Society currently holds land in NSW (Sydney, Newcastle and Wollongong) and SA but requires funding to progress the development of new dwellings. Proceeds from the sale of an aged care facility in Tasmania and funds

held in Vinnies Housing in Queensland have resulted in several million being set aside to support housing activities.

Over the years, various parliamentary inquiries, peak bodies, service providers and academics have repeatedly called for increased funding for emergency relief, public and community housing and improvements to Commonwealth Rent Assistance and the National Rental Affordability Scheme.²¹

We are also aware the take up rate by those who are eligible to receive state energy concessions for gas, water, electricity and council rates is only about 50 percent. We believe this is due to a lack of knowledge on what is available and how to access it. One way to increase the take up rate would be to automate the process so that when a person is assessed as eligible for statutory income payment, their consent is obtained to provide this information to state and local governments so that they are then aware that this person is eligible and agrees to receiving concessions and other supports they are entitled to.

The Australian Government should:

- develop a national housing affordability and homelessness strategy that complements state and territory plans in consultation with key stakeholders
- allocate at least \$7.5 billion but preferably up to \$10 billion of funds across states and territories on the basis of need and the cost of new housing in each location
- increase funding under the Commonwealth Rent Assistance Scheme to ensure that it properly meets the needs of those using it and examine the disparity between public housing tenants and private tenants
- improve financial incentives to housing providers under the National Rental Affordability Scheme to increase the number of eligible tenants and improve the rental rate
- fund the *Healthy & Affordable Homes: National low-income energy productivity program*. This economic stimulus proposal supports jobs growth, focusses on people most at risk, is collaborative in its approach, improves the liveability of homes and reduces carbon emissions
- implement processes (between Commonwealth and state and territory governments) to increase the uptake of state energy concessions for gas, water, electricity and council rates

Finally, a Royal Commission and a Parliamentary Inquiry are underway examining system-wide responses to natural disasters and bushfires. We note that the National Bushfire Recovery Agency (NBRA) was established to 'lead and coordinate a national response to rebuilding communities affected by bushfires across large parts of Australia...and to administer the \$2bn bushfire fund'.

As a charity that was involved in the bushfire response, we are aware of the time it took to implement the NBRA and that its operations are limited to a two-year response period. We are concerned that nothing more permanent has been established; or that other existing government agencies (such as Emergency Management Australia) do not appear to be resourced to take on these functions, which are obviously needed. Improving the level of coordination between all levels of government, the not-for-profit and business sectors is essential to responding effectively to natural disasters. This takes time, effort and resourcing and is difficult to do especially during a crisis. We recommend that a more permanent arrangement or authority be established for this purpose.

Yours sincerely



Toby oConnor
Chief Executive Officer

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- ¹ACOSS media release. 14 July 2020. With reference to the ABS. https://www.acoss.org.au/media-releases/?media_release=1-job-for-every-13-looking-acoss-calls-on-government-to-have-peoples-backs-through-tough-times
- ²ABS. 6202.0. *Labour Force, Australia*. May 2020. <https://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/6202.0Main+Features1May%202020?OpenDocument>
- ³ Australian Bureau of Statistics. 6202.0. *Labour Force, Australia*. Accessed at: <https://www.abs.gov.au/AUSSTATS/abs@.nsf/Latestproducts/6202.0Main%20Features2Jul%202020?opendocument&tabname=Summary&prodno=6202.0&issue=Jul%202020&num=&view=>
- ⁴Maley, J. 27 May 2020. *Families headed by single mothers twice as likely to be battling poverty*. The Age. <https://www.theage.com.au/politics/federal/families-headed-by-single-mothers-twice-as-likely-to-be-battlingpoverty-says-new-research-20200526-p54wm2.html>
- ⁵Hermant, N. 28 May 2020. *Coronavirus supplement rollback could be devastating for women*. ABC News. <https://www.abc.net.au/news/2020-05-28/coronavirus-supplement-rollback-could-be-devastating-for-women/12290540>
- ⁶ACOSS. June 202. *Coronavirus Supplement Survey*. Accessed at: <https://www.acoss.org.au/wp-content/uploads/2020/06/200624-I-Can-Finally-Eat-Fresh-Fruit-And-Vegetables-Results-Of-The-Coronaviru...pdf>
- ⁷Senate Select Committee on COVID-19. Public Hearing 30 July 2020. Department of Social Services. Answer to Question on Notice SQ20-000532.
- ⁸ABS 4940.0 – *Households Impacts of COVID-19 Survey*, 14-17 April 2020. Accessed at: <https://www.abs.gov.au/AUSSTATS/abs@.nsf/allprimarymainfeatures/86FF043DD0C1A1B8CA25856B0081D6F7?opendocument>
- ⁹ACOSS. June 2020. *Coronavirus Supplement Survey*. Accessed at: <https://www.acoss.org.au/wp-content/uploads/2020/06/200624-I-Can-Finally-Eat-Fresh-Fruit-And-Vegetables-Results-Of-The-Coronaviru...pdf>
- ¹⁰APW analysis from DSS Demographics, December 2019.
- ¹¹The Society's submission is accessible at: https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Community_Affairs/Newstartrelatedpayments/Submissions
- ¹²The Society's submission is accessible at: https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/COVID-19/COVID19/Submissions
- ¹³Van Kooy, J., Ward, T., Sept 2018. *An Unnecessary Penalty: Economic impacts of changes to the Status Resolution Support Services*. Commissioned by Refugee Council of Australia in partnership with 10 other community-based organisations. Accessed at: <https://www.refugeecouncil.org.au/srss-economic-penalty/2/>
- ¹⁴Cortis, N. & Blaxland, M (2020): *The profile and pulse of the sector: Findings from the 2019 Australian Community Sector Survey*. Sydney: ACOSS https://www.acoss.org.au/wp-content/uploads/2020/03/2020-ACSS_final-3.pdf
- ¹⁵Australian Housing and Urban Research Institute report [Social housing as infrastructure: an investment pathway](#) released in 2018 and detailed in the Everybody's Home [heat maps](#) released 3/8/20
- ¹⁶The Society's submission is accessible here: https://www.aph.gov.au/Parliamentary_Business/Committees/House/Social_Policy_and_Legal_Affairs/HomelessnessinAustralia/Submissions
- ¹⁷Commonwealth Senate Economic References Committee. 2015. *Out of reach? The Australian housing affordability challenge*. Canberra
- ¹⁸Harris, R. 27 April 2020. *Private-sector, charities push for social housing-led economic recovery*. The Sydney Morning Herald. Accessed at: <https://www.smh.com.au/politics/federal/private-sector-charities-push-for-social-housing-led-economic-recovery-20200426-p54nbnr.html>
- ¹⁹Back, E. 5 May 2020. *Calls for more social housing as construction activity hits record low*. The New Daily. Accessed at: <https://thenewdaily.com.au/finance/property/2020/05/05/coronavirus-construction/>, with reference to Housing Industry Association Chief Economist, Mr Tim Reardon
- ²⁰Back, E. *ibid.* with reference to Community Housing Industry Association CEO Wendy Hayhurst
- ²¹Parliament of Australia. 2004. *A hand up not a hand out: Renewing the fight against poverty - Report on poverty and financial hardship*; 2008 Henry Tax review, Parliament of Australia. 2019. *Living on the Edge: Inquiry into Intergenerational Welfare Dependency*. ACOSS. 2019. *Social Housing as Infrastructure*. 2019. Media Release. 2019. *Community Housing Industry Association congratulates the re-elected Coalition Government*.