

# Social security and time use during COVID-19

Report Snapshot



## About the research

*“There are few things that grind you down like constantly having to check to see whether there is enough money to live. Will we pay the rent or eat? Will we save the electricity from being disconnected this time? Will there be a medical emergency and there’s no phone on?”*

The base rates of Australia's working-age social security payments are below the poverty line, and have been for some time. Additionally, people who receive payments are often required to undertake various 'mutual obligations' such as Work for the Dole. In response to the COVID-19 pandemic, the Australian Government introduced a \$550 per fortnight Coronavirus Supplement ('the Supplement') from 27 April 2020 for a period of six months and temporarily suspended mutual obligations.

As states and territories were able to control the spread of the virus and ease restrictions, the Australian Government began to reduce the Supplement and re-introduce mutual obligations. Even with the Australian Government's recently legislated permanent increase to the base rate of payments of \$50 per fortnight, people receiving these payments will continue to live in poverty.

This study used an online survey to examine how people receiving social security payments used the \$550 Coronavirus Supplement ('the Supplement') and their time as a result of the temporary suspension of mutual obligations. We were also able to compare whether these changes differed from people who did not receive the Supplement, either because their payment did not include the Supplement or because they did not receive social security payments.

The primary research questions were:

- What are the impacts of providing a \$550 Coronavirus Supplement to people receiving social security payments?
- What are the impacts of temporarily suspending mutual obligations?
- Did the temporary increase in payments and the suspension of mutual obligations change the way respondents used their time?
- How did the time use of people receiving the Supplement compare with respondents who did not receive the Supplement?

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# Snapshot

**173**  
respondents  
aged 18-60 years

Of these, 146 received a social security payment, while 27 people did not.

Among those receiving a payment, 92 received the \$550 Coronavirus Supplement and 54 did not.

**72%**  
of respondents were **female**

**28%**  
of respondents were **male**

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**99%**  
of respondents said  
the Supplement:  
**'Made life easier'**

## Key words



Key words used by respondents when asked about positive changes in their life as a result of the \$550 Coronavirus Supplement

*"I've felt more dignity whilst receiving the extra supplement as I've been able to buy enough food and pay my bills on time. It has made me feel like a good parent being able to actually care for my children and buy them clothes and shoes and send them to outings with their friends or school when normally they miss out because they know we don't have the money."*

## Voula's story

Single mother of three, Voula has been receiving social security payments for more than five years. She is currently receiving the JobSeeker Payment as her youngest child is 11 years old.

The Supplement has made life easier for Voula as she was able to focus on her family. She was able to get medical and dental issues sorted out that she has been putting off for years. She has been able to buy new clothes for herself and her children and has not had to ration food or medication.

Not having to do what she described as 'pointless' mutual obligations has reduced her stress. Her physical health means that she can't do most jobs, but Centrelink does not recognise that. The suspension of mutual obligations means that she is no longer afraid that she will be cut off for failing to look for jobs that aren't there or that she can't do due to her physical health issues.

Voula thinks that the additional time and money that she has received has made everything better. She thinks that the suspension of mutual obligations should continue, as the pandemic has exposed how woeful the entire welfare system is.

# Our findings

- 1** The Supplement was used by respondents for meeting basic needs, as well as other strategic expenditures to improve their household's long-term financial security.
- 2** The Supplement and suspension of mutual obligations improved respondents' physical and mental health and contributed to their overall wellbeing. These dramatic changes enabled people to turn their attention away from day-to-day survival and towards envisioning and working towards a more economically secure future for themselves and their dependents.
- 3** The Supplement and suspension of mutual obligations increased respondents' engagement in labour market and other economic activities.
- 4** The Supplement and suspension of mutual obligations allowed people to better engage in many forms of unpaid productive work, including care work and community support.
- 5** Comparison data indicates these changes may be more prevalent for those who received the Supplement than those who did not.
- 6** These policy changes meant that the pandemic was a period of reprieve for many people receiving social security payments due to the easing of financial stress, scrutiny, and uncertainty. This is very different to normative characterisations of the pandemic and associated lockdowns, which was experienced as a period of great stress and uncertainty for many people.
- 7** The reduction in the Supplement from \$550 to \$250 per fortnight (paid between 25 September–31 December 2020) pushed respondents back below the poverty line. This reduction eroded the physical and mental health and productivity gains achieved with the \$550 Supplement for respondents. Many respondents expressed dread of further cuts and expressed concerns for what any further cuts could mean for their future.
- 8** The Supplement and suspension of mutual obligations both exposed the harshness of Australia's current social security settings and demonstrated what is possible with a more supportive system.

## Summary of recommendations

Drawing on the findings of this research, we make the following recommendations to Australian Government decision-makers and policy makers:

### Recommendation One

Deliver a permanent, adequate increase to working-age social security payments, without conditions, sufficient to lift incomes above the poverty line.

### Recommendation Three

Reform the social security system so that it recognises that formal paid employment is only one form of productivity and work.

### Recommendation Two

Replace mutual obligations with a system that provides voluntary employment support, training, career advice and guidance.

### Recommendation Four

Strengthen data collection to facilitate future research on time use and social security by including a question about social security receipt in the Australian Bureau of Statistics (ABS) Time Use Survey.

