

# Social security and time use during COVID-19

## Report launch Q&A - 25 March 2021

The Treating Families Fairly report, *Social security and time use during COVID-19* was launched on 25 March 2021. During the report launch, a number of questions were asked that we did not have time to answer during the event. You will find answers to these questions below prepared by report authors Dr Elise Klein, Professor Kay Cook, Susan Maury and Kelly Bowey.

1. Elise noted the frequent references from participants about the impacts of living in poverty on children, both before the increase in payments via the Supplement, and anticipating its removal. How do we reconcile this with national commitments to prevent and address the abuse of children? Isn't this structural abuse by the state, on an industrial scale?

The government employs a very siloed approach to social issues. When it comes to social security payments, they think of unemployment, but they do not consider the impacts on such issues as child protection, child poverty, or people leaving domestic violence. It would be more helpful to consider social security payments from the place of those who are vulnerable and most in need of support, rather than from the perspective of people who have high levels of agency and opportunity but may find themselves temporarily in need of support.

We also find through our results that poverty is policy-induced; government choices on the level and conditions around social security directly impacts people's poverty including child poverty.

2. Could you comment on 'where to from here' with your findings and wider advocacy in light of the fact that government policy on this has long seemed like an evidence-free zone? and How can we cut through with Labor?

Partisanship and Government concerns about how the public views policy settings can limit consideration of best practice. We hope this research will contribute to the growing evidence base on the lived experience of the social security system and its associated outcomes and be a catalyst for further research in this space. The report will be sent to key government Ministers and distributed widely, and media opportunities are being sought to spread these messages as far as possible.

We note our recommendations stemming from the research:

- Deliver a permanent, adequate increase to working-age social security payments, without conditions, sufficient to lift incomes above the poverty line.
- Replace mutual obligations with a system that provides voluntary employment support, training, career advice and guidance.
- Reform the social security system so that it recognises that formal paid employment is only one form of productivity and work.

- 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.

### 3. What sort of policy response is needed to counter the concern that lifting welfare payments will create a disincentive to work (because it will mean people are getting too 'close' to the minimum wage)?

There are two considerations here. First, there is the evidence base, including our research, which is increasingly demonstrating that low payments create a barrier to re-engaging with employment. Second, there is the issue of who is considered a 'job-seeker.' People who are not temporarily between jobs should not be placed on the JobSeeker Payment. For these people, low payments translate directly into a poverty cycle with little hope of an exit.

### 4. Will it stay an electoral winner when more people than ever have been made unemployed and live in poverty by intentional government decisions? Or is that the million dollar question the government has got wrong?

We are in a unique point in time, where many Australians have experienced unemployment and the social security system for the first time. It provides an opportunity to redirect the conversation on these policies within the context of a larger social and human rights framework. We hope that more and more people will push back on the ongoing punitive approach to social security.

### 5. What are the governments political motivations for persisting with the low JobSeeker Payment?

The Government's motivations are no doubt complex. However, what does seem clear is that they are reluctant to make a significant policy change despite the evidence that their current policy settings do not support health and wellbeing, nor does it achieve their own goals for the JobSeeker Payment. It is possible that change would only come about if there were demonstrated support from their constituencies and Coalition partners.

### 6. Is there value in doing more to highlight the interaction between the rate of welfare payments and low waged work, and the use of unemployed people to apply downward pressure on wages? Would public awareness of this, and the planned unemployment built into the economy, help shift attitudes?

Yes. While there is much talk of 'unemployment' many people who receive a payment, including JobSeeker, do have earned income. However, most of this work is precarious (part-time, few-to-no benefits, no security, low wages). Furthermore, the income test, in which payments are reduced based on wages earned, is too strict for most people to work their way out of debt and into a better life. Better worker protections and a more holistic approach to low-income households' financial wellbeing could make a significant difference.

7. We often hear about the struggles of pensioners and unemployed, but we (mother and 19-year-old son, both receiving Austudy) were studying and trying to improve our skills to try to get employment, but felt ignored and helpless being students. How can people be assessed on their circumstances as a whole? They were assessing us as two separate people, for my son it was 'you are dependent on your mum'. For me, it was 'you have no dependents'.

While means testing and eligibility assessments were outside the scope of our study, we share concerns about rigid eligibility criteria that are not flexible enough to accommodate the diverse range of human circumstances. This results in a system that excludes people that genuinely need support and is not equitable. Reform of the social security system is crucial to ensure that experiences like this do not continue.

8. Do you have a view on child support, its debt and wellbeing for children? Was there a change during COVID-19?

The last report of the debt was that it stood at \$1.6 billion, and this was only for parents who transferred payments through the department. The amount of debt for parents who transfer payments privately is unknown. Very little research has looked at the impact of unpaid child support on children's wellbeing. However, research in the mid-2000s found that when less child support was received than was expected, children's social wellbeing suffered. We also know that when children receive child support, they are 21 per cent less likely to live in poverty – which has significant implications for their health and wellbeing.

As for what changed in terms of children's income during COVID-19, that is difficult to answer because a) we do not have good measures of what child support is collected, and b) child support interacts with Family Tax Benefit Part A, so it is hard to disentangle how much money parents receive from each source. Many parents' incomes changed during the lockdowns and many more people were in receipt of social security payments than previously. For paying parents who received social security payments, their liabilities would have reduced to the minimum amount (approx. \$8.50 per week) – which is then waived if they have one night or more of overnight care for their child(ren) per week. So, the resident parents in these cases may have received less child support than they normally would. However, they would then receive more Family Tax Benefit Part A, as it is normally reduced by 50 cents for each dollar of child support expected.

*"The \$550 was the most amazing outcome, 550 reasons to smile. People got work ready, responded to health, became emotionally strong and could buy their way to study. Proud people with hope."*

Launch attendee Terese Edwards, CEO, National Council of Single Mothers and their Children