



DiversityACT
COMMUNITY SERVICES

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Submission to the Senate Inquiry into the adequacy of Newstart and related payments

Diversity ACT Community Services

Diversity ACT Community Services is an LGBTIQ+ support service located in South Canberra. We are a registered charity which receives no ongoing funding, and is fully volunteer run. We provide a service hub, social worker, support networks, groups and resources to assist the LGBTIQ+ community of the ACT Region.

Some back ground information about the LGBTIQ+ community: Data collection relating to the population of LGBTI people in Australia is very limited, and collected inconsistently, making it difficult to provide accurate population estimates, however some estimates place the prevalence of LGBTI people in Australia anywhere between 3 to 11 per cent of the Australian population¹². Trans and gender diverse people often face higher rates of unemployment and workplace discrimination³ and LGBTI people more broadly may also feel they need to hide their sexuality or gender identity in the workplace out of a real or perceived threat of discrimination or bullying⁴. LGBTI young people may also be at a higher risk of experiencing homelessness, particularly where they have experienced family rejection or a lack of support. There may be further challenges for trans or gender diverse young people who could experience barriers in accessing suitable crisis accommodation or homelessness services due to feeling unsafe, or the staff, facilities and administrative

¹ Richters J et al. 2014, 'Sexual identity, sexual attraction and sexual experience: the Second Australian Study of Health and Relationships', Sexual Health, Vol. 11, pp. 451 – 460.

² Department of Health and Ageing 2012, *National Lesbian, Gay, Bisexual, Transgender and Intersex (LGBTI) Ageing and Aged Care Strategy*, Commonwealth of Australia. Retrieved from https://agedcare.health.gov.au/sites/g/files/net1426/f/documents/08_2014/national_ageing_and_aged_care_strategy_lgbti_print_version.pdf

³ James S et al. 2016, *The Report of the 2015 U.S. Transgender Survey*, Washington, DC: National Center for Transgender Equality

⁴ Leonard W et al. 2012, *Private Lives 2: The second national survey of the health and wellbeing of GLBT Australians*, Monograph Series Number 86. Melbourne: The Australian Research Centre in Sex, Health & Society, La Trobe University.

processes not being inclusive of trans or gender diverse people⁵. Historically, the LGBTIQ+ community has experienced disadvantage through double standards such as relationships being recognized for the reduction of welfare payments but not being recognized as legal marriages, for superannuation purposes, or in the medical system⁶.

Many of our clients and members are in receipt of various forms of government assistance, including Newstart, Youth Allowance, or the Disability Support Pension.

We submit that:

- these payments are inadequate – they do not allow people to maintain an acceptable standard of living in line with community expectations and fulfil job search activities (where relevant) and secure employment and training ;
- current arrangements for supporting those experiencing insecure employment, inconsistent employment and precarious hours in the workforce are inappropriate at best and counter-productive at worst;
- consideration of what defines an acceptable standard of living in Australia must include the cost of safe and secure housing; and
- the changing nature of work in Australian society (job instability and the gig economy) require a change of practice around government financial assistance for vulnerable people.[MJ1]

Inadequacy of current payments

Rates of payment are currently so low that Australia is failing to meet its obligations under the United Nations Charter of Human rights in relation to social protection, an adequate standard of living and the highest attainable standards of physical and mental well-being⁷.

Feedback from our members and clients provides us with clear evidence of the inadequacy of payments such as Newstart, Youth Allowance and the Disability Support Pension (DSP). The lived experiences of our clients and members include:

- People on Newstart, Youth Allowance or DSP who have insufficient funds to purchase food and are regularly reliant on local charities for food and clothing. We established a memorandum of understanding with Tuggeranong Uniting Church several years ago to ensure ease of access to emergency food relief for our clients. The demand for this service is increasing.
- Welfare recipients on Youth Allowance and Newstart with medical conditions who are regularly having to choose between purchasing medication and food. An associated issue is those with severe and permanent disabilities whose applications for the Disability Pension have been disallowed. These members and clients are placed on the lower paying Newstart Allowance.

⁵ McNair R et al. 2017, LGBTW Homelessness: Risks, Resilience and Access to Services in Victoria, Gay and Lesbian Foundation Australia. Retrieved from <http://www.lgbtihomeless.com/wp-content/uploads/2017/09/LGBTI-Homelessness-projectFinal-reportSeptember-2017.pdf>

⁶ Horner, J. (2013). *In their own words: Lesbian, gay, bisexual, trans* and intersex Australians speak about discrimination*. Sydney: NSW Gay and Lesbian Rights Lobby.

⁷ <https://www.un.org/en/sections/issues-depth/human-rights/>

- Members with disabilities on Newstart or the DSP, who cannot drive or catch public transport because of the severity of their conditions, are trapped in their own homes. They cannot afford to pay other people to provide transport to medical appointments, social events or shopping for groceries. This creates a situation where vulnerable people are pushed into social isolation, and the associated negative impacts on their physical and mental health.
- Welfare recipients who are homeless or living in substandard/insecure housing. Their housing situation creates additional hardships including difficulties in independently fulfilling job search activities:
 - Job seekers on Newstart or Youth Allowance who must choose between paying their phone bill (so that they are contactable by employers and have Internet with which to complete job searches), or their heating bill. These members and clients report:
 - Being cold, particularly in the sub-zero temperatures of a Canberra winter;
 - Being hungry (even with emergency food relief support provided through us);
 - Being tired, because their sub-standard living conditions impact on their ability to sleep, and
 - Being stressed about being uncompetitive in job interviews (due to the hunger and fatigue mentioned above).
 - The median weekly rent for a unit in Canberra is \$465. The current Newstart Allowance is set at approximately \$544 per fortnight for a single adult. Independent living is clearly beyond the capacity of a person on Newstart in Canberra. As previously mentioned, housing and the risk of homelessness are an area of risk for the LGBTIQ+ community, and the inadequacy of current payments simply exacerbates that situation. One of our members, who is reliant on Newstart, has co-morbid issues having grown up as a ward of the state, is now living with complex PTSD, and is in insecure housing. Even with a casual job their experience on Newstart has them at risk of homelessness and unable to adequately maintain their motor vehicle which they need for work. They were unable to continue their studies in Community Services due to the competing requirements of job seeking and casual work. They constantly fear the future, due to the declining health of the person on whom they are reliant for housing. They expect to experience homelessness in the future. There is a dramatic difference between living and surviving. The experience of attempting to survive on Newstart, even with casual employment, has left this young person despondent, hopeless, isolated and often suicidal. The inadequate rate of Newstart is aggravating their pre-existing conditions and putting their safety at risk.

Inappropriate nature of current arrangements

Stories abound among our members and clients of disastrous experiences with Employment Services Providers (ESP) and Centrelink:

- As previously mentioned, several members have had their applications for a Disability Support Pension disallowed and have thus been placed on Newstart with a requirement for active job seeking. One member has multiple disabilities; her diagnoses include B27 positive spondylarthritis, joint hypermobility syndrome, myofascial pain, fibromyalgia, depression, anxiety and endometriosis. On attending her first appointment with the ESP, she was told that they wouldn't be able to help her find a job because she is too disabled.
- Members on Newstart with documented diagnoses of social anxiety and depression being forced to attend meetings with ESPs in strange locations with people they didn't know, rather than being afforded a telephone interview. One member detailed multiple occasions when the

ESP changed location and by the time he was able to return home from the interview he was vomiting from nausea caused by the fear/anxiety/panic of that situation.

- Noting that Australian representatives of the Salvation Army have made public statements about LGBTIQ+ people being killed⁸, one member was required by their ESP to work at the Salvation Army store in Tuggeranong. Salvation Army Store Management bullied, denigrated and publically shamed our member, accusing them of drug use. The manager (who was aware of our member's mental health and queer status) made sexist and ageist remarks against our member, accusing them of naiveté and an over-developed sense of entitlement. The member (a person with PTSD and depression) was required to "smile more". The ongoing bullying caused our member to have a panic attack on the premises. After the panic attack, the manager instructed our member to leave, which placed the security of the member's Newstart payment at risk. Despite being advised previously of the manager's conduct by other job seekers, the ESP failed to adequately support our member through this process, and did not provide them with the resources to make a formal complaint against the store manager.
- One of our members witnessed exploitation of the 'work for the dole' scheme by the manager of a Salvation Army store, where five job seekers were present for 15 hours per week in the store.
- 'Work for the dole' requirements which reduce availability for paid work – this is particularly challenging for those with intermittent part-time work, as they will be financially penalized by Centrelink if they complete paid work rather than their allotted 'Work for the dole' hours.
- As has played out across the country⁹, 'Robodebt' has impacted on multiple members of our community, exacerbating their already fragile mental and physical health.
- Members and clients who are unable to meet the job seeker requirements due to ill-health, work commitments or similar circumstances, are regularly financially penalized by Centrelink. These repeated \$50 "fines" or suspension of benefits put people at risk of hunger, eviction, violence, suicide and crime.
- Members and clients who have intermittent part-time work are regularly financially penalized by Centrelink if they work less than 15 hours per week.

An acceptable standard of living

The National Commission of Audit states that:

The primary purpose of income support to the unemployed is to provide a minimum adequate standard of living to people who are temporarily out of work and unable to support themselves through their savings or other means. The rate of unemployment benefit attempts to balance adequacy of support for people who are unemployed with the incentive for them to seek work and the cost to the Commonwealth.

Unemployment benefits are also designed to ensure that people have adequate resources to search for and obtain employment¹⁰.

In Australia in 2019, the poverty line is defined as 50% of median income. In dollar figures, this poverty line works out to \$433 a week for a single adult living alone; or \$909 a week for

⁸ https://www.huffpost.com/entry/andrew-craibe-salvation-army-official-gays-put-to-death_n_1628135

⁹ <https://www.sbs.com.au/nity/article/2018/08/15/concerns-vulnerable-welfare-recipients-targeted-centrelink-robodebt>

¹⁰ <https://www.ncoa.gov.au/report/appendix-volume-1/9-11-unemployment-benefits-minimum-wage>

a couple with 2 children¹¹. The group of people experiencing poverty the most are, unsurprisingly, those relying on Government allowance payments such as Youth Allowance and Newstart¹².

In 2012, the Australian Human Rights Commission recommended that Newstart allowances and supplements should be increased so that they accurately reflect the costs of living, job-seeking and skill development activity¹³. The allowance has not increased in real terms since 1994¹⁴. Some of our younger members have not seen an increase in Newstart in their lifetime – some of their parents have effectively been on the same rate of payment for the entire lives of these young people.

Two years ago, there were five applicants for every entry level job advertised in Australia¹⁵. The lived experience of our members is that they are experiencing long term unemployment or underemployment, and thus they have no savings or other means to support themselves other than Newstart. The nature of the Australian employment environment is such that temporary unemployment is the exception rather than the rule.

The rate of Newstart is such that it engenders poverty rather than relieves it. People on Newstart cannot hope for an adequate standard of living.

The changing nature of work in Australian society

As previously discussed, long-term unemployment or underemployment is the lived experience of many of our members who receive Newstart or associated payments. Only 60% of the Australian workforce is in full or part-time ongoing employment. The rest – around four million workers – are engaged either as casuals, on short-term contracts, in labour hire, or as “independent” contractors¹⁶. Unemployment benefits and associated payments were introduced to deal with temporary vulnerability. Clearly, the situation for vulnerable job seekers is no longer temporary, and a new solution to the challenge of a population experiencing ongoing unemployment or underemployment is needed.

Recommendations:

1. Our minimum expectation is that, as recommended by the Council on the Aging and numerous other community organisations, Newstart should be immediately increased by \$75 per week.
2. Our preferred option is an immediate \$75 per week increase in Newstart, and a commitment from the government to beginning the process of implementing a Universal Basic Income in Australia.

¹¹ <https://www.acoss.org.au/poverty/>

¹² <https://www.acoss.org.au/poverty/>

¹³ <https://www.humanrights.gov.au/our-work/legal/adequacy-allowance-payment-system-jobseekers-and-others-appropriateness-allowance>

¹⁴ <https://www.austaxpolicy.com/increase-newstart-allowance-long-overdue/>

¹⁵ <https://www.smartcompany.com.au/people-human-resources/sme-young-job-seekers/>

¹⁶ https://www.australianunions.org.au/insecure_work_factsheet

Should you wish to discuss the issues raised in this submission, please contact Shay-Leigh Willis at info@diversityact.org.au or on 0404 786 573.

Kind regards,

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