



5 March 2021

Committee Secretary
Senate Standing Committees on Community Affairs
PO Box 6100
Parliament House
Canberra ACT 2600

Dear Committee,

Social Services Legislation Amendment (Strengthening Income Support) Bill 2021 ('the Bill')

The Queensland Council of Social Service (QCOSS) thanks the Committee for their invitation to provide a submission in relation to the Bill.

QCOSS is Queensland's peak body for the social service sector. Our vision is to achieve equality, opportunity and wellbeing for every person, in every community.

QCOSS does not support the inadequate increase to the base rate of working age social security payments by \$50 per fortnight, which only amounts to an increase of \$3.57 per day. This cut will weaken, rather than strengthen income support payments. It will have serious implications for families dependent on income support and will further entrench poverty and disadvantage for the most vulnerable people in Queensland.

The COVID-19 pandemic has proven that providing adequate income support to people does work. It lifts people out of poverty and supports economic growth by stimulating consumption.

QCOSS research on living affordability shows that in 2020, increased income support during COVID-19 improved the basic standard of living for low income families who were able to afford essentials like food, groceries and medicines.¹ Further, QCOSS member organisations reported changing pressures on services. Members reported that households were more able to support themselves and needed less help accessing the basics needed to survive, such as food.

Returning income support to close to pre-COVID levels will be detrimental to families who are dependent on these payments. QCOSS modelling of living affordability shows that households on pre-COVID income support payments:

- have little or no funds to cover unexpected costs
- balance budgets by experiencing food insecurity
- are vulnerable to predatory payday lenders and high-cost-credit providers

¹ QCOSS (2020) Living affordability in Queensland- A report on living affordability in metropolitan Queensland, August 2020. https://www.qcooss.org.au/wp-content/uploads/2020/08/QCOSS_Living_Affordability_in-Queensland_2020.pdf

- will struggle to afford essentials of life that will compromise their ability to find meaningful work or participate fully in society.²

Queensland Treasury modelling estimates that another 50,000 Queenslanders will lose their jobs at the end of March 2021 when the Federal Government's JobKeeper wage subsidy ends.³ Further to this, an estimated two hundred and fifty thousand children in Queensland are dependent on a parent who survives on income support.⁴ Rather than proceed with this Bill and penalise families, QCOSS recommends that the government adopt the following:

- Ensure income payments for working-age people do not return to below-poverty levels.
- Introduce a Single Parent Supplement that recognises the added costs of single parenthood.
- Extend income support to migrants living in Australia who are currently ineligible for support.
- Map, measure and monitor the potential risk of food insecurity and need for food security in Queensland.
- Provide further targeted bill relief for low-income energy and water customers.
- Increase the maximum rate of Commonwealth Rent Assistance as one measure to improve access to affordable housing for people on low incomes.
- Index income support payments twice per year to wages as well as prices.
- Ensure income support payments are not subject to mandatory cashless debit or income management.
- Ensure all parents receiving income support payments are eligible for child care subsidies (including additional, transition to work subsidies).

Thank you again for the opportunity to provide our submission to the Committee.

Yours Sincerely,



Aimee McVeigh
Chief Executive Officer

² Ibid.

³ *Treasury Predicts 50,000 Queenslanders will lose their jobs this month* (2021), Brisbane Times, 03 March 2021 <https://www.brisbanetimes.com.au/politics/queensland/treasury-predicts-50-000-queenslanders-will-lose-their-jobs-this-month-20210303-p577em.html> Accessed on 04/03/2021

⁴ Estimate for Queensland derived from the Senate Select Committee Hearing on COVID-19, answer to Questions on Notice #269. Accessible at https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/COVID-19/COVID19/Additional_Documents?docType=Answer%20to%20Question%20on%20Notice