

Committee Secretary
Senate Standing Committees on Community Affairs
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Re: Social Services and Other Legislation Amendment (Extension of Coronavirus Support) Bill 2020

Mission Australia is a national, non-denominational Christian charity that has been helping vulnerable people move towards independence for more than 160 years. In the 2019-20 financial year, we supported over 167,000 individuals through 483 programs and services across Australia.¹ Our goal is to end homelessness and to ensure people and communities in need can thrive.

Many of the personal and social issues that we try to alleviate at Mission Australia are caused at least in part by poverty. Poverty, for example, is a significant risk factor for homelessness, leaving many unable to meet housing costs and leading to insecurity, instability and ultimately homelessness. Women and children experiencing domestic and family violence have fewer options if they are living in poverty: having access to financial resources makes it easier to find alternative accommodation when needed.

We warmly welcomed the Coronavirus Supplement introduced by the Government in response to the COVID-19 pandemic at its original rate of \$550 a fortnight. For the first time in a long time, those who receive income support from the Government were able to meet their basic living needs with dignity and without the constant pressure of exhausting decisions about what they could and could not afford each week.

The financial support that the original Coronavirus Supplement provided made a huge difference in enabling people to pay for essential costs including food, housing, education and healthcare. Our services saw a reduction in clients asking for support with food packages, paying electricity bills, and other basic needs.

“We can see the relief in our clients when the payments were increased and they didn’t have to rely on food banks, emergency relief and hampers when the payments were increased ... We recently heard from a young person whose parents were able to purchase a fridge which they couldn’t afford previously. This purchase resulted in allowing them to purchase fresh fruit, vegetables, meat and dairy, and reduced the reliance on take away, completely changing their shopping and nutritional habits.”

Mission Australia Area Manager Northern Territory

“We are seeing our clients, particularly young people we support, using this money very responsibly to cover basic costs the rest of society takes for granted or to save specifically for housing, education or training costs, so that they can move out of the vulnerable situation they are have been living in.”

Mission Australia Senior Case Manager, NSW

However, as the year has progressed, and as the Coronavirus Supplement has been extended in piecemeal timeframes and at decreasing rates, our concern is rising. We have seen the progressive reduction in income support payments having a devastating effect on the people we serve. When the Supplement was reduced to \$250

¹ Mission Australia, Annual Report 2019-20, 2020, accessible at: <https://www.missionaustralia.com.au/publications/annual-reports/annual-report-2020>

a fortnight on 25 September 2020, Mission Australia saw an increase in demand for financial support as people again became forced to rely on services to afford food, utilities and other basic needs.

“There was a significant reduction of our usual clients on income support [payments] seeking assistance through our Emergency Relief program ... Unfortunately, we are slowly seeing those on income support returning since the drop in the COVID supplement.”
Mission Australia Area Manager, Northern Territory

The reductions in payments not only have substantial financial implications for people we support, but they also increase the likelihood of alcohol and drug use, mental health issues, child protection issues and domestic and family violence as financial stress exerts its terrible pressure. Our services find every day that it is hard to instil hope when people are looking for their next meal.

We are perplexed that the Federal Government is considering further cuts to income support payments in early 2021 and we urge the Government to refrain from making cuts to financial support for people on the lowest incomes. Now is the time to provide certainty beyond March and lock in a new, permanent and adequate rate of income support to restore dignity and so that everyone is included in the recovery ahead.

In a country that believes in a ‘fair go’, reductions to income support would have the effect of returning people perilously close to the punitive Newstart rates which were too low and left people unable to meet their basic needs. Mission Australia’s concerns were raised in our submission to the Community Affairs References Committee in 2019 which demonstrated the significant inadequacy of Newstart and other allowances and the impact they had on people’s emotional, health and economic wellbeing.²

“There will be some significant impacts on our ability to support people if payments go back down ... Particularly households where there are children or where people are living in private rentals because they cannot access social housing and in most cases we stepped in because families couldn’t afford anything else after paying rent when the Newstart payments were so low.”
Mission Australia Area Manager, Central and Far West NSW

The relentless pressures that people have faced over the past year and continue to face have been on all of our hearts and minds. Mission Australia is one of many voices calling for the Federal Government prioritise a permanent increase to income support payments so people can regain control of their finances, access transport, and other resources to look for work and be job ready.

We strongly encourage the Committee to make recommendations to the government to permanently increase the income support payments to lift people out of poverty at this critical time.

Yours sincerely



James Toomey
CEO Mission Australia

² Mission Australia, Adequacy of Newstart and related payments and alternative mechanisms to determine the level of income support payments in Australia, 2019, accessible at: <https://www.missionaustralia.com.au/publications/submissions-and-reports/welfare-reform/1313-adequacy-of-newstart-and-related-payments-2019-commonwealth-parliament-community-affairs-reference-committee/file>