

MEDIA RELEASE

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Tinkering around the edges will not fix our social security system

Economic Justice Australia (EJA) is the peak organisation for community legal centres providing specialist advice to people on Centrelink issues and social security rights. Our vision is a fair social security system, delivered with accuracy and integrity.

1. The Robodebt Royal Commission and Workforce Australia Inquiry recommended fundamental changes to Australia’s social security safety net but these are not funded in this Budget.

Quotes attributable to Economic Justice Australia’s CEO, Kate Allingham

“This Budget is tinkering with a flawed social security system, when the Government has a once in a lifetime opportunity to instigate structural reform. Both the Robodebt Royal Commission and Workforce Australia Inquiry provide practical evidence-based recommendations which need to be funded to be implemented effectively. Many of these recommendations were also echoed in the Inquiry into the Extent and Nature of Poverty in Australia”

“The \$600m per year over 3 years for additional frontline staff at Centrelink is important to address the current delays in processing of payments, and to provide phone services. But additional resources are also needed to deal with the significant backlog in appeals processing, and to improve Services Australia’s internal decision-making systems. These delays are creating huge financial and emotional stress. Much of what people experienced in trying to understand and appeal robodebts has not changed.”

“The changes to the mutual obligation rules are good steps that will help reduce some of the harms of employment services that fail to consider individual circumstances. But these announcements fall short of the major systemic reform recommended in the Workforce Australia Inquiry. Reform needs to be progressed swiftly to ensure that people receive the targeted support they need to help find a job, including a system responsive to the needs of people experiencing domestic violence, mental illness or caring responsibilities.

2. Spread too thin – too little for too many

People on social security are not waking up this morning feeling less stressed about the cost of living. Any increase to Commonwealth Rent Assistance is welcome but the reality is that the 10 per cent increase is only \$9.40 per week for a single person which goes nowhere near covering recent rent increases.

The extension of eligibility for the existing higher rate of Jobseeker Payment to single recipients with a partial capacity to work between 0-14 hours per week is a relief for many people with a disability, although the reality is that a majority of the 4,700 people this applies

to should probably be on Disability Support Pension. Significant reform of Disability Support Pension qualification and claim requirements is urgently needed.

Other than the welcome funding of the Remote Jobs Program, people in regional and remote Australia have been forgotten again with no increase to Remote Area Allowance, which has remained at \$9.10 per week for a single person for the last 20 years – this is not even enough for bread and milk in a remote community.

EJA welcomes the adjustments to Carers Payment, enabling carers to engage in paid work without fear of their payment being cancelled. Freezing of social security deeming rates and the 5-year freeze on the maximum Pharmaceutical Benefits Scheme (PBS) patient co-payment for pensioners and other concession cardholders are also welcome measures.

Quotes attributable to Economic Justice Australia's CEO, Kate Allingham

"This Budget does very little for those on the lowest incomes in the country. People reliant on Jobseeker, Youth Allowance, pensions and other payments will remain in poverty due to low maximum payment rates. A fair social security system is fundamental to addressing poverty. It provides a safety net necessary to keep people – adults and children alike – clothed, housed and fed."

3. To ensure a fair social security system it is essential that people requiring social security have access to legal advice and assistance.

This Budget fails to deliver sufficient legal assistance funding to community legal centres.

Quotes attributable to Economic Justice Australia's CEO, Kate Allingham

"Community Legal Centres play a critical role in ensuring people can access and retain income support and appeal debts, as well as assist with the myriad of legal issues that can stem from crisis and poverty. Any loss of capacity means that people are left without vital legal support in social security appeals."

"Community Legal Centres specialising in social security law are drowning under the weight of demand. The Robodebt Royal Commission report stressed the value of legal services, including the important public interest role played by the sector, yet the funding announced in the Budget is a drop in the ocean compared to what is needed to meet the high unmet demand for specialist social security legal assistance. We now have centres with no choice but to wind down programs and services. This is disappointing."

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