

PHAA submission- Social Services Legislation Amendment (Strengthening Income Support) Bill 2021



Public Health Association
AUSTRALIA

Committee Secretary
Senate Standing Committees on Community Affairs
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Dear Committee Secretariat,

The Public Health Association of Australia (PHAA) is recognised as the principal non-government organisation for public health in Australia working to promote the health and well-being of all Australians. It is the pre-eminent voice for the public's health in Australia, and seeks to drive better health outcomes through increased knowledge, better access and equity, evidence informed policy and effective population-based practice in public health. PHAA welcomes the opportunity to provide input to the inquiry into the Social Services Legislation Amendment (Strengthening Income Support) Bill 2021.

The Bill

- Increases the maximum basic rates of working age social security payments by \$50 per fortnight;
- Extends until 30 June 2021 criteria for inclusion, waiver of the ordinary waiting period and portability due to the impact of COVID-19; and
- Permanently increases the ordinary income-free area for jobseeker payment, youth allowance (other), parenting payment partnered and related payments to \$150 per fortnight.

PHAA's response to the Bill

Having a healthy population is good for the country. Being unwell reduces productivity and increases costs to the health system. As health costs spiral with an ageing population, making public policy decisions that will inevitably and unnecessarily add to those costs only puts greater strain on health systems. We are making unnecessary additions to factors driving health care costs up – every day, by ignoring the evidence on the links between poverty and ill-health. It's hard to be healthy when you are poor. Those Australians requiring social security payments are placed in food stress with often only \$14 a day left over after paying the rent. Up to 80-90% of people in this position skipped meals – because they simply could not afford to eat.¹ This clearly does not support people to achieve the Australian Dietary Guidelines recommendations for daily fruit and vegetable intake to prevent chronic and costly diseases.² Raising the rate by \$4 a day will help, but nowhere near enough.

The health of the community overall and the marked social gradient in health is a result of the social determinants of health or 'causes of the causes', which include economic conditions. People in lower socioeconomic groups are at greater risk of poor health, have higher rates of illness, disability and health and live shorter lives than people from higher socioeconomic groups.³

¹ <https://www.acoss.org.au/wp-content/uploads/2019/11/Starved-Of-Opportunity-Young-Peoples-Experience-Of-Youth-Allowance-An...pdf>
<https://www.acoss.org.au/wp-content/uploads/2019/07/190729-Survey-of-people-on-Newstart-and-Youth-Allowance.pdf>

² National Health and Medical Research Council. Eat for Health Australian Dietary Guidelines: Providing the scientific evidence for healthier Australian diets. https://www.eatforhealth.gov.au/sites/default/files/content/n55_australian_dietary_guidelines.pdf. Commonwealth of Australia; 2013.

³ Marmot M, Wilkinson R, editors. Social determinants of health. 2nd ed. Oxford: Oxford University Press; 2005

Individuals' health practices are also affected by social and economic circumstances, which can both cause and compound poorer health outcomes. In Australia, adults in the lowest socioeconomic areas are more likely than others to have poor diets,⁴ to have chronic conditions such as diabetes, uncontrolled high blood pressure, renal disease and to die prematurely.⁵ Addressing the underlying causes of ill-health and inequity is essential to creating social and physical environments that will promote and protect health and create a more productive society.

One solution is simple, it's available, it's been tested, and it worked. Raising the rate. During COVID-19, the 'Coronavirus Supplement' had a significant and positive impact on those who received it. Buying fresh fruit and vegetables, fridges so they could safely store them, paying bills, and paying for essential medical and health treatments became possible for the first time for many.⁶ Anecdotal evidence has been confirmed by statistical evidence in an ANU study showing that raising the rate had a direct and positive impact on food security and health.⁷

The explanatory memorandum for this bill states that the financial impact is approximately \$9 billion. The economic cost to the health system and in lost productivity of preventable illness in Australia is many times this amount – every year.⁸ Raising the rate will help to offset these costs.

PHAA strongly supports the 'Raise the Rate for Good' campaign led by the Australian Council of Social Service because of the powerful role of social determinants in influencing population health outcomes. Systemically created social differences such as those faced by individuals on income support are a growing threat to national wellbeing and productivity, and to the idea of a 'fair go' in Australian society.

Being healthy requires the fundamentals of stable housing, affordable nutritious food, and access to affordable healthcare. Raising the rate in 2020 has helped make this a reality for millions of Australians. We implore the Australian Government to raise the base rate by at least \$25 a day, not \$25 a week – it is affordable, and remains conservative – it does not go as far as our top economists recommend.⁹

We have seen the difference it can make. We cannot knowingly and willingly plunge people back into poverty and the sickness that comes with it.

The PHAA appreciates the opportunity to make this submission and the opportunity to contribute to better health outcomes for the most vulnerable Australians. Please do not hesitate to contact me should you require additional information or have any queries in relation to this submission.

Yours sincerely,

Terry Slevin
Chief Executive Officer
Public Health Association of Australia

⁴ <https://www.aihw.gov.au/reports/australias-health/diet>

⁵ <https://www.aihw.gov.au/reports/australias-health/health-across-socioeconomic-groups>

⁶ <https://www.acoss.org.au/wp-content/uploads/2020/06/200624-I-Can-Finally-Eat-Fresh-Fruit-And-Vegetables-Results-Of-The-Coronaviru...pdf>

⁷ <https://csmr.cass.anu.edu.au/research/publications/covid-19-jobkeeper-and-jobseeker-impacts-poverty-and-housing-stress-under>

⁸ Crosland P, Ananthapavan J, Davison J, Lambert M, Carter R. The economic cost of preventable disease in Australia: a systematic review of estimates and methods. Australian and New Zealand journal of public health. 2019;43(5):484-95.

⁹ <https://theconversation.com/top-economists-want-jobseeker-boosted-100-per-week-tied-to-wages-150364>; <https://blog.grattan.edu.au/2021/02/the-jobseeker-rise-is-not-enough/>