

Marjorie Black House 47 King William Road Unley SA 5061

P. 08 8305 4222 F. 08 8272 9500 E. <u>sacoss@sacoss.org.au</u> www.sacoss.org.au

ABN 93 197 662 296

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

3 July 2023

## Re: Social Services and Other Legislation Amendment (Strengthening the Safety Net) Bill 2023

SACOSS is the peak body for the non-government health and community services sector in South Australia, and part of the national network of Councils of Social Service.

We wish to make a short submission on the Social Services and Other Legislation Amendment (Strengthening the Safety Net) Bill 2023.

SACOSS fully endorses the submission from the Australian Council of Social Service (ACOSS). While the payment levels will still be inadequate, the increases in the bill are nonetheless welcome and the bill should be passed without amendment to enable the payments to flow to Centrelink recipients as soon as possible.

In addition, to the ACOSS submission, we would like to draw committee's attention to an issue which arises from research SACOSS has done on waged poverty. Our research (based on the last ABS Household Expenditure Survey) showed one-quarter of all households below the poverty line had wages as their main source of income, and one-half of those had no Centrelink income. The most recent ACOSS-University of NSW Poverty Report shows that in 2019-20 there were 1.2m people living below the poverty line who were in households whose main source of income is wages. Further, the SACOSS research shows that 65% of waged poor households are renters – more than twice the rate of renters in the general population.

More broadly (beyond the poverty line), the ABS Household Income and Wealth data shows that 25% of the lowest income quintile households get no Centrelink income, rising to 37% in the second lowest quintile.

This data is important because it shows that there are significant numbers of people in poverty or on very low incomes who do not receive a Centrelink payment, and many of these households are likely to be renters. This is relevant to the Committee's inquiry because while the increase in Commonwealth Rent Assistance (CRA) is welcome, CRA is only

payable to people in receipt of Centrelink benefits. Accordingly, all those households and people noted above will miss out on assistance, despite in all likelihood experiencing rental stress.

Given the urgent need to pass this bill and put the payment increases in place, *SACOSS is not suggesting any amendment to this bill*, but we ask the committee to recommend that a review of Commonwealth Rent Assistance be undertaken by the Economic Inclusion Advisory Committee to ensure the payment is adequate, equitable and effective in reducing rental stress for those on low incomes, including those not currently eligible for other income support payments.

Thank you for your attention to this submission. If you require further information, please contact please contact our Senior Policy and Research Analyst, Dr Greg Ogle at SACOSS as above.

Yours,

Ross Womersley, CEO

SACOSS