

## **MEDIA RELEASE**

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### **FEDERAL BUDGET 2023 – SOCIAL SECURITY SYSTEM RESET TO SAFETY NET**

The social security measures in this Federal Budget represent a heartening paradigm shift which hopefully starts the resetting of Australia’s social security system to what it should be – a safety net.

Economic Justice Australia’s CEO, Leanne Ho, said:

“For years, successive governments have treated social security recipients as expendable cost savings collateral. Governments have found savings through punitive compliance measures such as Robodebt, narrowing eligibility criteria for payments, and flattening payment rates.”

“Today, finally, we see a paradigm shift. There are no additional compliance measures. ParentsNext is abolished. There are targeted social security budget measures to enhance social security access and rates of payment for key cohorts such as single parents, unemployed people who are 55 and over, and New Zealanders living in Australia.”

These changes suggest a shift away from compliance and toward enhancing access for vulnerable populations. However, the most critical decision the Government needed to make – a meaningful increase in the rate of working age payments to a level where people can live in dignity – was missing from tonight’s budget. The increase in the rate of working age payments at only \$20 a week, with an increase to rent assistance adding up to \$15 a week more, is simply not enough to address extreme poverty.

“While the rate of JobSeeker is rightfully the focus of reactions to tonight’s budget, there are vulnerable cohorts of people who are unable to access income support payments at all due to structural barriers in the system. Many others can’t access the level of income support that matches their circumstances.”

“Harsh social security reforms over the last 20 years have made it harder and harder to meet the criteria for payment and meet punitive mutual obligation requirements. This means that people can end up on the wrong income support payment and end up losing their safety net. For example, many people with disability have been relegated to JobSeeker Payment struggling to comply with mutual obligations when they should be on Disability Support Pension.”

“The welcome restoration of single parent payment until the youngest child turns 14 provides us not only with hope, but also a model that can be used to restore payments to other cohorts that have been unfairly locked out of the system.”

"Some important first steps have been made to recalibrating our social security system but more systemic reform is needed", said Ho.

Economic Justice Australia looks forward to working with Government on key reform areas such as:

- Simplifying Disability Support Pension eligibility criteria, including by abolishing the program of support requirement;
- Expanding access to Special Benefit for holders of long-stay temporary visas, including full-time students;
- Abolition of punitive programs such as compulsory income management, and the mutual obligations Targeted Compliance Framework
- Identifying and addressing fundamental issues resulting from the use of automated decision making and digitisation;
- Improving access to payments and services, as well as appeal processes;
- A substantial boost to the funding of social security legal services to address the significant increase in demand.

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