

MEDIA RELEASE

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Federal budget cost savings hurt those most vulnerable

While there is some much needed spending in the budget in areas like aged care and domestic violence, cost cutting measures leave some of the most vulnerable people in our community behind.

In the case of newly arrived migrants, the budget leaves them much worse off. A saving of \$671 million over five years is anticipated from applying the four-year Newly Arrived Resident's Waiting Period (NARWP) across nearly all social security and family assistance payments from 1 January 2022. The NARWP for payments which currently have up to a two-year waiting period – like Family Tax Benefit A, Carer Payment and Carer Allowance – will be extended to a four-year wait in line with the current wait time for Jobseeker Payment and Youth Allowance.

Families with young children and carers who unexpectedly fall of hard times while subject to a NARWP can't even access Special Benefit as this payment of last resort is also subject to the four-year waiting period under current legislation. The NARWP can only be waived in extremely limited circumstances.

Leanne Ho, Executive Officer of Economic Justice Australia, said:

“There were good reasons for excluding some payments from the four-year NARWP. For example, applying a four-year waiting period for FTB A will mean that children of newly arrived migrants facing the challenges of settling in a new country will be at greater risk of poverty without a safety net for four years. It's estimated that extension of the NARWP will affect 13,200 individuals and 45,000 families, including single parent families.”

For the over one million people still relying on Jobseeker Payment, many with a disability or partial capacity for work due to chronic ill-health, there is nothing more than the \$4 a day increase announced prior to the budget, leaving them and their children to struggle under the poverty line.

“Particularly in this tough job market, people like older jobseekers, and especially people with disability, can be reliant on JobSeeker Payment for long periods. The return to pre-COVID rates from April has plummeted people with disability on JobSeeker back into poverty”, said Ho.

Economic Justice Australia continues to strongly oppose the extension of the mandatory Cashless Debit Card program. This opposition is based on evidence that it is poorly targeted, ineffective and causes undue hardship to vulnerable people, especially in First Nations communities which are disproportionately impacted. However, the announcement of a working fund with drug and alcohol rehabilitation services is welcome. Ideally a genuine and substantial investment in support services should replace the harmful CDC program which should be abolished.

On a positive note, Economic Justice Australia is pleased to see that the Community Development Program will be replaced with an alternative program for job seekers in remote communities from 2023, with penalties suspended in the meantime. EJA's February 2020 research report on the impact of the CDP penalty system on Aboriginal and Torres Strait Islander people living in the Northern Territory found that CDP penalties created financial hardship for families and broader communities, with long-term impacts for whole communities on food and housing security, physical and mental health and well-being.

While the investment in women's economic security and safety is also a positive, with financial support packages of up to \$5000 being trialled for people escaping family and domestic violence, EJA was disappointed that there was no further funding for social worker resources at Services Australia. Access to Centrelink social workers is critical to ensuring that the social security system is responsive to the complex needs of people fleeing violence and avoiding Centrelink becoming part of the problem. The experience of EJA member community legal centres is that social security compliance processes, like Taskforce Integrity which received a significant boost in the budget, can be used as a weapon of domestic violence by perpetrators who control their partner/ex-partner by threatening to do them in to Centrelink.

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