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UnitingCare Australia warns of looming social crisis if Australia's social safety net is wound back

UnitingCare Australia has urged the Federal Government to maintain a strong social security system, warning of the detrimental social and economic consequences of dropping the JobSeeker Payment back to pre-COVID level at the same time as other temporary support measures are withdrawn.

"A strong social security safety net is an integral part of achieving more than just an inclusive society" said National Director, Ms Claerwen Little.

"Unless there is a permanent increase to income support payments, Australia faces the prospect of deepening inequality and an increase in poverty and hardship.

"Just as \$40 a day is not enough for people who lose their jobs because of the pandemic, it will not be enough for those who will continue to struggle to find paid work in six months time."

In March, UnitingCare Australia welcomed the introduction of measures to assist existing income support recipients and newly unemployed people, including a doubling of JobSeeker payment. Additional measures, such as the JobKeeper payment, a moratorium on rental evictions and deferrals on some debt repayments and utilities bills have helped to mitigate the financial stresses on households. However, these measures are time-limited and are due to cease in October.

"Halving income support payments at the same time as other support measures are wound back will lead to a cascade of negative effects across the community and economy, including a dramatic escalation of financial hardship, increased household debt, housing stress and potentially a tsunami of homelessness and food insecurity" said Ms Little.

"It will also place a brake on the economy. Providing cash stimulus to people who need it most is one of the best ways to support economic recovery, as every spare dollar received by someone on a low income gets spent and goes back into the economy.

"The recovery plan must aim to both share the economic costs and prevent an escalation in poverty and inequality."

"While the pandemic poses immense social and economic challenges, we have an opportunity to put the country on a different trajectory – one which ensures everyone has

a right to safe, stable housing, adequate incomes, access to decent healthcare, and equal opportunity for education and work. The alternative is that many people continue to be left behind and fall even deeper in disadvantage.”

“We call on the Government to ensure all people experiencing hardship – including people with disability, carers, and people on temporary visas – are given an adequate income so they can live with dignity and meet their everyday needs” Ms Little said.

“As we cross the bridge to recovery, we must not leave anybody behind.”

UnitingCare Australia is a national body for the Uniting Church’s community services network in Australia, supporting 1.4 million people each year across urban, rural and remote communities.

The UnitingCare network is one of the largest networks of social services providers in Australia, supporting 1.4 million people every year across urban, rural and remote communities and powered by over 50,000 staff and 30,000 volunteers.

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