

13 September 2019

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

By email: community.affairs.sen@aph.gov.au

Submission regarding the adequacy of Newstart and related payments and alternative mechanisms to determine the level of income support payments in Australia.

The Federation of Ethnic Communities' Councils of Australia (FECCA) is the national peak body representing Australia's culturally and linguistically diverse (CALD) communities and their organisations. FECCA provides advocacy, develops policy and promotes issues on behalf of its constituency to Government and the broader community. FECCA strives to ensure that the needs and aspirations of Australians from diverse cultural and linguistic backgrounds are given proper recognition in public policy.

FECCA supports multiculturalism, community harmony, social justice and the rejection of all forms of discrimination and racism to build a productive and culturally rich Australian society. FECCA's policies are developed around the concepts of empowerment and inclusion and are formulated with the common good of all Australians in mind.

FECCA would welcome the opportunity to expand on this submission as required. For enquiries please contact FECCA CEO Mr Mohammad Al-Khafaji at ceo@fecca.org.au or on (02) 6282 5755.

Key recommendations

- FECCA calls for the increase of the Newstart allowance rate so that it can meet the minimum standards of living and reduce inequality across Australia for singles, carers, and families.
- Ensure that the commitments and requirements stipulated by Newstart are communicated clearly and in-language to people of culturally and linguistically diverse (CALD) backgrounds.

- FECCA call for strengthened employment support for migrants and people from CALD backgrounds.
- Remove the up to four-year delay for new migrants who need to access Newstart related payments if they experience hardship or job loss.
- Ensure Newstart is reviewed through a culturally sensitive and competent lens that considers the diverse needs and experiences of CALD recipients.

Discussion

FECCA calls for the increase of the Newstart allowance rate so that it can meet the minimum standards of living and reduce inequality across Australia for singles, carers, and families.

The maximum fortnightly allowance for Newstart is \$776.10 for single principal carers, and minimum allowance currently sits at \$555.70 for singles. This amount is grossly insufficient to cover the basic costs of living such as rent, utility bills, and groceries. Recent rental price reports show that the average rent prices for units around Australia range from \$305 in Adelaide to \$525 per week in Sydney¹. With rental prices and costs of living on a steady rise over the past decade, it is increasingly apparent that the Newstart allowance must be raised and indexed to wage and price movements.

The Poverty in Australia 2018 report found that over 3 million people in Australia were found to be living below the poverty line.² The report also found that 55% of households that fall under the poverty line were receiving the Newstart allowance. In order to improve the social and economic participation of these households and other Newstart recipients, the current allowance rate needs to be raised.

FECCA also takes this opportunity to support the Australian Council of Social Service's call for Newstart to be increased by \$75 per week.

Ensure that the commitments and requirements stipulated by Newstart are communicated clearly and in-language to people of culturally and linguistically diverse (CALD) backgrounds.

Translated materials and/or interpreters should be provided for people from linguistically diverse backgrounds, especially as the Newstart compliance requirements can be challenging

¹ Domain, June 2019 Rental Report (2019) <https://www.domain.com.au/research/rental-report/june-2019/>

² ACOSS, Poverty in Australia (2018) https://www.acoss.org.au/wp-content/uploads/2018/10/ACOSS_Poverty-in-Australia-Report_Web-Final.pdf

to comprehend. At community consultations in Newcastle and Sydney in September 2019, CALD community members have reported missing the stipulated Newstart appointments as this requirement was not communicated clearly to them. Rather than receiving a direct notification about upcoming appointments, Newstart recipients receive automated texts messages prompting them to log on to myGov. Those with limited digital literacy face additional barriers to accessing basic information about when and where their appointments are. Furthermore, these appointments are scheduled with minimal consideration of part-time or casual work commitments and family or carer responsibilities.

Strengthen employment support for migrants and people from CALD backgrounds.

FECCA has been informed by CALD communities and migrants that they are eager to join the work force and give back to the community but find it difficult to secure employment. They face additional barriers when trying to find work as compared to those who have local experience, local networks and are native English speakers. After extensive community consultations, FECCA has found that a lack of qualification and skill recognition bars migrants from attaining appropriate employment. This is especially relevant for migrants who have travelled on visas outside of FECCA asks that there be a streamlined and affordable process for skilled migrants to have their international qualifications and experience recognised in Australia. Communities have also asked for more English language classes to be available as while many community teaching organisations receive funding for English language courses, community feedback indicates a severe funding shortage in this area. Classes are not offered at convenient times for those students or parents, childcare provisions are lacking, students learn at different levels and centres are understaffed., Additionally, a FECCA inquiry into insecure employment found that women from CALD backgrounds are over-represented in insecure employment fields leaving them more likely to experience job loss and hardship.³

Notably, the 2018 Poverty in Australia report found that there is a higher poverty rate amongst migrants born in non-English speaking countries. Of all Australians living in poverty, 18.6% were born in Australia. In comparison, a staggering 26.9% of those living in poverty were born outside of Australia from non-English speaking countries.⁴ It must be recognised that

³ 'Submission to Independent Inquiry into Insecure Work', (ACT: FECCA). Available at http://fecca.org.au/wp-content/uploads/2017/07/Independent-Inquiry-into-Insecure-Work-submissionv_02.pdf

⁴ Page 60, ⁴ ACROSS, Poverty in Australia (2018) https://www.acoss.org.au/wp-content/uploads/2018/10/ACOSS_Poverty-in-Australia-Report_Web-Final.pdf

immigration contributes positively to Australia's economic and social development. Therefore, migrants must be supported with adequate settlement assistance, equal opportunities to seek employment and recognition of their skills. These commitments should also actively assist recipients in securing employment.

Remove the up to four-year delay for new migrants who need to access Newstart related payments if they experience hardship or job loss.

The Newstart allowance is designed to support those without adequate employment who have little to no income. Delaying access to it by four years will unnecessarily inflict hardship on those who are most economically vulnerable. It also hinders them from using the same job provider services that are available to others on Newstart.

Ensure Newstart is reviewed through a culturally sensitive and competent lens that considers the diverse needs and experiences of CALD recipients.

Frontline staff managing Newstart recipients need to ensure the commitments related to Newstart are truly mutual. FECCA has identified, through community consultations, a high turnover of staff working at employment service providers such as Job Active, MAX Employment, and Workskill Australia. The high turnover of staff detracts from the quality of service provided to Newstart recipients and hinders their chances at finding employment. This issue is exacerbated for migrants and recipients from CALD backgrounds as they are highly reliant on their case managers to introduce them to the Australian workforce. In addition, staff need to be trained in cultural competency to ensure the best results for their CALD clients.