

13 September 2019

Senate Community Affairs References Committee
Parliament of Australia

Dear Committee Secretary

Re: Senate Inquiry into Newstart and related payments

YWCA Australia writes this letter in support of Equality Rights Alliance, Economic Security for Women, Australian Women Against Violence Alliance (AWAVA), Women in Adult and Vocational Education (WAVE) and Australian Council of Social Services (ACOSS) submissions. We support the call by ACOSS to increase Newstart, Youth Allowance and related payments for single people by at least \$75 a weekⁱ and encourage the Committee to bring an intersectional gender lens to its review of Newstart.

YWCA Australia is a leading national women's organisation working towards a future where all women and girls are equal, safe and respected with equal access to power, opportunity and resources. YWCA Australia undertakes advocacy and delivers programs and services that develop the leadership of women, young women and girls; support individuals, their families and communities at critical times; and promotes gender equality to strengthen communities across Australia's diverse social and geographic landscape.

We echo the concerns raised by key groups that the current rate of Newstart is not sufficient to be able to live with dignity. How can we expect Newstart recipients to meet unprecedented rising costs of living given the rate has not been raised for 25 years?

Women make up 49.3% of people in receipt of Newstart and although the Australian Government has designed Newstart as a temporary payment, are more likely to be in receipt of Newstart for longer periods, making up 52% of people in receipt of Newstart for 2-5 years and 54% of people in receipt for 5+ years. This reflects a broader trend of women experiencing poverty [for longer periods](#) than men.ⁱⁱ

Raising government income support payments would contribute millions of dollars to local economies, and support some of the most vulnerable people in our communities get back on their feet.

In addition, YWCA Australia are troubled by the proposal to introduce a drug testing trial for 5,000 recipients of Newstart Allowance and Newstart Allowance in Canterbury-Bankstown (NSW), Logan (QLD) and Mandurah (WA). We believe the trial to be a violation of Australia's human rights obligations, including the right to social security.

We believe that drug testing, as part of a conditionality to receiving income support, is a punitive, coercive, expensive and degrading measure which has failed in other jurisdictions and lacks evidence of positive outcomesⁱⁱⁱ. New Zealand recently spent millions of dollars testing 112,000 jobseekers supported by their welfare system and found only 531 or 0.47% positive results^{iv}. Even the director of the NZ Drug Foundation that was responsible for overseeing these tests said that "it was an expensive waste of time".

Financial penalties will only exacerbate harm and increase risks, we are particularly concerned for women and young women in vulnerable situations, such as those leaving domestic and family violence relationships. As an alternative, we recommend that the Australian Government invest in drug treatment programs, which is estimated to save \$7 in health, welfare and other costs for every \$1 of investment^v.

YWCA.ORG.AU

A strong, unified, national feminist organisation working to achieve gender equality, with offices in Sydney, Melbourne, Adelaide, Brisbane, Perth, Darwin, and more.
ABN: 74 111 663 873

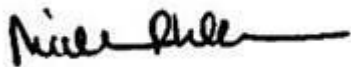
A review of Newstart must also take into account the barriers associated with the highly gendered and changing nature of work and its impact on women. The reality is that women often work in sectors and jobs that are low paid and insecure which leads to negative outcomes for women's economic security and their personal wellbeing. Women need to be better supported with work-related training, career advice and flexible workplaces to increase participation in the workforce.

At the same time, it is integral that the Government considers the huge contribution that women make to unpaid care work. The monetary value of unpaid care work in Australia has been estimated to be \$650.1 billion, the equivalent to 50.6% of Gross Domestic Product^{vi}.

On a final note, YWCA Australia strongly believes that increasing Newstart and other income support payments and strengthening social security is a matter of fairness and equality.

Thank you for the opportunity to provide comments to the Committee, and we look forward to progressive reform in this area supporting critical communities in Australia. Please do not hesitate to contact Renee Hancock, Director of Communications with at renee.hancock@ywca.org.au or 0417 055 299.

Yours sincerely,



Michelle Phillips
Chief Executive Officer

ⁱ ACOSS, "Myth Busting Newstart," 2018 <http://www.acoss.org.au/raisetherate/> (accessed 15/11/18)

ⁱⁱ Australian Government, "Indicator 1.2.1 Proportion of population living below the national poverty line, by sex and age" *Sustainable Development Goals Data*. 17 July 2018, <https://www.sdqdata.gov.au/goals/no-poverty/1.2.1> (accessed 24/10/18)

ⁱⁱⁱ Ritter, A., Berends, L., Chalmers, J., Hull, P., Lancaster, K. and Gomez, M. 2014. *New Horizons: The review of alcohol and other drug treatment services in Australia*. NSW: Drug Modelling Program, National Drug and Alcohol Research Centre, UNSW.

^{iv} Gomes, Luke-Henrique. 'The Coalition want to drug test welfare recipients. Here's why experts think it's a bad idea', 10 September 2019, The Guardian, available from: <https://www.theguardian.com/australia-news/2019/sep/10/the-coalition-want-to-drug-test-welfare-recipients-heres-why-experts-think-its-a-bad-idea>, accessed 12 September 2019.

^v Ritter, A., Berends, L., Chalmers, J., Hull, P., Lancaster, K. and Gomez, M. 2014. *New Horizons: The review of alcohol and other drug treatment services in Australia*. NSW: Drug Modelling Program, National Drug and Alcohol Research Centre, UNSW.

^{vi} Workplace Gender Equality Agency, Unpaid care work and the labour market <https://www.wgea.gov.au/sites/default/files/documents/australian-unpaid-care-work-and-the-labour-market.pdf>