# Re: Submission Response to the Welfare Review Interim Report

The following is my submission in response to the Interim Report on Welfare Reform by the Reference Group. I find that the current welfare system is unfair to those receiving income support and has placed many at risk of poverty, homelessness, violence and increased poor health and education outcomes. Any further reduction to payments or increases to job seeking participation will only place recipients at even further risk. The government needs to address the problems with the labour market instead of seeking ways to reduce income support payments. And income support payments need to be increased.

# SIMPLIER ARCHITECTURE Page 42 to 52

**What is the preferred architecture of the payment system?**

The structure of the payment system was much preferable and simpler before the Welfare to Work reforms was implemented in 2006. These reforms have increased the risk of poverty and homelessness particularly amongst single parents, not because of lack of labour force participation but because of lack of stable sustainable available jobs and high living expenses. Reducing payments and placing single parents on New Start Allowance and Austudy has increased stressors and subsequently placed both parents and children at risk of health problems. NSA and Austudy does not recognise the importance of parenting nor the economic benefits associated with parenting. Subsequently these lower payments are a prime problem for women to update or improve needed skills to gain sustainable employment. I disagree with the proposal of a universalised ‘working age payment’ as this will not recognise the complexities and differences between people with disabilities and medical conditions, single parents and single unemployed people. Reducing payments and implementing further job seeking participation requirements will only incur further financial hardship, stress and increase health problems.

Disability Support Pension (DSP) should be available for both those with permanent disabilities and no capacity to work and those with disabilities or medical conditions with limited or some capacity to work, including those with or recovering from cancer. DSP recipients should be able earn income without losing their DSP qualifying status. It needs to be acknowledged that many people in this situation will not be able to gain employment or find employment that is also suitable for their circumstances and need to remain on the DSP.

Parenting Payment for single and partnered parents needs to be reinstated and be paid to parents until their youngest child turns 18 years of age. The payment needs to be increased to the same rate as the Age Pension and DSP. This would ensure that both parents and children were not living in poverty and at risk of homelessness. Less financial stressors would also ensure children having more chance of completing year 12 high school qualifications. Reinstating Parenting Payment would also support single parents to complete further education and find sustainable employment. As currently NSA and Austudy deters single parents from education and skill development. No further job seeking participation activities should be imposed on parents single or partnered especially those with children less than six year of age. As the best care that can be provided for children is the care of their mother and family.

New Start Allowance (NSA) should only be paid to those who do not have dependent children. NSA should be payable to those who have left home regardless of their age, as living expenses are the same for them as someone over the age of 21 years of age. Proposed waiting periods in the Government’s 2014-15 budget should not be implemented. How are people going to survive for 27 weeks without a payment? This proposal places people on NSA at extreme risk of homelessness, which will make them even more unemployable and increases the risk of suicide. The relocation waiting period of 26 weeks needs to be abolished.

Austudy should be eligible to persons who have left school regardless of age and are pursuing further study or qualifications. This payment should be available to those from low income families or families with no income, living at home and living away from home.

**Should people with a permanent impairment and no capacity to work receive a separate payment from other working age recipients?**

Those with permanent disabilities and no capacity to work and those with disabilities or medical conditions with limited or some capacity to work should both receive the Disability Support Pension, which is a separate payment from other working age recipients.

 **How could supplements be simplified? What should they be?**

Supplements should remain as they are. Family Tax Benefit B should remain as it is and the Schoolkids Bonus should not be abolished. I disagree with the Governments proposed changes announced in the 2014-15 Budget.

 **What are the incremental steps to a new architecture?**

See above

# FAIR RATE STRUCTURE Page 55to 60

 **How should rates be set, taking into account circumstances such as age, capacity to work, single/couple status, living arrangements and/or parental responsibilities?**

Rates for all payments need to be increased overall.

Living arrangements should not affect a single person’s rate of payment. I disagree with assumption that a single pensioner sharing accommodation with another adult is likely to afford a higher standard of living. Share accommodation is nearly as expensive as living alone and comes with other hidden costs, such higher usage of utilities and other people who may not contribute to bills or groceries. Having different rates for people in different living arrangements will only complicate the system and cause hardship to those who are being taken advantage of by other household members and make it difficult for them to find more suitable accommodation.

Payments should recognise single parents care responsibilities by reinstating Parenting Payment for those with children over the age of eight years and be paid until their youngest child finishes high school or turn 18 years of age.

Long term unemployed over 55 years of age should receive a higher rate of payment. NSA rates need to be increased.

Persons with a disability and a partial capacity to work should qualify for DSP. Victims of domestic violence and childhood violence should also be eligible for DSP.

Persons that are no longer classified as dependents regardless of age should be eligible for an adult payment.

I strongly disagree with the assumption that Parenting Payment causes hardship for those wanting to re-partner or reconcile with ex-partners. The majority of female single parents prioritise the care and safety of their children first and education. Cuts to payments and compulsory job seeking participation requirements have placed women and children at risk of violence. It is known that perpetrators use violence to sabotage women’s employment activities and have been using the welfare reform to get women suspended from payments. Reducing payment rates will make single parents more vulnerable to economic abuse and violence from ex-partners and may even force women to return to dangerous relationships. Single mothers particularly need more financial support, which can be done through reinstating Parenting Payment for single parents until children reach the age of 18 years of age. Many mothers have to care for children that have also experienced or witnessed violence. Therefore the system should acknowledge this problem and should exempt women from the job seeking requirements.

# Common approach to adjusting payments Page 60 to 64

**What might be the basis for a common approach to adjusting payments for changes in costs of living and community living standards?**

All payments need to be indexed to increases to the male total average weekly earnings.

# Support for families with children and young people Page 65 to 68

**How can we better support families with the costs of children and young people to ensure they complete their education and transition to work?**

Again reinstating Parenting Payment for single parents until children turn 18 years of age would support better life outcomes and the education of children in these families. Family Tax Benefits (both A & B) also need to be paid to single parents until the child turns 18 years of age. Currently FTB is only paid to single parents until their children turn 16 years of age while couples receive this benefit until their children turn 18 if one of the parents is not employed. Placing parents on NSA and the mandatory participation requirements has increased stressors for both parents and children, which has negative impacts on children’s education retention and academic levels. Child care does not exist for teenage children yet parents are forced to prioritise employment over care. The care needs for teenagers is extremely complex as they are at a vulnerable age and parental supervision usually increases. Therefore there is a great need to reinstate Parenting Payment and to abolish mandatory participation requirements.

Persons over the age of 16 years should be eligible for an adult payment if they are studying at a secondary or tertiary institution. This payment needs to recognise those that are living away from home. However, this payment should only be eligible for persons who come from families with either no or low incomes or who are estranged from their families.

**In what circumstances should young people be able to access income support in their own right?**

Living away from home or over the age of 16 years of age and no longer at high school.

# Effective rent assistance Page 68 to 71

**How could Rent Assistance be better targeted to meet the needs of people in public or private rental housing?**

Rent assistance needs to reflect the cost and increases of the private rental market.

# Rewards for work and targeting assistance to need Page 72 to 78

**How should means testing be designed to allow an appropriate reward for work?**

Pensions and DSP (single) $250 fortnightly income before income test thresholds are applied. Then 40 cents per dollar for further earnings.

Single Parents (regardless of payment type) $300 per fortnight. After 40 cents for each dollar after $330.

NSA-$250 per fortnight. Then 50 cents in the dollar applies.

Austudy-$250 per fortnight. Then 50 cents in the dollar applies.

**At what income should income support cease?**

Following cut off points-

DSP –cut off point remain as it is currently.

Single parents (regardless of payment type) - $ 2000 per fortnight night

NSA- $1100 per fortnight

Austudy- $1100 per fortnight

**What would be a simpler, more consistent approach to means testing income and assets?**

Abolish liquid assets test for single parents and NSA applicants

# Mutual obligation Page 80 to 85

I disagree with the statement (page 81) “As local service providers better understand local circumstances and job seeker characteristics, there may be scope for providers to set requirements and consider exemptions”. This is not the case. Staff at employment services are poorly trained, lack knowledge on local labour markets, apply a ‘one size fits all’ approach to recipients and lack empathy. Employment service staff also seem to have little or no knowledge of the correct legislated guidelines and procedures and no knowledge of exemption procedures. Being profit driven these services would ignore exemptions. Furthermore, employment service workers are not qualified to assess medical conditions and their impact nor are they behavioural scientists. Nor do they have the understanding that single parents are the sole carer of children and the importance of parenting (particularly needing their mothers) to children in these circumstances. Some service provider staff have less employment experience than the job seekers they are dealing with. In a lot cases staff are one pay cheque away from the dole queue.

If people claiming benefits are expected to be self reliant then this should also apply to employment services that are reliant on tax payers’ dollars to support them.

**How should participation requirements be better matched to individual circumstances?**

Individuals should have the right to choice what activities they want to partake in and when. This would ensure better matching to individual circumstances.

There was no need to introduce mandatory participation requirements for single parents as single mothers, particularly, were already increasing their employment activity prior to Welfare to Work. Mothering is the most important job in the world and contributes and provides social and economic benefits to the community and society as a whole. Single parents need to be recognised as already contributing to society within the social security system.

Single parents (particularly mothers) should be encouraged to take up tertiary education and allowed to study part-time (without further participation requirements) and again be supported to do this through Parenting Payment.

Likewise person with disabilities should be able to determine for themselves if they are able to participate in the labour market or education and not be penalised through loss of DSP status if they do so.

The government also needs to recognise that many people with disabilities are not going find employment. Many employers are not interested in employing some-one that has a disability or an ongoing medical condition. It is pointless of wasting taxpayers’ money on subsidising business to employ people. Usually when the subsidy finishes so does the job.

**How can carers be better supported to maintain labour market attachment and access employment?**

In most cases this is not possible. Who is going to look after the person the carer is caring for? And who is going to pay for this care *if* such care is available. Children and young people need to be supported in continuing their education and further education first. But there is no point in pushing carers into poor paying jobs such as care work when they already have care responsibilities.

**What is the best way of ensuring that people on income support meet their obligations?**

The majority of recipients do meet their obligations. However, if jobs do not exist they cannot be expected to find further employment. The system needs to recognise this. The system also penalises those with other responsibilities and commitments such as children’s care and court (including family court) matters. These factors need to be also recognised.

Most People are more likely to meet obligations if they are allowed to choose their activities for themselves, instead of being forced into activities that do not match their circumstances or ambitions. Persons not meeting requirements could undergo an interview to assess problems preventing participation. Suspension mechanisms need to be abolished. These only cause hardship.

**In what circumstances should income management be applied?**

Income management **should not** target locations that have been classified as being socio-economic disadvantaged or individuals that are classified as vulnerable. It is not the individual’s fault that there is no available employment. Only individuals who have clearly been identified as having drug or alcohol addictions or gambler problems should be considered for income management.

# Early intervention Page 85 to 88

**How can programmes similar to the New Zealand investment model be adapted and implemented in Australia?**

They should not be implemented in Australia. They are discriminatory and only cause further hardship.

Sex education in high schools should high light the importance of young males to be more responsible and use contraception and the consequences (including financial) of not doing so.

Cultural attitudes toward woman need to be changed. Sexual discrimination and harassment is highly prevalent in the education system and are also perpetrated by teaching staff as well as other students. Assaults on female children including sexual assaults have been known to be ignored by teaching staff. Often female children are blamed and vilified for disclosing abuse. Discrimination against children from single parent families is also a real problem within the education system. These issues in turn have detrimental effects on the social and health outcomes of female children as well as their academic outcomes. This is real issue that needs to be addressed.

 **How can the social support system better deliver early intervention for children at risk?**

Making the HIPPY program available to parents in all areas would be more beneficial.

Child care does not improve academic achievement and can have a negative impact on young children. Children are better off and safer with their parents than with strangers in overcrowded child care centres. Children have been known to be subject to assaults, bullying and abuses and by other children and even childcare workers at centres. Children have died in these centres. It should not be assumed that persons who have acquired a blue card or who are child care workers are safe or have skills or more skills than parents. Persons with criminal histories, drug and alcohol problems and histories of violence or mental instability can still obtain a blue card and work with children. A certificate does not mean or make a person competent or safe. Parenting is a job and needs to recognised as such. Children who have better developmental, social and educational outcomes are those that are cared for by their parent(s).

The welfare system needs to recognise that single parents who have experienced domestic violence or care for children that have experienced violence need to be exempt from job seeking participation requirements. The current exemption for domestic violence is not adequate and there is no acknowledgement of parents having to care for children who have experienced violence.

# Education and Training Page 89 to 90

**What can be done to improve access to literacy, numeracy and job relevant training for young people at risk of unemployment?**

This is a problem with the education system in primary and high schools. More money needs to be spent on public education. More teachers need to be employed to make public school classrooms have much lower ratio of students to teacher. More special literacy and numeracy classes need to be established. Children drop out when they are overlooked or discriminated against in the system.

Parents play a large role in educating children. Those placed in child care or before and after school care miss out on education and homework support. School home work activities should be recognised as fully complying with participation requirements.

**How can early intervention and prevention programmes more effectively improve skills for young people?**

See above. Plus need to provide free training schemes

**How can a focus on ‘earn or learn’ for young Australians be enhanced?**

See above

# Improving individual and family functioning Page 90 to 93

**How can services enhance family functioning to improve employment outcomes?**

Increasing income support payments and creating family friendly, sustainable jobs

**How can services be improved to achieve employment and social participation for people with complex needs?**

The main problem is there are not jobs to accommodate people with ‘complex needs’. Many employers will not employ a person with disabilities or complex medical conditions. Therefore this group will unlikely find employment and need to be placed on DSP.

However, those that feel they may be employed should be provided with choices. Employment does not necessarily provide positive experiences. As Peter Butterworth has found that people who are forced into low paying unstable and low quality jobs have higher rates of depression than people who were unemployed.[[1]](#footnote-1)

# Evaluating outcomes Page 93

**How can government funding of programmes developing individual and family capabilities be more effectively evaluated to determine outcomes?**

Programmes should be evaluated on whether they increase or reduce poverty and general wellbeing. Negative impacts need to be included within evaluations

# Improving pathways to employment Page 101 to 107

**How can transition pathways for disadvantaged job seekers, including young people, be enhanced?**

Spending more on the public education system. Waiver fees for training blocks at TAFE for all apprentices. Waiver fees for TAFE courses.

Providing them with choices and options instead of forcing them into training and jobs which are not suitable for their circumstances or do not lead to sustainable jobs.

**How can vocational education and training into real jobs be better targeted?**

Vocational education and training should only conducted by accredited institutions such as TAFE and universities. This would ensure that qualifications are recognised as valid by employers.

# Supporting employers Page 108 to 110

**How can an employment focus be embedded across all employment and support services?**

(a)Abolishing the employment service system as while they are dependent on tax payers’ money they will continue to be focused on profits, not on clients. Establish a commonwealth employment service, which will create permanent jobs within the public sector. This would make spending of tax payers’ money on employment programs more transparent and accountable.

Many job seekers find jobs without the help of employment services. Abolishing outsourcing to private contractors will save billions.

**How can the job services system be improved to enhance job matching and effective assessment of income support recipients?**

See previous response (a)

**How can the administrative burden on employers and job service providers be reduced?**

If employers and employment services are to continue to receive funding and subsidies, spending of these funds need to be made more transparent and this information made available to the public.

# Role of civil society Page 112 to 116

**How can disadvantaged job seekers be encouraged to participate in their community to improve their employment outcomes?**

Prior the Welfare to Work legislation, single mothers were able to do volunteer work at school and for charities. However, Welfare to Work has restricted these activities. Volunteering should be seen as fulfilling participation requirements.

# Role of government Page 116 to 120

**How can community capacity building initiatives be evaluated to ensure they achieve desired outcomes?**

Evaluations need to be non-biased and reflect the impact on communities as a whole and take into account negative impacts. Too often evaluation reports manipulate data to reflect the government’s desired outcome, when these were not reflected in the findings.

**How can the income management model be developed to build community capacity?**

Income management should not target communities but only focus on individuals with actual drug, alcohol and gambling problems. Government would be better off focusing on literacy programs for adults. Better public education for children.

# Access to technology Page 124 to 125

**How can disadvantaged job seekers’ access to information and communication technology be improved?**

Public education starting at primary level should provide computer learning modules for all students for free, so no student is excluded. More libraries are needed in rural and remote areas, which would enable computer access.

1. See Butterworth, Peter. "Fair Welfare: The Experience of Welfare Receipt: Depression, Demoralisation and Despair?" Australian Council of Social Services,2007 [↑](#footnote-ref-1)