**Welfare Review Interim Report**

# Statements of principles behind responses below

**Political framework**

In Australia, recent moves by both major political parties have replaced the idea that all working age people are entitled to basic income security with the idea that most recipients should be subject to an collection of non coherent behavioural controls in order to receive their conditional payments. Australia now has an increasingly confused, complex and unfair income support system.

These new policies fuel community tensions by drawing an ever-shifting but nevertheless divisive line between those contributing in an officially approved way and those classed as ‘bludgers’ or ‘leaners’. The shift also fuels anxiety at all levels, by ignoring people’s need to maintain and extend their social wellbeing and relationships. There is a wealth of evidence on the importance of strong relationships to people’s wellbeing and mental health.[[1]](#footnote-1) We need a welfare system that recognises that individuals do not and should not live out their entire lives as economic actors. Participation in the workforce is one important aspect of our lives, but it can be limited by many factors. A good society also depends on the contributions of those not in paid work, or not in full time work, whose non-monetised contributions to the common good are often undervalued or overlooked.[[2]](#footnote-2)

The Coalition has flagged its intention to go further down the same path in the last budget and in earlier promises such as extending ‘Work for the Dole’ and cutting Newstart payments for those under 30. The OECD criticised the Work for the Dole program in 2000, stating the program ‘may impede the integration of the unemployed into paid work.’[[3]](#footnote-3) There is also a lack of evidence from a range of overseas programs and initiatives that coercive controls improve either living standards or wellbeing, even if they cut numbers of payment recipients.

Both major political parties should take a hard look at the difficulties faced by the people their policies affect. Their problems will not be solved by income management, by keeping payments like Newstart well below the poverty level, by tightening the criteria for paying sole parents and those with disabilities, or by more conditional rules for recipients. Apart from the individuals and families being damaged, these measures have the potential to divide the community and damage our social fabric. Blaming the long-term recipients of Newstart, for instance, for their failure to find work, creates divides by making it easier for the media to treat them as scapegoats. The official attitude exacerbates the exclusion of those who are already excluded. It ignores the possibility that their failure to earn income may be due to a wide range of factors, such as:

* institutional discrimination and prejudice.
* structural factors such as the lack of entry-level jobs and the decline of some economic sectors like manufacturing
* changing employer demands for skills, qualifications or experience.
* perverse incentives in the system which create barriers such as income tests.

**Society or economy: setting priorities**

Income security policies that are solely based on the formal trading of labour or goods fail to recognise that we live in a society, not an economy. A good society should value people’s need to live well, rather than assuming they only wish to be well off. It would provide income support for those whose social contribution does not fit the ‘get a job’ mantra that is often the only official offer made to working age people.

We need policies that recognise and value those aspects of life that are not counted economically, but are intrinsic to the current and future wellbeing of our society: informal relationships, nurture and care, familial and social obligations, the pleasure of gifts and reciprocity. The social interdependence of human beings is core to our sense of who we are and who we want to be. We should measure social policies by how well they support us to build social ties and relationships and contribute to others well being.

The fabric of a healthy society – one with high levels of wellbeing, trust and social cohesion - depends on people’s ability to use their time to pursue a mix of roles. An exclusive focus on paid work is a relic of a gendered social system that no longer exists, where lives could be separated into the private (domestic and female) and public (industrial and male) spheres. This divide is diminishing. As women take on more paid work, there’s less time to spare for the work that they once did without payment. Non-standard hours and insecure forms of work have become more common, which creates new pressures and demands. Globalisation and technology make for 24/7 working hours, and the workplace is no longer clearly separated from the home.

Such changes make the responsibilities we have to families, communities and other interests much more visible. As our population ages, the need to spend time caring for people could rise, just as the demand for time spent in paid work increases. The question of how we support people to take time out for life cycle, social and personal needs is becoming critical.

The blurring of lines between paid work and home does not erase the need for unpaid household production, supporting and caring for people, or taking part in community activities. Such social connectors form our sense of who we are, and all of them require time. A redesigned post-industrial income support program needs to recognise the moves many make in and out of paid work, both voluntary and involuntary, as employment conditions change. It needs to support more fluid pathways between paid work and unpaid domestic and community work.

Redesigning income support to recognise the new balance between paid work and household and community tasks will benefit everyone. But it’s particularly important for women, who too often are still implicitly allocated most of the unpaid tasks. If we are serious about gender equity, we need to challenge the assumption that production and consumption within families should not count publicly.

Currently caring for your own children is out, but paid care for other children is in. Giving away your home-made jam doesn’t count, but selling it does. Creating something beautiful, funny or sacred is of no value, unless it is sold. Telling stories for nothing is not valued, so make sure it is paid for! All these unpaid interactions do, however, count socially. Income support needs to recognise the many different contributions that are important to a good society.

Similarly recognising the importance of other forms of family and cultural responsibilities that are core to the functioning of particular communities and groups is necessary, if there is to be commitment to social cohesion and well being. This type of consideration is particularly evident in more traditional Indigenous community but is present, and often powerfully, in families and communities in less obvious contexts. If there is a genuine concern about respect for both legitimate cultural differences and people’s need for the respect and dignity of being useful and contributing to wider well being, income support needs to legitimate these responsibilities and the time they involve. There are many advantages to having a paid job beyond earning capacity, such as offering workers companionship, respect and engagement. However, policies now may over emphasise the once mainly male role about being a paid worker, now extended to women, over other unpaid forms of social contributions.

**Bad jobs**

There is a need to recognise that paid work has become the ‘gold’ standard for the primary source of income and a paid job is seen as the mark of respectability. The emphasis is part of the general thrust of public policy being primarily economic and individualistic rather than recognising the value of communal and social contributions.

We also need to recognise that many jobs may not be satisfying for a range of reasons and/or may conflict with the time demands of other responsibilities or interests. Welfare policies that actively support and assist people to transition into paid work are useful if they are effective – the negative effects of long-term unemployment on people who want to work are well documented.[[4]](#footnote-4) But by reifying the ‘dignity of work’, current policies fail to recognise that bad jobs and bad job relationships can do more damage than no paid job.[[5]](#footnote-5) A recent study by researchers at Australian National University found that people in jobs with ‘low security, high stress and little control’ were five times more likely to be depressed and twice as likely to be anxious as people in good quality work.[[6]](#footnote-6) They also found that the mental health of people who shifted from unemployment into poor quality work declined more than that of people who stayed out of paid work. The physical and mental stress involved in looking for and keeping a bad or insecure job outside the home is tough enough to be damaging to some people.

**Income support**

Public payments need to ensure people can both live adequately and contribute to social wellbeing in a range of ways, as outlined above. The challenge is to design a payment that both supports entry into paid work and recognises other ways of contributing to own and society well being. The payments should create entitlements to a payment that recognises that most of us, at one time or another in our lives, will limit the time we put into paid work.

An income support system needs to be non judgemental, offering replacement or supplements that allow recipients to maintain an acceptable basic living standard. This type of payment should assist people in managing a range of circumstances, which includes both external factors and personal circumstances that limit access to paid work. These include limited demand for their skills, the lack of appropriate paid work, social barriers and prejudices and other external barriers, as well as meeting some personal or social needs such as responsibilities for others needing care and nurture. An adequate income support system both gives people more choices based on personal needs and capacities and provides both employers and employees a safety net if moving in and out of jobs is necessary.

Recognising the need for time out or more limited time contributions can bring many benefits and life balance. These include many already covered but often ungenerously: formal education, other learning experiences, care needs of others, social contributions and some creative undertakings as well as limits set by disabilities and illnesses. Similarly, the needs of an expanded older population must look at both the support some need and how more older people can continue to contribute, albeit for fewer hours.

**The demand side**

The ability of employers to restructure their workforce is part of possible changes that need to be addressed. The policy makers and those who offer jobs need to make sure they are effectively able to optimise, rather than just maximise access to paid work. This may mean changes to norms such as long full time working hours, particularly as shorter hours are generally more productive.

The current public and political attitudes widely held assumptions are that the problems are with the supply side, the potential workers, and fail to address shortages of paid jobs and changing demands for many categories of skills and capacities. Therefore policy goals should also include options for our redistributing time and money to achieve better life and financial balances.

There is increasing evidence that there will not necessarily be full time work on current criteria for everyone. There are also debates on whether long working hours in paid jobs are productive and necessarily valuable. A design for a fair framework for such payments should allow freer movement into and out of paid work and cover a range of involvements that suit the person, the society and the employment market. Such changes would allow people to optimise their earning time but still meet other familial, personal and social needs.

One important aspect of the need for such changes is the increased workforce participation of women, who are still providing most of the unpaid care. Women are therefore more likely to depend on public forms of income support during the non-earning stages of their lives, so supposedly gender neutral policies that focus only on paid economic contributions cannot deliver equitable outcomes.

The welfare system should encourage social participation and wellbeing and provide the basis for societies to grow effective links based on trust, resilience, diversity, respect, responsibility and autonomy.

Creating social and economic mobility without stigma

* Payments should be designed to encourage mobility both ways, between paid and unpaid work.
* The welfare system needs to recognise that Australia has embraced an economic path that makes the job market more volatile, and employers have shifted much economic risk onto individual workers by offering fewer secure jobs with predictable hours.
* To be fair, income support therefore needs to be adequate, non-judgmental and easy-to-navigate.

An income support system needs to encourage mobility, innovation and risk taking – treating recipients with respect is likely to encourage them to contribute to their full capacity. Providing a non-judgmental, non-coercive income support system would do much to reassure people that they are valued, and to encourage appropriate contributions to the common good. Forty per cent of Australians in paid work are in ‘non-standard’ employment arrangements: casual, fixed term contracts, labour hire arrangements or independent contractors. Since our industrial and employment laws provide strong incentives for, and few limitations on, employers structuring their workforce this way, insecure, casual, and precarious work will continue to be the norm for a large number of Australians.

A good society would offer an income support system without stigma or prejudice, with an adequate payment for all who do not have appropriate access to other forms of income. It would take responsibility for the structural barriers faced by the unemployed and it would recognise the pressures of their personal circumstances. Such a payment would facilitate workforce mobility by offering financial support for those who need to change jobs or find they have lost jobs, as well as countering some of the risks of precarious employment. It would create social equity by providing those who are incapacitated, whether temporarily or long-term, with the funding and support they need. It is likely that greater support for people moving in and out of paid work would increase workforce participation, which may help to offset the cost of increasing benefits and expanding eligibility.

# Recognising the value of unpaid work

Much of how we define ourselves, our value and our contribution to society is anchored in our paid jobs. But our unpaid roles, in and out of homes, are also significant and deserve formal recognition. Some contribute their passions and creative skills in ways that enhance our quality of life; others offer emotional support, enrich or sustain our cultures; help us find new ways of belonging; or serve community needs. Some focus on small services that enhance family and neighbourhood comfort, such as a local veggie plot; some offer emotional support for those without blood relatives; or fulfil other social responsibilities which demand time commitments that don’t fit with standard working hours. A society that offers every individual the chance to have some legitimate ‘time out’ will address a range of needs, both personal and social, and gain broader social benefits. Funding for such ‘time out’ could be based on agreed time limits and criteria for how the time would be spent, but such criteria should be much broader than the current focus on paid work.

A few employers already encourage social contributions from workers such as volunteering, so as to improve organisational cultures and loyalty, but this generally takes place on the terms of employers, not employees. As a society we seem to applaud pro-bono lawyers but view full-time volunteers with suspicion – unless they are independently wealthy.

In an ageing and more mobile society, there are increasing needs for informal support and contact, with growing technological changes creating new forms of connectivity and demands. The constant official demand to ‘get a job’ as a cure for all forms of income inequality, ignores options for other useful contributions that can create personal and social satisfaction. Policies need to recognise social changes such as smaller households, less local community engagements, fewer children and greater mobility, which all suggest the need for using new technologies and old fashioned personal contact to ensure that we can all stay connected in ways that affirm our wellbeing. Good local relationships need to underpin informal care and parenting, for instance, which deliver wellbeing and deserve a decent income base.

Payments need to create conditions that encourage people to contribute to social wellbeing in a range of ways. The challenge is to design a payment that supports entry into paid work, as well as recognising other ways of contributing. Why not create an allowance that recognises that most of us, at one time or another in our lives, will have limits to the time we can put into paid work? Such an allowance could subsidise flexible and irregular working patterns for those with primary care and other responsibilities.

A design for a fair framework for such payments should allow much freer movement into and out of paid work and cover a range of involvements that suit the person, the society, and the employment market. Such changes would allow people to optimise their earning time but still meet other personal and social needs. One important aspect of the need for such changes is the increased workforce participation of women, who are still providing most of the unpaid care. Women are therefore more likely to depend on public forms of income support during the non-earning stages of their lives, so supposedly gender neutral policies that focus only on economic contributions cannot deliver equitable outcomes.

A decent society, particularly a wealthy one with a high standard of living, should provide an income support system designed to bridge social and economic divides, not widen them. Given the importance of good relationships to wellbeing, we should design our welfare system to support rather than undermine the time we spend on unpaid care and social contributions. In a democratic and pluralist society, income support should be based on need, not narrow-minded judgments about the family structures or lifestyles of those receiving it. And in the interests of fairness and efficiency, the system should be as simple as possible.

**Objectives**

* Access to income support should be universal, adequate, and based on rights and needs rather than an assessment or judgement of ‘worthiness’. This will simplify the system and reduce the costs of administering and policing it.
* Income support should be designed to recognise a range of ways of making social and economic contributions over the life cycle:
* People should be supported to take time out to care for children, parents and others
* Some may want to make other socially and creatively valuable contributions that can limit the time available for paid work and should be allowed to apply for time out at agreed intervals (sabbaticals)
* People with reduced earning capacities during periods of education or ill-health could also be supported through this system, but without the current constraints and inadequate pay rates.

##  Basic design principles

* Payments should be adequate and automatically adjusted to provide a decent income to both long term and transient recipients.
* Everyone eligible for income support should receive payments based on a single rate with needs-based supplements, rather the current incoherent mix of calculations.
* Given the evolving nature of living arrangements, there should be a review of the cohabitation assumptions with people only be defined as supporting those they live with by mutual consent, not as a default assumption.

**Specific current issues**

Policies based on the principles outlined above may well cost more than our current system – although given the costly overheads of complexity this is by no means guaranteed. We need some changes to our tax system to cover any increased cost and deliver a fairer society at the same time. These principles should be seen as long-term guidelines for reshaping our welfare state to reflect a changing society.

There are changes that could be done straight away, such as:

* Raise allowances like Newstart to the pension level and extend the taper, in recognition of the lack of employment options for many and the need for casuals and contractors to be supported as they move between jobs.
* Recognise that bad jobs and high stress may be common in the precarious employment market**, so** welfare recipients should not be pressured to take jobs that do not offer decent standards.
* Remove the obligation for parents to perform a minimum of 15 hours paid work a week and replace it with more flexible objectives that reflect the type of work and pay rates available to people with caring responsibilities. Offer effective job search support for those who request it

**For example - two specific current problem policies**

**Reintroduce a type of parenting payment supplement till child is 13/14**

* Put sole parents back on Parenting Payment, which recognises care needs and offers incentives for adding income without coercing people into paid jobs, but recognise that under a more limited set of payments, the payment would become a base payments plus the care supplement that recognised the effects on time and energy. (See below).

Despite many studies that show that most sole parents both do a good parenting job and are ready to contribute through paid or unpaid work, they are assumed to be lazy, incompetent and in need of authoritarian, paternalistic control. Therefore the assumption is that sole parents should be coerced into paid work by reducing their already sparse incomes and further limiting the benefits of increasing their incomes.

There is no supporting evidence for this claim or therefore for the initial decision in 2006 to stop paying the more generous Parenting Payment to new applicant sole parents, once their child turned eight, or r the recent decision current push to include the 140,000 ‘grandfathered’ recipients. The Government failed to offer any valid evidence that the earlier move onto the lower Newstart payment, in itself, had increased the proportion of sole parents who were in paid work.

There is a deep contradiction in the push onto lower payments with tighter means tests on extra income. The government policy recognises that sole parenting imposes both time and other demands that make full time work very difficult. It even states that sole parents would not be expected to take on jobs that either interfere with their parental responsibilities or leave them financially worse off, once costs of working are deducted. Yet the new policies set up a payment that undermines the possibility of both holding a part time jobs and retaining an ongoing adequate subsidy so both jobs can fit in the time demands of children, even 8 plus

The sole parent payments fail the following feminist principles for a good society to have an equitable, respectful income support service. This is particularly important for women as we are more likely than men to become, and often stay, dependent on forms of government payments, as, despite increasing participation in the workforce, we spend more time than men in unpaid and underpaid nurture and care roles.

Due to less time in the paid workforce, women may need government income support as sole parents or carers. Due to reduced lower pay and less time in the workforce, retired women often require partial income support.

It is in the interests of all Australian, and particularly women, to ensure that the designs and delivery of income support payments are adequate for maintaining decent living standards. Such payments should be delivered in a way that is respectful and allows recipients to their own decisions and maintain dignity and self respect.

Women need an adequate safety net that allows recipients to move on and off payments when necessary, while encouraging and maintaining the development of life and job skills. Its availability should be based on individual needs, not on presumed dependence on another person, especially in regard to cohabitation.

The current policy also breaches possible human rights as well as common sense. The Joint Committee on Human Rights report on this Bill recommends the bill be delayed. It accepts the government claims that *it seeks to provide greater incentives and opportunities for Parenting Payment recipients, particularly for single parents, to reengage in the workforce* and *to provide greater equity and consistency in the eligibility rules for Parenting Payments*, but questions whether the cuts in payments really provides the answer. It states clearly: *However, the committee notes that it does not necessarily follow that the measures seeking equity are justified as it is not apparent to the committee that the government has considered any alternative options in this regard.*

 Given the government’s failure to provide evidence that the cuts in payments have worked *to* increase sole parent well being*,* the Committee asked whether equity could be achieved by putting the recipients of the lower payment back to the higher level.

1.*55 The committee considers that these are legitimate objectives. However, the committee notes that it does not follow that the measures seeking to achieve equity are justified as an alternative and ostensibly fairer approach would be to give later recipients the same benefits as earlier recipients, rather than reducing the benefits of earlier recipients. It is not apparent to the committee that the government considered any alternative options in this regard.*

They conclude: *The committee notes, but is not convinced by, the department's assertion that this measure is fair and would promote workforce participation.*

Sole parents often have time demands that make it difficult for them to engage in adequate hours of work to earn an independent income. They also face prejudices from employers that are likely to limit their employment. They often have casual or very part time jobs, often without adequate pay or predictability. While some of these problems need to be fixed on a wider basis, income support for those who have limits need to support their incomes both as sole incomes or additional income to supplement inadequate earnings. The older PPL payment did this, albeit still fairly frugally. Just raising Newstart for all does not recognise that being a single parent involves time demands that inhibit job availability so should be recognised.

**Abolish Income Management**

* Abolish compulsory income management and respect recipients’ rights to make their own decisions on spending. Where people want assistance to manage their incomes, Centrepay could be expanded, and court orders used for extreme cases. Access to one’s payments should be a right unless there is individual legal tribunal or court intervention.

Income Management (IM), a very costly program. The recent budget allocated $100M for the next 12 months of the current program with small additions, which averages an administration costs over $3500 per person for the 28,000 or so current recipients on the controlling spending payments.

The summary of the McClure Report states

***Income management and support services***

*Consideration should be given to incorporating income management as part of a package of support services available to job seekers who need to stabilise their circumstances and develop a pathway to work or study.*

*Income management could also be used to build capabilities as part of a case-management approach to assist the large number of disadvantaged young people not fully engaged in either education or work.*

This quote fails to recognise the lack of evidence in any accepted statistical measure of the effectiveness of the measure in achieving the assumed ends. This potential change in policy fails to address the question of the effects of such a change to more traditional welfare frameworks. This is a major shift away from assuming that, once eligibility for a payment was established, the recipient could expect to control its spending. This normalised the payment as income similar to earned income, which may also have been received. Using the payment as part of a social control model is a major move that should be based on good evidence that conditional payments are effective, or at least not damaging. However, there is no valid evidence that the current programs are creating benefits., except in the relatively rare cases when people manifestly needed help.

A Parliamentary Briefing Note on the topic stated[[7]](#footnote-7)

‘*Income management has been a* [*controversial*](http://blogs.crikey.com.au/thestump/2010/03/31/will-caucus-allow-unproven-dangerous-changes-to-income-management-to-go-through-how-do-you-balance-expert-evidence-and-personal-communications-and-opinions/) *welfare reform. While conditions have always been applied to eligibility for welfare payments, restrictions on how payments may be spent are a new development, criticised by some as paternalist and stigmatising. Income management is also relatively expensive to administer, with an* [*estimated cost*](http://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/BN/2011-2012/IncomeManagementOverview#_Toc328056521) *up to 2014–15 in the range of $1 billion.*

A recent publicly available report on the WA Child Protection Income Management model concludes with the following warning:

*This review relies mainly on qualitative data that provides rich descriptions of the perceptions and* *experiences of income management of both recipients and intermediaries. As with all qualitative studies, care should be taken in drawing conclusions, as the findings cannot be generalised; nor can those who were involved in the review be seen as a representative sample of recipients or intermediaries.* [[8]](#footnote-8)

The NT versions are now almost seven years old, so should show some clear outcomes. However the first stage evaluation of the current NT scheme[[9]](#footnote-9), like many earlier reports, is inconclusive, at best. It found some participants who say they have had good experiences of the program but also that others reported seriously negative experiences. In sum it said:

*There are few, if any, strong and consistent impacts of NIM; rather, there have been diverse outcomes. This is reflected in the wide and inconsistent range of views and experiences of income management*.

Interestingly the current and past Minister both quote anecdotal statements, rather than valid statistics to support their views on the value of IM. Despite official statistics from the NT, which show deteriorating data on school attendance, violence, and child protection over the time frame, the Ministerial media release said ‘*The government believes that income management is important. We believe that it’s had very positive effects for quite a number of people, not the least of which are women and children in indigenous and non-indigenous communities around Australia,”*

IM is a program which controls the spending of 50% to 100% of welfare recipients income payments, restricting how it can be spent and where. It was originally introduced as part of Howard’s 2007 NT ‘emergency’ policy, targeted at 72 Aboriginal communities so was assumed to be an Indigenous program and not a harbinger of more general welfare change. However, the ALP broadened its scope to use it widely to control the presumed sinful behaviour of income recipients as part of their income eligibility.

This shift in policy directions suggests that non-employment is seen, not as structural or social issues, but as the result of individual flaws or ill intentions, despite ABS data showing at least 5 applicants for each job vacancy. Why should income support must be punitive and paternalistic, even if this is expensive? [[10]](#footnote-10)

The policy, if implemented as suggested in the Forrest report suggests underlying deeply ideological beliefs are that all those who fail to find a job are flawed, disorganised or lazy and need coercive controls to make them

responsible. Therefore it is seen as legitimate to control spending of either the whole category of job seekers and potential job seekers, or to particular defined subgroups. What is to be noted in this, is most of the current

categories selected for income management are not classified as bad money managers, but as having child protection or rental issues.

These beliefs seem to be feeding the possibility of seriously extending the expensive but currently limited, surveillance and control involved in income management policies.[[11]](#footnote-11). The Macklin retention and extension of income management to non Indigenous recipients is therefore to be further extended despite a singular and consistent lack of evidence that it makes a significant difference to the lives of those it covers.

This approach seems more absurd given it involves significant extra costs to achieve an administratively expensive form of welfare recipient control. The Australian National Audit Office ANAO found the scheme cost between $6600 and $7900 a person to administer, equal to 62 per cent of the $246-a-week Newstart payment.[[12]](#footnote-12) The Parliamentary summary quoted above [[13]](#footnote-13) stated:

‘*Income management has been a* [*controversial*](http://blogs.crikey.com.au/thestump/2010/03/31/will-caucus-allow-unproven-dangerous-changes-to-income-management-to-go-through-how-do-you-balance-expert-evidence-and-personal-communications-and-opinions/) *welfare reform. While conditions have always been applied to eligibility for welfare payments, restrictions on how payments may be spent are a new development, criticised by some as paternalist and stigmatising. Income management is also relatively expensive to administer, with an* [*estimated cost*](http://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/BN/2011-2012/IncomeManagementOverview#_Toc328056521) *up to 2014–15 in the range of $1 billion.*

In a time when the government complains of welfare costs expanding income management is both irrational rd and costly. Despite the program now stretching back nearly seven years, a wide range of evaluations has failed to find any clear data that show valid benefits for a significant number of those covered. The most recent publicly available report on the WA Child Protection Income Management model concludes with the following warning:

*This review relies mainly on qualitative data that provides rich descriptions of the perceptions and* *experiences of income management of both recipients and intermediaries. As with all qualitative studies, care should be taken in drawing conclusions, as the findings cannot be generalised; nor can those who were involved in the review be seen as a representative sample of recipients or intermediaries.* [[14]](#footnote-14)

The NT program is now old enough to show some clear results but the recent first tranche evaluation of the current NT scheme[[15]](#footnote-15), like many other reports, has failed to do so. At best, it found some participants who say they have had good experiences of the program but also that others had seriously negative experiences. This first evaluation for the Government stated:

*There are few, if any, strong and consistent impacts of NIM; rather, there have been diverse outcomes. This is reflected in the wide and inconsistent range of views and experiences of income management*.

The official statistics from the NT, where compulsory income management was applied to most recipients of working age payments since 2010, and others in mainly remote areas since 2007, show a general deterioration, not positive changes. The data on school attendance, violence, child protection are not good. Currently the reported experiences of many participants suggest that the relatively few, who have some financial issues, could have had access to less interfering programs like Centrepay that help without their losing the right to control their spending. .

This coming substantial and expensive shift in our approach to welfare has never been seriously debated because it started with Aboriginal recipients, and added other outgroups. Such a major change has been under the radar because it has been bipartisan, so never became a public or election issue. It needs solid challenges as it fails any good policy tests:

* IM starts with the wrong assumptions , that the spending of income recipients is the problem
* IM can undermine recipients’ capacities to make their own choices
* IM costs a lot per person to administer, which could be spent on other services.
* IM blames the most vulnerable and reinforces their lack of self worth and hostile public views, increasing social determinants of ill health. .

**In conclusion**

I reiterate my plea that theReview make it clear that using income support payments as forms of social control and punishments rather than neutral recognition of needs for the capacity to live decently has serious implications for well being and social cohesion. Australia needs to adopt good social goals before deciding on the economic means of achieving them as we live in a society, not an economy**!**

# Welfare Review Submission Template

## Pillar One: Simpler and sustainable income support system

### Simpler architecture

* What is the preferred architecture of the payment system?
* Should people with a permanent impairment and no capacity to work receive a separate payment from other working age recipients?
* How could supplements be simplified? What should they be?
* What are the incremental steps to a new architecture?

| *A single payment system which recognises that the basic costs of living are the same over the life cycle which may have different eligibility rules for additional payments or particular supplements. Using income support eligibility criteria as social control mechanisms to distinguish between what are seen as legitimate or non worthy reasons is problematic and often counter-productive. Extra payments need to be related to extra costs and needs. Income and means testing should be standardised but with some costs being universal eg mobility supplements which are needed for both extra daily life and work related costs. this type of approach would reduce employment disincentives and encourage people to make decisions that benefit them and the wider community* |
| --- |

### Fair rate structure

* 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 should reflect costs and needs not other status factors, except the time and other demands that limit capacities for earning income activities. primary carers who are also expected to be income earners need to have levels of payments that allow them to cut working time or accept less demanding jobs, and still have a decent income over an ongoing basis. We need to accept that some people will have long term part time work for a range of reasons, often not in their control and ensure that payments allow them decent basic living standards. The ability to contribute non paid work should also be recognised, not as a requirement but as a choice.*  |
| --- |

### Common approach to adjusting payments

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

| *All should be increased by reference to the median wage or CPI , whichever is higher, with Annual Bonus reviews to match any growth in overall incomes to ensure they do not fall behind.*  |
| --- |

### Support for families with children and young people

* How can we better support families with the costs of children and young people to ensure they complete their education and transition to work?
* In what circumstances should young people be able to access income support in their own right?

| *Ensure the payments to parents does not make good parenting more difficult in terms of both time and resources. Depressed anxious parents on too limited incomes will not give positive models, even if they are in some bad paid work they hate. Good quality services rather than income support are more likely to ensure education completion etc* |
| --- |

### Effective rent assistance

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

|  |
| --- |

### Rewards for work and targeting assistance to need

* How should means testing be designed to allow an appropriate reward for work?
* At what income should income support cease?
* What would be a simpler, more consistent approach to means testing income and assets?

| *We need to recognise that the initial extra earnings should be sufficiently rewarding to encourage continued commitment to the job. So higher allowable earnings before the income test cut in are probably the most useful way to lock in part time workers. Also the ability to retain other concessions after loss of any payment should be extended for an adequate change over time.*  |
| --- |

## Pillar Two: Strengthening individual and family capability

Reforms are needed to improve lifetime wellbeing by equipping people with skills for employment and increasing their self-reliance. To strengthen individual and family capability changes are proposed in the areas of mutual obligation, early intervention, education and training, improving individual and family functioning and evaluating outcomes.

### Mutual obligation

* How should participation requirements be better matched to individual circumstances?
* How can carers be better supported to maintain labour market attachment and access employment?
* What is the best way of ensuring that people on income support meet their obligations?
* In what circumstances should income management be applied?

| *Start with the assumption of goodwill and interest, not punishment, and explore external barriers and previous negative experiences before any suggestions of ‘mutual’ coercion appear. Validate social contributions, care of children and others and any volunteering formal and informal. Recognise the difficulties of carers taking time out but ensure their access to respite care is regular and maybe allows some extra paid work or experience to keep in contact. Ensure that all obligations have some benefits for the recipient rather than being seen as jumping hoops or punitive.*  |
| --- |

### Early intervention

* How can programmes similar to the New Zealand investment model be adapted and implemented in Australia?
* How can the social support system better deliver early intervention for children at risk?

| *We need to recognise that all parents and children are likely to benefit from access to breaks and time out, as well as educational experiences. By ensuring that there are adequate universal affordable services that support families but do not require a ‘problem’ label for access and they are local and affordable, many disadvantages would be avoided. . Intervention that labels the parent/child may do more damage than good, except in extreme need cases. Do we know if the investment model works long term? What are the effects on children who miss out?* |
| --- |

### Education and Training

* What can be done to improve access to literacy, numeracy and job relevant training for young people at risk of unemployment?
* How can early intervention and prevention programmes more effectively improve skills for young people?
* How can a focus on ‘earn or learn’ for young Australians be enhanced?

| *why assume the income support service is related to these issues? Using payments as coercion is not likely to improve learning environments or interest. Not sure any of these deal with real problems of inequality and lack of opportunities when there are not enough jobs. we need to ensure education is relevant, culturally appropriate and interesting, then parents and kids will engage. the assumptions about access and quality to remedy schooling deficits. These belong in education and early childhood services and, as commented above, need to be part of existing systems so they do nit stigmatise those using them. this is very top down intervention which makes no allowance for the prejudices and failures of the systems that deliver the mainstream services inequitably.*  |
| --- |

### Improving individual and family functioning

* How can services enhance family functioning to improve employment outcomes?
* How can services be improved to achieve employment and social participation for people with complex needs?

| *See comments on employment as the only options, create confident people who feel good about themselves and more productive lives will follow. the danger is if we define them as deficits we confirm their outsider status. There is more to life than improving employments functioning*  |
| --- |

### Evaluating outcomes

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

| *Again the assumption that the flaws are in the individuals not the system. Recognise the limits of outcome data in simplistic forms and look more at the wider processes of more productive and engaged people. As a researcher, i am awre of the limits of such measures and how they can distort real program efficacy.*  |
| --- |

## Pillar Three: Engaging with employers

Employers play a key role in improving outcomes for people on income support by providing jobs. Reforms are needed to ensure that the social support system effectively engages with employers and has an employment focus. These reforms include making jobs available, improving pathways to employment and supporting employers.

### Employment focus – making jobs available

* How can business-led covenants be developed to generate employment for people with disability and mental health conditions?
* How can successful demand-led employment initiatives be replicated, such as those of social enterprises?

| *This is where much of the problem lies. Employers are very often prejudiced and very unlikely to pick those that are least attractive on paper as they are seen as risky –older fatter, not anglo, mad, sick, etc.*  |
| --- |

### Improving pathways to employment

* How can transition pathways for disadvantaged job seekers, including young people, be enhanced?
* How can vocational education and training into real jobs be better targeted?
* How can approaches like Individual Placement and Support that combine vocational rehabilitation and personal support for people with mental health conditions be adapted and expanded?

| *More subsidies for work experience, more training for employers on being a good boss, pressure on employers to offer jobs to those who are trainees, More jobs and fewer prejudices in those hiring*  |
| --- |

### Supporting employers

* How can an employment focus be embedded across all employment and support services?
* How can the job services system be improved to enhance job matching and effective assessment of income support recipients?
* How can the administrative burden on employers and job service providers be reduced?

| *Increase public employments and NGOs, educate people into the need for acceptance. the tone here is very biased and patronising* |
| --- |

## Pillar Four: Building community capacity

Vibrant communities create employment and social participation for individuals, families and groups. Investments by government, business and civil society play an important role in strengthening communities. Also, access to technology and community resilience helps communities build capacity. Building community capacity is an effective force for positive change, especially for disadvantaged communities.

### Role of civil society

* How can the expertise and resources of corporates and philanthropic investors drive innovative solutions for disadvantaged communities?
* How can the Community Business Partnership be leveraged to increase the rate of philanthropic giving of individuals and corporates?
* How can disadvantaged job seekers be encouraged to participate in their community to improve their employment outcomes?

| *why go for corporates and philanthropy? We need bottom up community development models that start the processes, particularly for indigenous people. Government needs to encourage social capital, trust and collaboration in communities and validate unpaid contributions as well as paid ones. Ensure people have good public services like health care, schools etc, don’t expect the private sector to take over their responsibilities.*  |
| --- |

### Role of government

**Page 116 to 120** of the Interim Report considers the role of government in building community capacity. In shaping the future directions for the role of government the Reference Group would like feedback on:

* How can community capacity building initiatives be evaluated to ensure they achieve desired outcomes?
* How can the income management model be developed to build community capacity?

| *No income management, as it doesn’;t work, and community business partnerships are not the business of government.*  |
| --- |

### Role of local business

**Page 121 to 123** of the Interim Report considers the role of local business in building community capacity. In shaping the future directions for the role of local business the Reference Group would like feedback on:

* How can communities generate opportunities for micro business to drive employment outcomes?
* How can mutuals and co-operatives assist in improving the outcomes for disadvantaged communities?

| *in many ways but need funding as Banks and financial & institutions etc don’t get them*  |
| --- |

### Access to technology

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

| *provide access to phones and laptops* |
| --- |

### Community Resilience

* What strategies help build community resilience, particularly in disadvantaged communities?
* How can innovative community models create incentives for self-sufficiency and employment?

| *by being a good government and building good social capital by Adopting policies that increase perceptions of public trust and ethics in its dealing with communities. This creates the goodwill and risk taking that is needed for entrepreneurial activities* |
| --- |

1. Mental Health Coordinating Council, *Social inclusion: Its importance to mental health*, MHCC, June 2007 [↑](#footnote-ref-1)
2. We shouldn’t need economic estimates to remind us of the value of unpaid work. But when such are estimates are made, they show just how much the market economy depends on non-market contributions. The Australian Conservation Foundation’s ‘Whole Economy’ research found that the value of community production was greater than the value of market production in 2009. Australian Conservation Foundation, *The Whole Economy,* ACF, 2009. <http://www.acfonline.org.au/sites/default/files/resources/The-Whole-Economy.pdf> [↑](#footnote-ref-2)
3. OECD, *OECD Economic Surveys: Australia*,OECD Publishing,,, 2000 [↑](#footnote-ref-3)
4. F McKee-Ryan, Z Song, CR Wanberg & AJ Kinicki, ‘Psychologicals and physical well-being during unemployment: A meta-analytic study’, *Journal of Applied Psychology,* vol. 90, no. 1, 2005, pp. 53-76 [↑](#footnote-ref-4)
5. J Grohol, ‘Having a bad job can be worse than none at all’, *Psych Central*, 15 March 2011,<<http://psychcentral.com/news/2011/03/15/having-a-bad-job-can-be-worse-than-being-unemployed/24427.html>> [↑](#footnote-ref-5)
6. Australian National University, ‘Poor job as bad for mental health as no job’, *Science, medicine and health,* 22 November 2012, <<http://cmbe-cpms.anu.edu.au/news-events/poor-job-bad-mental-health-no-job>> [↑](#footnote-ref-6)
7. <http://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/BriefingBook44p/IncomeManagement> [↑](#footnote-ref-7)
8. <http://www.dss.gov.au/our-responsibilities/families-and-children/programs-services/income-management/a-review-of-child-protection-income-management-in-western-australia> [↑](#footnote-ref-8)
9. <http://www.fahcsia.gov.au/our-responsibilities/families-and-children/programs-services/income-management/evaluating-new-income-management-in-the-northern-territory-first-evaluation-report>

Department of Families, Housing, Community Services and Indigenous Affairs [↑](#footnote-ref-9)
10. : <http://www.smh.com.au/federal-politics/political-news/head-east-for-the-jobs-new-data-reveals-20140626-3awgl.html#ixzz35zU1eg2x> [↑](#footnote-ref-10)
11. <http://m.theaustralian.com.au/national-affairs/coalition-to-extend-income-management/story-fn59niix-1226855184298> [↑](#footnote-ref-11)
12. [http://www.theaustralian.com.au/national-affairs/income-control-costs-more-than-its-worth/story-fn59niix-1226567750648#](http://www.theaustralian.com.au/national-affairs/income-control-costs-more-than-its-worth/story-fn59niix-1226567750648) [↑](#footnote-ref-12)
13. <http://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/BriefingBook44p/IncomeManagement> [↑](#footnote-ref-13)
14. <http://www.dss.gov.au/our-responsibilities/families-and-children/programs-services/income-management/a-review-of-child-protection-income-management-in-western-australia> [↑](#footnote-ref-14)
15. <http://www.fahcsia.gov.au/our-responsibilities/families-and-children/programs-services/income-management/evaluating-new-income-management-in-the-northern-territory-first-evaluation-report>

Department of Families, Housing, Community Services and Indigenous Affairs [↑](#footnote-ref-15)