

Welfare Review
C/- Welfare System Taskforce
Department of Social Services
PO Box 7576
Canberra Business Centre ACT 2610

ACT Joint Pathways Response to McClure report

The Joint Pathways group represents all Specialist Homelessness Services in the ACT; the full list of members can be found as attachment A. Joint Pathways is a collaborative effort between ACT community sector agencies and the ACT Community Services Directorate (CSD) to provide better support and outcomes to people who are homeless or at risk of homelessness.

As a group we would like to take the opportunity to provide feedback on what we consider the positives but also potential concerns in the recommendations outlined in the report. Primary amongst our concerns are mooted changes to unemployment support. In 2013-2014 only 7% of persons experiencing homelessness have employment as their primary income source, so as homelessness support providers any changes to welfare payments are of significant concern to us and the people we support.

The four pillars expressed – a more simple and sustainable income support system, strengthening individual and family capability, engaging with employers and building community capacity – all have merit in their basic principles.

The idea of creating a simpler and fairer system with a focus on early intervention and service integration has real value and we agree are necessary and valuable changes to the welfare system. In particular, reducing the gap between Newstart equivalent payments and pension rates is vital. This gap reduction however needs to be applied to the Youth Allowance payment as well; which in its present form needlessly disadvantages young people experiencing crisis.

We are pleased to see the proposal for a tiered sanctions system, with a specific focus on monitoring the impact that income sanctions have on children. The focus should always be on strategies and tools to support people to comply rather than punitive sanctions. Of concern, specifically, is the consideration of using income management as a tool in cases of non-compliance. We would recommend that income management is only ever used as a method of last resort, that clear and transparent methodology be applied to income management or sanctions, and where possible income management should only ever be a voluntary scheme. We recommend that any action to apply income management or sanctions includes involvement from community supports, and an assurance that access to basic needs such as housing and health are not impacted. We would in fact request that no person who is currently experiencing or at imminent risk of homelessness should ever have their payments cancelled.

Our primary concerns are around four areas:

- Reform seen as a cost cutting measure
- Changes to eligibility for the Disability Support Pension (DSP)
- Focus on employment
- Alteration to rent assistance

A clear statement should be made that the overall budget and investment in welfare support for persons experiencing disadvantage in Australia should not be reduced. This welfare reform should not be seen as a 'cost cutting measure'. Of particular concern is the reference to changes such as the implementation of the Paid Parental Leave scheme, the National Disability Insurance Scheme, and advancement of technology as reasons why costs can be saved. These schemes and advancements should further increase support to disadvantaged persons, not be used as methods to subsidise welfare payments. We would also recommend that closing the gap between welfare payments be only achieved through increasing the lower payments, not in any circumstance a reduction of payments.

The changes proposed to the DSP are alarming. The ACT has the highest rate of homeless persons with a mental health issue of all states and territories (at 44 per 10,000) and one thing that we are very aware of is the episodic nature of most chronic mental illness. The proposal to restrict access to the DSP only to those that have a 'permanent impairment' with 'No capacity to work' demonstrates a lack of understanding of the nature of mental illness and its impact on people's quality of life and work capacity.

We agree that employment is important, and in most cases a vital step in assisting persons to break out of their cycle of homelessness. Any changes that can be made to make employment more accessible to people, such as social investment and engagement with employment around flexibility in the evolving labor market, are positive and worthwhile. The ACT already has a very tight employment market for job seekers with the number of job seekers greatly outnumbering the number of job vacancies. The potential dismissal of 16,000 public servants would only further exacerbate this situation. So we are concerned that lack of access to suitable employment should not be used as a punitive measure to sanction those on welfare payments. A recommended focus is away from employment as the only method of mutual obligation, and to consider the idea of 'community participation' and volunteering as equally valid.

Changes to Rent Assistance that will see increased subsidies to persons living in private rental are welcomed, as we are concerned for many public housing is seen as the only affordable housing option and will do everything they can to ensure their access to it. Any changes to rent assistance subsidies however should not come at a reduction to current levels of investment in public housing stock and development. There needs to be a recognition that in the current ACT rental market persons on welfare payments, and especially those persons that have been recently homeless, face extreme levels of discrimination in trying to access private rentals. We would welcome a further discussion and more detailed planning on how to overcome these challenges that are crucial to achieve a reduction in homelessness and increase access to affordable housing for all that need it.

Summary of Recommendations

- No current welfare payments should be reduced
- Schemes such as the NDIS and Paid Parental Leave should not be used to replace or subsidise payments
- Youth Allowance must be considered alongside Newstart as part of any 'gap closing' for payments
- The process for sanctions should be clear and transparent with appropriate safeguards and protections
- Income management should only ever be used as a last resort, involve partnership with community partners, and never impact the wellbeing of children or access to housing and health
- A closer examination needs to be made regarding access to the DSP, taking into account the episodic nature of mental illness
- 'Access' to appropriate employment needs to be accounted for when discussing mutual obligation, and the concept of 'community participation' be considered equally valid
- That changes do need to be made to ensure that there is increased access to affordable housing and the private rental market, but the process needs to take into account the myriad of factors that impact this access beyond financial capacity

Appendix A: List of Joint Pathways Members

ACT Shelter	ACTCOSS	Anglicare
Argyle Community Housing	Barnados	Beryl Women Inc
Belconnen Community Services	Canberra Men's Centre	Canberra Rape Crisis Centre
Canberra Youth Residential Service	Capital Community Housing	CatholicCare
Care Financial Counselling and Consumer Law Centre		Communities @ Work
Conflict Resolution Services	ACT Community Services Directorate	
Connections ACT	Council on the Ageing	Doris Womens Refuge Inc
Domestic Violence Crisis Service	Echo Housing	Gugan Gulwan
Havelock Housing Association	Inanna Inc	Karinya House
Department of Human Services	Red Cross	Salvation Army
Northside Community Services	St Vincent d Paul	Street Law
Ted Noffs Foundation	Toora Women Inc	Uniting Care Canberra City
Winnunga Nimmityjah	Woden Community Service	Youth Coalition of the ACT
YWCA		

Joint Pathways shared vision

A person who is homeless within the ACT will be offered a response to assist them as part of a broad commitment to end homelessness.