NATIONAL WELFARE RIGHTS NETWORK

Submission to Senate Community Affairs Legislation Committee

Social Services Legislation Amendment

(Further Strengthening Jobseeker Compliance) Bill 2015

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Contents

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About NWRN

The National Welfare Rights Network (NWRN) is the peak community organisation in the area of social security law, policy and administration. We represent community legal centres and organisations whose role is to provide people with information, advice and representation about Australia's social security system.

NWRN member organisations operate in all states and territories of Australia. They are organisations which have community legal services and workers dedicated to social security issues. Their services are free and they are independent of Centrelink and government departments.

The NWRN also has as Associate Members the Central Australian Aboriginal Legal Aid Service (CAALAS) and the North Australian Aboriginal Justice Agency (NAAJA).

The NWRN develops policy about social security, family assistance and employment assistance based on the casework experience of its members. The Network provides submissions to government, advocates in the media and lobbies for improvements to Australia's social security system and for the rights of people who use the system.

Background to the Bill

The *Social Services Legislation Amendment (Further Strengthening Job Seeker Compliance) Bill 2015* (the Bill) builds on the changes in the *Social Services Legislation Amendment (Strengthening the Job Seeker Compliance Framework) Bill 2014* (the 2014 Bill). The 2014 Bill was amended to include some of the recommendations made in the NWRN submissions in relation to the 2014 bill.

The Bill currently before the Committee also builds on a number of key administrative changes that, completely independently of legislative changes, resulted in a rapid increase in attendance at employment service providers when in September 2014 changes were made so that job seekers now reschedule appointments directly with providers. Within only two months of this simplified administrative process, attendance at appointments increased by 10%, to 75%. The combined effect of administrative and legislative measures has produced further positive results, with average suspension periods falling from 5.2 business days to 3.1 business days in the period from September 2014 and March 2015. Attendance at jobactive appointments is now at 90%.

The positive outcomes suggest that building collaborative relationships by improving connections between job seekers and providers are the key to improving attendance rates. They also show that smaller, more immediate penalties in a framework with robust safeguards is an effective model.

The bill introduces a number of new measures:

1. Employment Pathway Plans (EPPs):
    - Failure to enter into an EPP could result in suspension until the person enters into an EPP.
    - Failure to enter into an EPP without reasonable excuse would incur a No Show No Pay penalty.

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2. Failure to attend third party appointments:
    - Failure to attend appointments with organisations other than employment services providers would now incur the same suspension and No Show No Pay penalty as applies to employment services appointments.
3. Inappropriate behaviour:
    - Payment could be suspended, for acting in an "inappropriate manner" during any appointment such that the purpose of the appointment is not achieved, until the person attends a new appointment.
    - Acting in an inappropriate manner without reasonable excuse would incur a financial penalty.
4. Timing of penalties:
    - Penalties for non-participation in an activity would be able to be deducted from the very next pay (ie from the instalment period in which the failure occurs).
5. Adequacy of job search efforts:
    - Payment could be suspended for inadequate job search efforts until the jobseeker demonstrates adequate job search (with full back-pay on compliance).
6. Penalty for failure to accept suitable job offer:
    - The 8 week non-payment penalty for failure to accept a suitable job offer would no longer end early if the person agrees to undertake a compliance activity (eg Work For The Dole).
7. Simplification:
    - Connection and reconnection failures would no longer exist.
    - All financial penalties would be the equivalent of the No Show No Pay penalty (other than the eight week penalties).

We have examined each of these measures in turn.

NWRN supports the measures in the Bill which create a more equitable and simplified compliance system. However, we oppose some measures particularly those relating to inappropriate behaviour and adequacy of job search efforts primarily on the basis that they would be likely to result in unfairness.

Penalties for failure to enter into an Employment Pathway Plan (EPP)

Under this measure, failure to enter into an EPP would result in suspension until the person enters into an EPP and failure to enter into an EPP without reasonable excuse would incur a no show no pay penalty.

Currently there is no financial penalty for an initial refusal to enter into an Employment Pathway Plan (recently renamed Job Plan). However, currently a person may be cancelled for a second or subsequent refusal. In our experience, cancellation in these circumstances can result in disconnection and disengagement from the system, particularly for people with underlying vulnerabilities.

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We think it is appropriate that people are not penalised for an initial refusal. As one of our caseworkers commented:

> *"Too frequently we see people who have been told to sign a Job Plan without understanding what is in it or what they are required to do. We have also had people ask to have something changed or added who have been told that the Job Plan can't be changed. Frequently the Job Plans are not individualised and tailored to assist a person to gain employment but rather a standard plan "one size fits all".*

While this is undoubtedly an area for improved administration and training of providers it is also appropriate that people retain the right to initially refuse to sign an EPP, for example if it has not taken into account *"their individual circumstances, such as assessed work capacity, capacity to comply with their mutual obligation requirements, family and caring responsibilities, and their health"* as required by Government policy.[1] People should also continue to have 48 hours of "think time" before being required to sign an EPP.

We consider suspension with full back-payment on compliance is the appropriate penalty for a first refusal. We do not think a No Show No Pay penalty is appropriate for a first refusal.

However, for a second or subsequent refusal without reasonable excuse, NWRN considers that a No Show No Pay penalty is preferable to the current penalty of cancellation. Consecutive No Show No Pay failures would trigger a comprehensive compliance assessment which would be positive for detecting underlying causes of non-compliance.

Failure to attend third party appointments

This bill proposes that failure to attend appointments with organisations other than employment services providers would now incur the same suspension and No Show No Pay penalty as applies to employment services appointments.

We understand that examples would include failing to attend appointments with a career advisor, training provider, Work for the Dole host and Centrelink appointments. We understand that it could also include medical or psychological assessments.

There is merit in the argument that it simplifies the system and is easier for people to understand.

To the extent it is just about failure to *attend* appointments, the NWRN can support this measure.

However, extension of penalties to third party interactions of the inappropriate behaviour rules are a bridge too far, for the same reasons we oppose that measure generally (see below).

[1] Guide to Social Security Law at 1.1.J.25 Job Plan (NSA, YA (job seekers), PP, SpB (NVHs))

Inappropriate behaviour

Under this measure, payment could be suspended for acting in an "inappropriate manner" during any appointment so that the purpose of the appointment is not achieved until the person attends a new appointment.

The measure also applies a No Show No Pay failure for acting in an inappropriate manner without reasonable excuse.

NWRN opposes this measure.

The Parliamentary Human Rights Committee recently reported on the *Social Security Legislation Amendment (Further Strengthening Job Seeker Compliance) Bill 2015.* The Committee observed that[2]:

- The government has provided no evidence as to the extent to which people on social security are frustrating job search activities by inappropriate behaviour during appointments;
- The protections that would ensure that behaviour is assessed in a fair and reasonable manner have not been included in the bill, which is a problem because *"administrative and discretionary safeguards are less stringent than the protection of statutory processes and can be amended at any time";*
- Inappropriate behaviour is not defined in the bill and the bases for assessment are not clear and likely to involve a high degree of judgement on the part of the decision maker without clear statutory guidance. Moreover, the initial judgements will be made by a person who is not bound by the APS code of conduct.

We agree with all of these findings and with the conclusion that the bill may result in individuals losing social security benefits in circumstances which are unfair or unreasonable.

The employment service provider will have a discretion of whether or not to recommend suspension under 42SA or No Show No Pay penalty under 42SC. While the final decision to apply any penalty will still rest with DHS, in practice the assessment of the employment services provider is likely to be persuasive.

Below we have given some examples of the sorts of unfair or unreasonable decisions that may flow from this measure. Our primary concerns relate to situations where the behaviour is actually the result of:

- an underlying mental health problem or behavioural problem;
- an intellectual disability or acquired brain injury;
- chronic pain from physical injuries;
- drug and alcohol dependence;
- cultural practices or misunderstandings;

[2] Parliamentary Joint Committee on Human Rights Human Rights Scrutiny Report, twenty-ninth report of the 44th Parliament, 13 October 2015 pp 25-30

- the person expressing a legitimate consumer complaint;
- stress and difficulty coping with personal circumstances; or
- other complex underlying causes.

Example 1: Underlying mental health issue

Jenny worked in a call centre for 15 years before being made redundant. She is the principal carer for her aging parents and has been struggling financially since she was laid off. She can no longer afford her mortgage, utilities, car loan, and other expenses. She cannot see any way that she can make ends meet on Newstart Allowance and is afraid for the future. All the call centres seem to be laying people off and not hiring. She has applied for dozens of jobs, but hasn't had any interviews. She is beginning to despair and finding it hard to get out of bed in the morning and is faltering in her job search and caring responsibilities. She can't afford to see a psychologist and rarely sees her doctor as even if she was diagnosed with a mental illness she would not have time to deal with it. There isn't any disability listed on her Centrelink or jobactive records. When she is at her employment services appointment, her case manager queries why she hasn't done all her 20 job searches this fortnight and she loses her temper and tells the case manager she is an idiot before leaving abruptly. The employment services provider is unaware of Jenny's caring responsibilities or any undiagnosed mental illness, and Jenny lacks insight herself. Jenny incurs a penalty for "inappropriate behaviour" which adds to her financial hardship and worsens her mental state.

Example 2: Legitimate consumer complaint

John had been seeing an employment services provider for two years with no problems but had to change providers when he was forced to find new rental accommodation after the house he was in was sold.

When John began to see a new service provider, he was frustrated by the service he received. He felt that his caseworker was forcing him to do a course that would not improve his work prospects and that some sort of work placement, or another course which builds on his existing skills would be more appropriate. He was concerned that the only reason he was being sent to the course was because the course is run by the same company as the provider. When he raised his concerns with the caseworker, she became defensive and hostile. John then became upset as well and began to raise his voice. He asked to see the manager but was told that the manager was in a meeting. John told her she was incompetent and unprofessional. She replied that he had behaved inappropriately and she was making a recommendation to Centrelink that his payment be suspended and a financial penalty applied for inappropriate behaviour at an appointment.

The Government has been keen to introduce into the compliance system the notion of penalties which reflect consequences in the workplace (most notably, "No Show No Pay"). If evidence shows that unacceptable behaviour is a problem, it may be appropriate to apply a penalty for unacceptable

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behaviour similar to that which would justify summary dismissal in an employment setting. For example, the small business fair dismissal code states:

> "…. Serious misconduct includes theft, fraud, violence and serious breaches of occupational health and safety procedures. For a dismissal to be deemed fair it is sufficient, though not essential, that an allegation of theft, fraud or violence be reported to the police. Of course, the employer must have reasonable grounds for making the report."[3]

What is proposed is a penalty based on subjective assessment which has the potential to be applied inconsistently and for behaviour that results from underlying issues which would certainly be unfair and may be harmful.

We share the concerns of the Human Rights Committee about the lack of statutory guidance and inadequacy of safeguards for this measure. Parliament is being asked to vote on a measure without having seen the guidelines that would define its scope and administrative safeguards.

We recommend that this measure be opposed.

Timing of penalties

The bill proposes that penalties for non-participation in an activity would be able to be deducted from the person's very next pay (ie from the instalment period in which the failure occurs).

The Government's argument is that more immediate penalties help to create a stronger link between the non-compliance and the consequence of that non-compliance in terms of the next payment. It is difficult to be certain whether the improvements in attendance at employment services provider appointments is the result of administrative changes of September 2014, and how much is the result of the more immediate penalties that were subsequently introduced.

NWRN supports measures which increase attendance at appointments and decrease total financial penalties applied. While generally supporting this approach, NWRN remains concerned that jobseekers may experience additional penalties if they have less time to alter regular deductions from their payments (such as Centrepay deductions and other direct debits), and less time generally to seek extensions to payment deadlines to reduce the risk of incurring additional financial penalties for default with third parties.

We recommend that the department draw up guidelines for where it would be appropriate to use the discretion to apply the penalty in the later fortnight (eg where the person indicates that their rent or other essential expenses fall due that fortnight.)

To ensure that vulnerable jobseekers are not pushed into deeper financial hardship we urge DHS to monitor the impact of this change.

[3] https://www.fwc.gov.au/about-us/legislation-regulations/small-business-fair-dismissal-code

Adequacy of job search efforts

The bill proposes that payment could be suspended for inadequate job search efforts until the jobseeker demonstrates adequate job search (with full back payment on compliance). We agree that the current process, which uses job seeker diaries and employer contact certificates, is onerous, cumbersome and can stigmatise jobseekers and be counterproductive in building positive relationships between jobseekers and potential employers.

NWRN notes that the proposed penalty is suspension, with full-back payment once the person complies, and that reasonable excuse provisions apply.

In a briefing with the Department of Employment, NWRN was advised that they will be looking at both the quantity of job search activities, as well as quality. In terms of quality, we understand that the Department will be considering issues such as whether the person applied for a range of jobs or only one type, and whether job search activity was sincere (eg not just spamming employers with emailed CVs). They indicated that they will provide detailed guidance to providers about what to expect and communicate to clients regarding adequacy.

While we acknowledge the need for flexibility in making guidelines via legislative instrument, we are concerned that there is no guidance in the Act at all on what would constitute inadequate job search which is potentially a highly subjective assessment.

NWRN's position is in principle support for this measure, subject to further information about the guidelines for its implementation. NWRN would welcome the opportunity to discuss and provide input into these guidelines with the Department as occurred with some of the 2009 penalty changes.

Penalty for failure to accept suitable job offer

This measure would mean the 8 week non-payment penalty for failure to accept a suitable job offer would no longer end early if the person agrees to "work off" the penalty by undertaking a compliance activity (eg Work Eor The Dole).

It will also remove the existing discretion for the Secretary not to apply the eight week penalty if the person does not have capacity to undertake a compliance activity and serving the eight week period would cause the person to be in severe financial hardship. Few job seekers have met the strict criteria for waiver under the financial hardship provisions. In the latest quarter to March 2015, 38 job seekers, or just 1% of all "serious failures" were waived. While the numbers of people accessing this type of waiver are small, the people involved are extremely vulnerable.[4]

NWRN opposes this measure.

We note the Human Rights Committee's finding that no evidence has been provided that these waivers are applied inappropriately.[5] A more proportionate response would have been tightening

[4] Department of Employment, Job Seeker Compliance Data, March Quarter, 2014, p 12.
[5] Parliamentary Joint Committee on Human Rights, Op Cit, p 30

the waiver provisions (eg, limiting the number of times a person may have waiver applied for this reason).

We note that there may be circumstances where a person is not aware of the consequences of rejecting a job. Consider the following example:

Example 3: Awareness and consequences of eight week penalties

Todd is a 55 year old man who worked for 40 years as a mechanic. He ceased work when he suffered an injury to his back. He claimed Centrelink payments for the first time in more than 20 years. He found the claiming process stressful and overwhelming. He was offered a job serving ice creams at Wendy's but refused as he felt humiliated by the work. He agrees he was probably told that he must accept all suitable job offers but he doesn't recall being told that the penalty for failure would be eight weeks of non-payment. Centrelink says that feeling that the work was beneath him is not a reasonable excuse, and he loses his payment for eight weeks. He also loses his housing and can't afford his pain medication. He experiences a significant decline in his mental health and becomes socially isolated.

Obviously, eight weeks of non-payment can have devastating impacts on people, including homelessness, indebtedness, decline in mental and physical health, social exclusion, deterioration of personal relationships and destitution. We draw attention to the results of independent research commissioned by the NWRN into our services, which explores some of the long term impacts of losing income support.[6]

We are convinced that currently, the ability to "work off" the penalty is mitigating the absence of a discretion not to apply such a penalty and the narrowness of the reasonable excuse provisions and the strictness of the financial waiver provisions.

We oppose removal of the ability to "work off" such penalties. Completion of a compliance activity during the work off period engages the job seeker with the employment service system more intensely. However, if they are removed, consideration should be given to allowing a person to work off the penalty at least once, which would ensure that DHS could issue clear warnings in an interview about the consequences of subsequent failures. This would have the double benefit of creating a first warning system, as well as better targeting the group the Government should be concerned with, namely, persistent job refusers.

Most importantly, if the ability to "work off" these penalties is removed, a discretion must be inserted to enable the Secretary to waive or end a period early eg in circumstances where the person:

- cannot afford essential medication;
- has been assessed as having a partial capacity to work;

[6] http://www.welfarerights.org.au/how-does-national-welfare-rights-network-add-value-clients

- cannot meet their caring responsibilities;
- is homeless, or at risk of homelessness; or
- has other circumstances which make it appropriate to waive or end the penalty early.

The Senate has advised that "the proposed changes will result in more job seekers serving their eight week non-payment period rather than having them waived. $6.9 million in savings arise from reduced income support payment outlays to those job seekers."[7] There has been no additional funding provided to emergency relief providers as a result of these compliance changes.

In the past, prior to the 2009 penalty changes, there was a cumbersome and ineffective system of Financial Case Management which provided emergency relief, distributed by charities, to people in circumstances like this. We do not support removal of the "work off" waiver provisions. However, if this occurs, there would need to be additional funding provided for emergency relief for those impacted by this provision.

Flow on consequences of removal of waiver provisions

The Explanatory Memorandum claims that an increase in the number of waivers accessed by job seekers is proof that the existence of waiver provisions are an inducement or an 'incentive' for non-compliance.[8] However, it fails to provide any evidence that this is the case. Greater utilisation of waiver provisions could also be explained by increased familiarity and understanding and awareness of the new penalty system, by providers, the Department of Human Services staff, and by job seekers. NWRN has observed in its casework that people who consider the penalty was applied incorrectly, and would in the past have appealed against the penalty, now choose to "work off" the penalty because it is easier and often quicker than seeking internal review.

In this way, the waiver provisions achieve a number of important ends: the jobseeker is re-engaged quickly via a compliance activity, and the costs associated with internal review to ARO and external review to the Administrative Appeals Tribunal are avoided. The wider costs to the community, in terms of emergency relief, legal and casework services, health costs etc are also avoided.

Removal of the waiver provisions is likely to result in an increase in appeals and other wider costs to the community.

Recent drop in penalties applied

In 2008-09, there were 644 'serious failures' for refusing or failing to accept a suitable job offer. In 2013-14, there were 1,626 similar penalties applied for those who either refuse a suitable job, or do not commence a suitable job.

While the numbers have increased since 2008-09, NWRN's analysis of the available job seeker compliance data in Table 1 reveals that from the September 2013 quarter to the March 2015

[7] Senate Standing Committee on Education and Employment, Department of Employment, Question No. EMSQ15-000213.
[8] Hartsuyker, L. *Explanatory Memorandum*, Op Cit, p. 9.

quarter, the number of eight week penalties has actually declined by 61 per cent.[9] There was a marked decline in the first quarter of 2015. Over the period, the number of people with an eight week penalty for failing to accept or commence a suitable job offer fell from 488 to 298. If the goal is to increase the number of people accepting and taking up employment we would question whether there is a need to change the "work off" waiver provisions when recent numbers have reduced so dramatically.

Table 1. Refusal to accept or commence a suitable job, 2013-15.

	Type of Failure				
Period	**Refused Suitable Job**		**Did Not Commence Job**		**Total**
	No.	**%**	**No.**	**%**	
1 July to 30 September 2013	231	3	257	3	488
1 October to 31 December 2013	212	2	241	3	453
1 January to 31 March 2014	164	3	186	3	350
1 April to 30 June 2014	180	2	185	3	365
1 July to 30 September 2014	261	4	229	3	490
1 October to 31 December 2014	187	4	221	5	408
1 January to 31 March 2015	147	4	151	4	298

Indigenous and other vulnerable job seekers

NWRN welcomes the commitment to existing arrangements for vulnerable job seekers. We note, however, that identification of vulnerability does not provide protection against the imposition of harsh and costly financial penalties.

Data for the last financial year from Senate estimates reveals that 21,199 failures were applied to job seekers with a Vulnerability Indicator. Nearly 9,200 job seekers with a psychiatric problem or a mental illness had a reconnection failure applied, and there were 6,190 indicators showing problems of homelessness, 1,600 had been released from prison within the past fortnight, 256 had significant caring responsibilities, and 581 had a significant cognitive or neurological impairment. A significant number had major language and literacy deficits, and 478 had experienced a recent traumatic relationship breakdown. Some had multiple vulnerabilities.[10]

NWRN is concerned that some of the measures in the Bill (particularly those concerned with "inappropriate behaviour" and adequacy of job search) will increase the likelihood that vulnerable

[9] Department of Employment, Job Seeker Compliance Data, At: https://employment.gov.au/job-seeker-compliance-data
[10] Senate Standing Committee on Education and Employment, Department of Employment, Question No. EMSQ15-000231.

job seekers, and people who may not have disclosed their vulnerabilities, will be subjected to greater financial losses.

Since 2007 Indigenous jobseekers in receipt of unemployment benefits who fail to participate in scheduled training, interviews or appointments have had their 'participation failure' applied at an increasingly higher rate than non-Indigenous customers, according to analysis undertaken by the ANAO.[11]

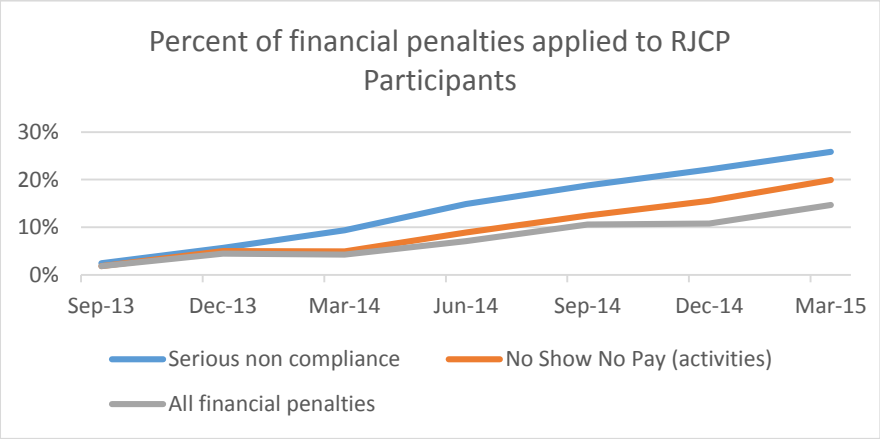
In the six years from 2007 and 2013 there was a toughening of the job seeker compliance policy, which, along with the removal of 'remote area exemptions', resulted in increased rates of compliance penalties for Indigenous job seekers. While the rates of participation failures increased for all jobseekers, the rates relating to Indigenous unemployed increased at a higher rate: from 33 per cent to 62 per cent, whereas for non-Indigenous job seekers, the rates increased from 39 per cent to 55 per cent.[12]

Remote Jobs and Communities Programme (RJCP) participants make up around 5% of the total pool of activity tested people, yet in the last quarter 15% of all financial penalties, 20% of No Show No Pay penalties related to non-attendance at activities, and 26% of serious non-compliance penalties (eight weeks) were applied to people in the program.

There has been a decline in the overall numbers of financial penalties applied to job seekers, which may be associated with the implementation of arrangements that mean that non-attendance at employment services interviews leads to immediate suspension of benefits and a related drop in 'Reconnection' failures.

Chart 2 shows the percentage of all financial penalties in each quarter that were applied to RJCP clients. The 'parity' rate would be 5%.

Chart 2

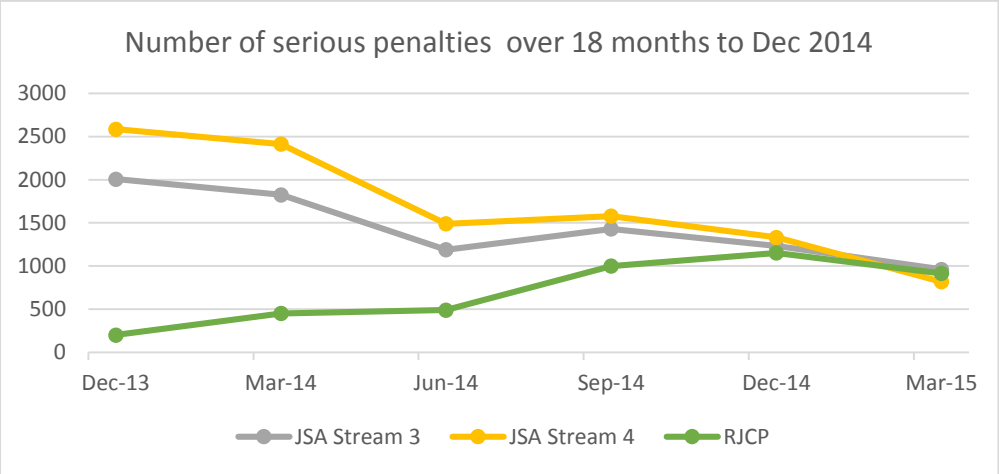


[11] Australian National Audit Office, *Initiatives to Support the Delivery of Services to Indigenous Australians*, Department of Human Services, Auditor-General Audit Report No. 45, 2013-14, p. 57.
[12] ANAO, Op Cit, p. 57.

Chart 3 shows the increased application of penalties from the initial start-up period, compared with the application of serious penalties to clients in JSA Streams 3 and 4 – the streams most closely matched to the RJCP cohort.

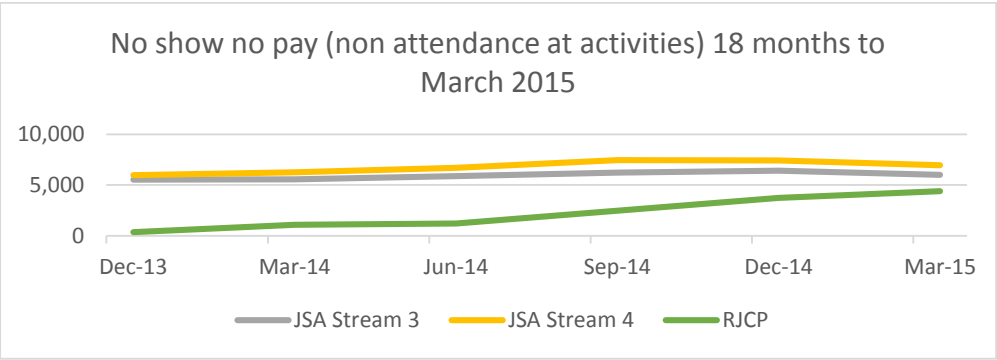
Numbers fell in the most recent quarter, but RJCP penalties as a proportion of all penalties continued to increase.

Chart 3



In the three months to March 2015, 20% of all No Show No Pay penalties were applied to RJCP participants, a total of 6,635 in that quarter alone. Chart 4 shows the increase in penalties applied to RJCP clients since the beginning of the contract.

Chart 4



While jobseeker compliance reports do not separately identify rates of suspensions for clients in RJCP, administrative data from December 2014 suggests that, at that point, there were 2,045 clients suspended from RJCP services – a rate of 6% of the caseload. This compares with 24% of all job

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seekers employment services suspended at 31 December 2014, of whom 9% were exempt and 4% had reduced work capacity. In other words, even once the limited availability of work and education options in remote areas is taken into account, RJCP clients are less than half as likely to have their obligations suspended. Given the acknowledged health, housing and social issues in many remote communities, this seems more likely to be the result of failure to identify or recognise factors that might prevent participation, rather than the absence of these factors.

NWRN considers that there should be a review of how the current compliance system and its administration impact on Indigenous, remote and vulnerable jobseekers. A review should consider, among other things, equity in treatment of jobseekers under different employment services network (eg mainstream jobactive / disability employment services / RJCP).

Simplification

A consequence of this bill is that connection and reconnection failures would no longer exist.

NWRN agrees that the range of penalties in the compliance system has made it overly complex and confusing for customers, administrators and advocates. Streamlining the system so that it has three degrees of penalty ie suspension, No Show No Pay and eight week non-payment penalties will make it easier for everyone to understand including job seekers.

As we noted in our introduction, the key to improving attendance rates and ensuring a balanced compliance system is improving connections between job seekers and providers, improving administrative processes and smaller, more immediate penalties in a framework with robust safeguards.

While some of the safeguards in this bill need to be significantly improved (as discussed earlier in this submission), we support a simplified system of graduated penalties.

While simplicity is clearly an important goal, and steps to address the administrative systems is positive, many job seekers and others in the community will still struggle to comprehend the job seeker compliance system. Australia suffers from very high rates of illiteracy.

A recent OECD report found large gaps in financial literacy between 15-year-old Australians from advantaged and disadvantaged backgrounds.[13] Compliance arrangements need to strike the balance between simplicity and improved understanding for providers, administrators and consumers, and ensuring that the rues assist people into suitable jobs, and that people are not treated unfairly of having their incomes cut, forcing them to rely on friends, families and charities. In the worst cases,

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[13] OECD, *Students and Money - Financial Literacy Skills for the 21st Century*, 2015, At: http://www.probonoaustralia.com.au/news/2014/07/disadvantaged-youth-have-poor-financial-literacy-study#sthash.fJxf2LS9.dpuf

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the imposition of an eight week non-payment penalty can result in extreme outcomes, including homelessness, criminalisation and destitution.

On a more practical level, loss of income makes it difficult for job seekers to attend meetings, look for work, contact employers, and participate in interviews. It is also the case that a loss of income through a No Show No Pay penalty, even for a day, can result in considerable stress and anxiety for job seekers. This can lead to an unfortunate cycle of aggression at interviews, or being unresponsive to the requirements and demands of employment service providers and an increased risk of further penalty.

Additional comments

NWRN was greatly assisted by a detailed briefing on this Bill by the Department of Employment. The Department of Employment also provided a marked up copy of the Act as it would read if this bill were to pass which was extremely helpful. NWRN considers that, in future, where significant detail of social security measures is left to legislative instrument or policy guidance, more information about the proposed instrument and policy guidelines should be made publically available to inform comment on the bill.

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