

AUSTRALIAN GREENS' DISSENTING REPORT

Introduction

1.1 The Australian Greens do not support the recommendations of the majority report of the inquiry into the Social Security Legislation Amendment (Further Strengthening Job Seeker Compliance) Bill 2015 (bill).

1.2 As outlined in the explanatory memorandum and mentioned in the majority report, the apparent purpose of this Bill is to assist job seekers to gain work by simplifying the job seeker compliance framework and improve its effectiveness. Evidence to this inquiry makes it clear that this Bill will not achieve this result. The Australian Greens do not support the majority report as this Bill fails to address the real barriers to employment and instead focuses on ineffective punitive measures that will punish vulnerable people.

1.3 The Australian Greens support a simplified income support system, however this simplification cannot be to the detriment of people on income support or at the expense of a fair and reasonable system.

1.4 This Bill is another example of this government perpetuating the myth that a large number of people are robbing the social security system, and that people are not trying hard enough to find work when the reality is that there is simply not enough jobs. This was outlined in the submission made by the St Vincent de Paul Society:

Considering that according to Australian Bureau Statistics and the Department of Employment there are currently 1.83 million unemployed and under-employed people competing for only 153,000 jobs...resulting in a record high ratio of 12 job seekers per job vacancy – there is no evidence to suggest that these proposed changes will help Newstart recipients get work. On the contrary, these changes introducing new financial penalties for Newstart recipients and stripping them of their rights will make the job search activities of Newstart recipients considerably more difficult.¹

1.5 The Australian Greens cannot support measures that will make it harder for people to transition to work. This Bill is the latest in a long line of budget measures from both the 2014-2015 and the 2015-2016 budgets that punish and demonise those on income support.

1.6 The Australian Council for Social Service noted in their submission;

The Coalition Government announced further major changes to the compliance system in the 2014 Budget which have been implemented, the effects of which are still being determined.²

1.7 It is irresponsible and cruel to enact further changes before we can evaluate the cumulative effect of measures that have already been put in place.

1 Australian Unemployed Workers' Union, *Submission 6*, p. 3.

2 Australian Council of Social Service, *Submission 5*, p. 1.

Inadequacy of payments

1.8 The Australian Greens take this opportunity to once again stress that the low payments of Newstart and Youth Allowance are themselves barriers to work as they trap people in cycles of poverty and make it harder for people to gain employment. Real steps including, but not limited to, increasing these payments must be made if we wish to address key barriers to employment.

1.9 Because these payments are so low, pushing for harsher financial penalties will have a disproportional and potentially devastating effect on those that are affected. This was a common concern for organisations that made submissions to the inquiry. St Vincent de Paul Society said:

For those already on Newstart, Youth Allowance, and Parenting Payment, the deprivation of income for any period will cause a severe impact.³

1.10 Jobs Australia had similar concerns:

To people receiving welfare payments, a small penalty makes a disproportionately large impact on their ability to pay for essential items such as rent, utilities and food.⁴

1.11 The Bill contains several measures that are of particular concern: the suspension of payments for a job seeker not entering into an Employment Pathway Plan, behaving in an 'inappropriate' manner so that the purpose of the appointment is not achieved, or not completing an adequate job search, as well as the penalty period for refusal of 'suitable' employment by a job seeker can no longer be waived by agreement to undertake additional activities.

Employment Pathway Plan (Job Plan)

1.12 If a job seeker does not enter into an Employment Pathway Plan their income support payment may be suspended until they do so. Even if the job seeker does then enter into an Employment Pathway Plan, a penalty amount can be deducted. This ignores the individual needs and situation of job seekers and fails to address the barriers that people may face in gaining employment. This measure was of great concern to a number of submitters, Jobs Australia said:

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."⁵

3 St Vincent de Paul Society, *Submission 11*, p. 4.

4 Jobs Australia, *Submission 8*, p. 3.

5 National Welfare Rights Network, *Submission 13*, p. 5.

1.13 This measure 'seeks to punish those who the government sees as morally unworthy, instead of seeking to engage in a meaningful way people who are the most socially excluded.'⁶

Inappropriate behaviour

1.14 If a job seeker acts in a way that is deemed inappropriate during an appointment in such a way as the purpose of the appointment is not achieved, payment may not be payable until a new appointment is attended. A penalty amount could be deducted from the job seeker's participation payment in this case.

1.15 This is of significant concern and could undermine the fairness of the social security system. As the National Welfare Rights Network (NWRN) pointed out in their submission:

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.⁷

1.16 Submitters to the inquiry also raised the issue that it could increase the chance of people accidentally breaking the rules, as 'when a standard as vague as 'acceptable' behaviour is introduced, it heightens the risk that noncompliance will occur without the job-seeker realising.'⁸

1.17 The Australian Greens disagree with the majority reports view that there are sufficient safeguards in place to allay the concerns of most submitters regarding the application of the inappropriate behaviour provisions. The definition of appropriate behaviour is so vague there is concern that refusing to sign an inadequate Job Plan in an appointment could for example be seen as inappropriate behaviour because the purpose of the appointment was not reached.

1.18 A key concern with this measure is that a range of personal issues or circumstances may lead to a job seeker receiving an inappropriate behaviour assessment when the behaviour is actually the result of a range of factors. In their submission NWRN raised some of the underlying causes that might be wrongly attributed to inappropriate behaviour:

- 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;

6 St Vincent de Paul Society, *Submission 11*, p. 2.

7 National Welfare Rights Network, *Submission 13*, p. 8.

8 St Vincent de Paul Society, *Submission 11*, p. 3.

- the person expressing a legitimate consumer complaint;
- stress and difficulty coping with personal circumstances; or
- other complex underlying causes.⁹

1.19 Example 1 in NWRN's submission demonstrates how this measure could negatively affect a job seeker with an 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.¹⁰

1.20 The Australian Greens strongly oppose this measure.

Adequate job search efforts

1.21 When a job seeker fails to undertake adequate job search efforts, a job seeker's payment may not be payable until the job seeker demonstrates adequate job search efforts.

1.22 This measure is punitive and in no way addresses the individual barriers people encounter when entering or re-entering the workforce. This measure also undermines the fairness of our income support system, as was noted by the NWRN:

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.¹¹

1.23 The Joint Committee on Human Rights found this measure to be against our international human rights obligations:

9 National Welfare Rights Network, *Submission 13*, p. 10.

10 National Welfare Rights Network, *Submission 13*, p. 11.

11 Ms. Katherine Beaumont, President National Welfare Rights Network, *Proof Committee Hansard*, 13th November 2015, p. 1.

The committee's assessment of the removal of waivers for refusing or failing to accept a suitable job against article 19 and article 11 of the International Covenant on Economic, Social and Cultural Rights (right to social security and right to an adequate standard of living) raises questions as to whether the limitation is justifiable.¹²

Suitable employment

1.24 When a job seeker refuses or fails to accept an offer of suitable employment and has no 'reasonable' excuse for the failure, a job seeker would no longer be able to seek to have the existing eight week penalty period ended by agreeing to undertake additional activities.

1.25 This removes the discretion to continue to pay jobseekers that have refused 'suitable work' their income support. NWRN presented the committee with a case study that demonstrated the danger of this measure:

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.¹³

Conclusion

1.26 While this bill focuses on penalties for non-compliance from recipients of income support, in many cases non-compliance is a result of Centrelink or Employment Services systems. Willing Older Workers WOW! Incorporated (WOW) presented very compelling evidence during the inquiry from their members with accounts of personal experiences about the difficulties they face when dealing with these services.

People will get a letter—sometimes it comes a day or two after the appointment—to say, 'You have an appointment. You are required to be here at this appointment, at this place, at this time, for this number of hours.' It will either come late or they will get it with a notice. Even though they have said, 'I have found myself casual work on Tuesday and Wednesday of each week,' they will get a letter to say they have an appointment on a Tuesday or a Wednesday. To change that appointment becomes a really big nightmare. They turn up with the letter at the appointed place for their case manager and there is nothing on the books to say that there was an appointment made. An excuse that one of our members was given was, 'All

12 Parliamentary Committee on Human Rights, *Twenty-ninth report of the 44th Parliament*, p. 30.

13 National Welfare Rights Network, *Submission 13*, p. 10.

the appointments are generated out of the head office and the computer has a problem.¹⁴

1.27 These issues need to be addressed urgently.

1.28 The evidence raised during the inquiry makes it clear that this Bill will not achieve its stated purpose of helping people into employment. In fact, what it is most likely to do is make it harder for people to engage with the system that is meant to help them.

1.29 The measures proposed in the Bill are unlikely to be effective:

Research shows that the most successful programs for helping people into jobs acknowledge the strengths, aspirations and circumstances of the individual.¹⁵

1.30 It is these sorts of innovative individual programs and services that we should be encouraging, not punitive measures that target the most vulnerable in our community.

Recommendation 1

1.31 That the Social Security Legislation Amendment (Further Strengthening Job Seeker Compliance) Bill 2015 not be passed.

Senator Rachel Siewert

Australian Greens

14 Mrs King, Willing Older Workers Wow! Incorporated, *Proof Committee Hansard*, 13 November 2015, p. 18.

15 St Vincent de Paul Society, *Submission 11*, p. 3.