



9 June 2021

Alan Raine  
Committee Secretary  
Senate Education and Employment Legislation Committee  
PO Box 6100  
Parliament House  
Canberra ACT 2600

PO Box 4093  
Ainslie ACT 2602  
T (02) 6230 1775  
F (02) 6230 1704  
anglicare@anglicare.asn.au  
www.anglicare.asn.au

Dear Mr Raine

**Re: Social Security Legislation Amendment (Streamlined Participation Requirements and Other Measures) Bill 2021**

This submission provides input on the Social Security Legislation Amendment (Streamlined Participation Requirements and Other Measures) Bill 2021. This Bill updates compliance and mutual obligations for people on jobseeking payments for the first time in decades. It also lays the foundations for the new employment services model, set to replace Jobactive.

Anglicare Australia notes that only five business days have been provided to make submissions. This offers almost no opportunity for people impacted by this Bill to understand its sweeping implications. With the Committee due to issue its report next week, it seems unlikely that input to this 'consultation' will actually be considered. Accordingly, this submission will be brief.

**The Bill may remove protections and safeguards**

One of the aims of the Bill is to consolidate legislation that deals with obligations and compliance for unemployment payments. However, it is not clear whether this will also result in the removal of protections. For example, the new Bill removes all reference to activity tests. It consolidates references to employment pathway plans. It repeals entire sections of the previous Act. Anglicare Australia's understanding is that this will give more discretion to the Employment Department and Employment Secretary. It may also give more discretion to employment service providers. This discretion is likely to lead to fewer protections, and greater confusion about people's rights within the system. Anglicare Australia calls on the Committee to avoid any consolidation that removes protections for payment recipients.

**The Bill ignores recommendations from the Employment Services Expert Panel**

The Employment Services Expert Panel recently completed a major review of employment services, collecting evidence from service providers, users, peak bodies and labour market experts. This Bill is ostensibly a response to the Panel's work, yet it only cherry-picks from the Panel's recommendations. The Government appears to have ignored the Panel's findings on compliance and penalties, including calls to:

- end excessive compliance and penalties for people who are unemployed;
- provide more funding and support for specialist and locally-based providers over for-profits;
- reduce caseloads, with more person-centred approaches to employment support; and
- create an enhanced Employment Fund to help people overcome barriers to employment.<sup>i</sup>

The Expert Panel's work confirms what jobseekers themselves already know – that the cycle of obligation and punishment is failing and should be abandoned. Jobseekers recently surveyed by Anglicare Australia overwhelmingly did not believe that their obligations were tailored to their needs (just 19 percent agreed), or that they were being given the support they need to find work. Even fewer (11 percent) believed that these activities were helping them find paid work. An overwhelming number thought their activities and obligations were pointless (79 percent), and a majority saw them as obstacles preventing them from finding work or participating in more meaningful activities (56 percent). In spite of this, 74 percent agreed that they would be willing to participate in obligations and activities that are fair. 75 percent wanted to participate in activities that lead to work.<sup>ii</sup>

These sentiments echo those of the Expert Panel. The regime of punishment and compliance that has grown up around the current Jobactive system should be replaced with a system that looks more like the one the Panel recommends and that jobseekers want, with less busywork, more genuine support, and tailored assistance for people who want it. Anglicare Australia continues to call for full implementation of the New Employment Services model proposed by the Expert Panel in consultation with users, peak bodies and experts. We also call on the Committee to consider each proposed amendment in the Bill for its compatibility with the Expert Panel's recommendations.

### **The Bill offers no new support for people with the highest needs**

Analysis from Anglicare Australia shows that those in the greatest need of support from employment services are those facing the greatest competition for work.<sup>iii</sup> This is backed by numerous reviews and inquiries, which show that the system is failing those who need the most help.<sup>iv</sup>

These failures can be seen in the fact that people are languishing in Stream C, the highest needs category for support, for an average of five years.<sup>v</sup> This is well beyond the definition long-term unemployment, which is twelve months.<sup>vi</sup> Those unemployed for five or more years are much less likely ever to find work again.<sup>vii</sup> The number of people in this category has been trending upwards the employment services caseload.<sup>viii</sup> The rate of long-term unemployment has almost doubled over the past ten years, while the proportion of unemployed people who are long-term unemployed continues to climb. The growth in long-term unemployment has been universal, affecting all demographics.<sup>ix</sup>

Year after year Anglicare Australia's Jobs Availability Snapshot shows that entry-level jobs, which are best suited to those in Stream C, have been slowly disappearing and becoming harder to compete for. In 2020, there were 106 jobseekers for every entry-level job.<sup>x</sup> In spite of these figures, the Government's new employer reporting line will see jobseekers investigated and potentially punished for making 'inappropriate' or 'unsuitable' applications. The lack of suitable jobs, coupled with the requirement that people apply for a minimum number of jobs each month, means that people can be breached for trying to comply with their obligations. The system will continue setting people up for failure, without providing them with any new support to navigate a difficult job market.

### **Providers will continue to be paid in spite of errors and abuse of process**

This Bill will continue to allow providers to issue rigid penalties, such as payment suspensions and cancellations, without review. It does not provide any new recourse, punishment, or penalty for providers who continually abuse this power or issue incorrect penalties carelessly. This is a major concern to Anglicare Australia. Of 744,884 participants in the system, 581,866 had their payments suspended by their provider in the previous financial year. More than one in five people who had their payments suspended were found not to be at fault.<sup>xi</sup> This is likely to be a conservative number, as there is limited public information for jobseekers on how to challenge a breach.



There is widespread evidence of system errors that penalise people who have not done anything wrong. Many are unfairly enduring a loss of income as a result of flawed systems by their providers.<sup>xii</sup> Some have reported being breached for missing appointments that had not even happened yet. Others were breached after providers refused to reschedule appointments that clashed with training, job interviews, or even casual work. The system routinely punishes people without due process, yet it has endless tolerance for mistake-prone providers. Those who bear the brunt of the system's errors cannot afford to be breached, with the Jobseeker payment already well below the poverty line.

Put simply, breaching someone does not help them gain a job. Yet over the last two decades successive Governments have subjected people to more and more rigid and arbitrary punishments. At the same time, increasingly large amounts of money have been paid to employment service providers. This is a failing strategy, with the rate of long-term unemployment continuing to grow.

Anglicare Australia notes that the current structure of payments all but invites abuse of the system. As the Australian Human Rights Commission has noted, services can 'cream' and 'park' clients based on what is profitable for them.<sup>xiii</sup> Creaming refers to provider behaviour that prioritises attention for clients with fewer barriers, and who are easier and cheaper to move into employment. Parking is behaviour that deliberately neglects giving time, energy or resources to clients with more barriers. This is because it requires considerable, and usually expensive, support to assist them into work.<sup>xiv</sup> This explains the disparities between jobseekers in Stream A and Stream C of the system. It also highlights how open the system is to abuse, incentivising providers to ignore their duty of care to tens of thousands of Australians out of work.

With no regulatory oversight for providers, there is an urgent need to create a third-party independent body to better regulate employment services. This body should also provide advocacy for the people forced to engage with the sector. Anglicare Australia further recommends that the Bill be amended to include penalties and consequences for providers who show patterns of recklessly breaching their clients.

#### **Endorsement of recommendations made by the Australian Council of Social Service**

In addition to these recommendations, Anglicare Australia also endorses the submission made by the Australian Council of Social Service. In particular, we echo their calls to clearly define the scope of activity requirements; remove requirements for people to undertake work-like activities without standard workplace relations protection; and remove intrusive 'social' requirements for recipients of social security payments.

Noting the tight timeframe on this Inquiry, we invite members of the Committee to contact Anglicare Australia if they have any questions on [anglicare@anglicare.asn.au](mailto:anglicare@anglicare.asn.au) or on 02 6230 1775.

Yours sincerely

Kasy Chambers  
Executive Director

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- <sup>i</sup> Commonwealth of Australia (2018) [I Want to Work](#).
- <sup>ii</sup> Anglicare Australia (2020) [Asking Those Who Know](#).
- <sup>iii</sup> Anglicare Australia (2020) [Jobs Availability Snapshot 2020](#).
- <sup>iv</sup> Op cit: I Want to Work.
- <sup>v</sup> Anglicare Australia (2019) [Jobs Availability Snapshot 2019](#).
- <sup>vi</sup> Reserve Bank of Australia (2020) [Long-term unemployment in Australia](#).
- <sup>vii</sup> Ibid.
- <sup>viii</sup> Department of Employment, Skills, Small and Family Business (2018) [Next generation of employment services: appendices](#).
- <sup>ix</sup> Borland, J. (2019) [What we missed while we looked away – the growth of long-term unemployment](#).
- <sup>x</sup> Op cit: Jobs Availability Snapshot 2020.
- <sup>xi</sup> The Guardian (2019) [More than 120,000 people whose welfare was suspended were not at fault, data shows](#).
- <sup>xii</sup> The New Daily (2019) [Newstart injustices: text messages show how a young dad was unfairly cut off from welfare](#).
- <sup>xiii</sup> Australian Human Rights Commission (2016) [Willing to Work: National Inquiry into Employment Discrimination Against Older Australians and Australians with Disability](#).
- <sup>xiv</sup> O'Halloran, D. Farnsworth, L. and Thomacos, N. (2020) [Australian unemployed workers' experiences of being parked and creamed by employment providers](#). The Australian journal of social issues.