17 July 2014

Senator Zed Seselja, Chair
Senate Standing Committees on Community Affairs
PO Box 6100
Parliament House
Canberra ACT 2600

By email: community.affairs.sen@aph.gov.au

Dear Senator Seselja,

Re: Social Security Legislation Amendment (Stronger Penalties for Serious Failures) Bill 2014

Please find attached a submission from the National Welfare Rights Network regarding the above Bill.

Yours sincerely

Maree O'Halloran AM
President
National Welfare Rights Network

Att: 1

National Welfare Rights Network Submission on the

Social Security Legislation Amendment (Stronger Penalties for Serious Failures) Bill 2014

The National Welfare Rights Network (NWRN) is the peak body for legal services specialising in social security, family assistance and employment assistance law and Centrelink administration. The Network includes 14 community legal centre members and three Aboriginal legal service associate members. There are member centres located in every State and Territory. Member Centres provide on the ground advice and casework services to vulnerable social security recipients, including in the area of social security compliance penalties.

For 30 years, our Member Centres have assisted clients affected by social security compliance decisions. Depending on the matter, this may include telephone advice, assistance liaising with National Participation Solutions Teams, assistance pursuing internal review and formal representation at the Social Security Appeals Tribunal and the Administrative Appeals Tribunal.

The NWRN is well placed to make submissions about the Bill and welcomes the opportunity to provide a submission to this Senate Inquiry.

The aim of the *Social Security Legislation Amendment (Stronger Penalties for Serious Failures) Bill 2014 (the Bill)* is to limit the circumstances in which job seekers subject to an eight week non-payment penalty can have those penalties ended early. To this end, the Bill:

1. makes eight week penalties mandatory for failing to accept a suitable job offer, so that these penalties will no longer be waived in any circumstances; and
2. restricts waiver of eight week penalties for persistent non-compliance to only one waiver in any period of continuous receipt of income support.

The main argument for limiting waiver of eight week non-payment penalties is that these penalties are believed to increase the "incentives" for job seekers to re-enter the workforce. The premise for this argument is that mandatory eight week penalties will make a person less likely to refuse (or fail to accept) a suitable job offer. Another premise is it that only being able to have a penalty waived once will increase compliance with obligations.

There are a number of problems with these arguments and the Government's approach.

First, it is a departure from the graduated approach to penalties as recommended in the report of the *Independent Review of the Job Seeker Compliance Framework*.[1] More recently the Interim Report of the Reference Group on Welfare Reform June 2014 (the McClure Report) also supported a graduated approach to penalties saying:

> "*The system of sanctions should be progressive, with timely, lighter measures first. The strongest sanctions should be reserved for serious non-compliance. Application of sanctions should take into account the likely impact on children where applicable."*[2]

Second, there is no evidence that mandatory penalties or one-time-waiver would be more effective than the current system. There is also a risk that vulnerable people will be caught unfairly by the failure to accept a suitable job offer (which does not include use of a comprehensive compliance assessment model prior to imposition of the penalty).

Third, it runs counter to the primary objective of the current system, which is to rapidly re-engage the jobseeker. People who incur an eight week penalty and who cannot "work it off" will have no incentive to re-engage with the system during that eight week period and little or no support during that period to find work. While it is acknowledged that some jobseekers may find work in that period, there will be many who cannot. Those job seekers face the real risk of losing housing, for example, and will therefore face further barriers to work than before.

The current compliance system is being modified for the third time since its introduction in 2006. A brief history of this reform is necessary for understanding the problems with the current proposals.

Background to the proposed changes

The current compliance and penalty system was introduced in 2009 in response to problems with the previous system established in 2006 in which there were no penalties for a job seeker's first two failures to meet their obligations, but the third failure within a 12 month period resulted in an automatic eight week loss of payment. The main criticisms of this system were:

- it had excessively harsh impacts on the penalised job seekers , because of the severe consequences of receiving no payments for eight weeks, such as homelessness;
- it failed to achieve the policy's stated aim of increasing workforce participation because the penalised job seeker was cut off from employment services during the eight week period and less able to look for work without income;
- it lacked a structured system for deterrence and early intervention to identify and resolve the reasons for the non-compliance because there was no penalty for the first two failures.

[1] Disney, J, Buduls, A. and Peter Grant, P. *Independent Review of the Job Seeker Compliance Framework, A Report to the Parliament of Australia*, September 2010.
[2] McClure, P. *A New System for Better Employment and Social Outcomes: Interim Report of the Reference Group on Welfare Reform*, June 2014, p. 10.

These criticisms, including by the then responsible policy department (the Department of Education, Employment and Workplace Relations, DEEWR), are summarised in the report of the *Independent Review of the Job Seeker Compliance Framework*, presented to Parliament in 2010.[3]

The 2009 changes retained the eight week penalty system, but made modifications to address identified concerns. They created a system with a graduated series of penalties, which could be lifted as the job seeker began to comply with their obligations and engage with the employment services providers. The focus was on creating incentives to address the deficiencies of the 2006 system, which had undermined the objective of increasing engagement with and participation in activities to help the person re-enter the workforce.

The 2009 changes introduced a number of safeguards to prevent undue hardship to vulnerable jobseekers, namely:

- "comprehensive compliance assessments" being conducted prior to imposing penalties for persistent non-compliance. This made the system more effective at identifying job seekers who were failing to meet their obligations because of unaddressed vulnerabilities, rather than due to recalcitrance or deliberate non-compliance.

- "waiver" of eight week penalties was introduced where the job seeker "works off" the penalty by undertaking a "compliance activity". If the job seeker does not have the capacity to undertake a compliance activity, then the penalty is also waived if the non-payment period would cause severe financial hardship.

The Independent Review in 2010 emphasised that it was too soon after the implementation of the 2009 system to draw clear conclusions about its impact. But broadly it found that those changes had addressed the deficiencies of the 2006 system. It did not recommend any substantial changes to the system with respect to the imposition or waiver of eight week non-payment penalties, apart from regular review of the statutory test for severe financial hardship. There is no convincing evidence that mandatory penalties or one-time-waiver would be more effective than the current system and no independent assessment of the risks that a return to mandatory eight week penalties may pose.

The numbers: is it a solution in need of a problem?

It is surprising that the Government has chosen to alter the current compliance arrangements, when the conclusion in the Department of Education, Employment and Workplace Relations 2012-13 Annual Report praises the "achievements" of the current arrangements, stating: *"The job seeker compliance framework helped job seekers to engage effectively with their employment services provider after instances of non-attendance or other forms of non-compliant behaviour".*[4]

[3] http://employment.gov.au/independent-review-job-seeker-compliance-framework
[4] Department of Education, Employment and Workplace Relations, *2012-13 Annual Report*, p. 57.

As explained in the *Statement of Compatibility with Human Rights* attached to the Bill, around 70% of job seekers meet their participation requirements and are ***never*** reported to the Department of Human Services.[5] Only 11% of jobseekers were reported for more than three participation failures in the 12 months to 31 December 2013. This is evidence that, on the whole, the current system is extremely effective.

At 30 June 2013 there were a total of 821,789 job seekers. Of these, 614,474 were "active" job seekers, which comprised 75% of all job seekers.[6] The explanatory memorandum indicates that in the 2012-13 financial year, only 1,718 penalties were applied for refusing a job. This means only 1,718 people, out of 614,474 "active" jobseekers on participation payments incurred the penalty.[7] This amounts to only 0.27% of all active jobseekers, and only 0.2% of all jobseekers. This is consistent with the experience of NWRN members, which is that very few people refuse a job offer. When considered in the broader context, this number is extremely small.

Of the 1,718 penalties applied for failing to accept a job, 1,174 (68%) of those were waived by "working off" the penalty.[8] This means the vast majority of people elected to re-engage immediately following their penalty. Removing the capacity for people to work off these penalties runs contrary to the original intention of the *Social Security Legislation Amendment (Employment Services Reform) Act 2009* to encourage non-compliant job seekers to show that they are genuinely seeking work through re-engaging.

Of the 25,286 penalties imposed for persistent non-compliance, 18,488 were waived by "working off" the penalty. Of those waived, 12,699 were the job seekers' first waiver. Only 5,789 were the second or subsequent waiver. That is, only 5,789 people out of the 614,474 "active" jobseekers (0.9%) incurred more than one eight week penalty. The fact that less than 1% of active jobseekers incurred multiple penalties shows that the system already has the impact being sought: very few people incur second and subsequent eight week penalties.

A more accurate figure of the true extent of non-compliance could be found by calculating total number of "active" job seekers for all of 2012-13, as opposed to "point in time" data. Using the entire "stock" of unemployed job seekers (the language used by the policy agencies) would reveal a significantly lower rate of non-compliance.

Even with the use of waivers, approximately 30%[9] of people who incur a penalty still serve it in full. The system therefore maintains the punitive effect on those job seekers who do not seek to engage or re-engage. For those who have the penalty waived, the deterrence effect still operates as they become fully aware of the potential for sanctions to be imposed on them for future non-compliance.

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[5] Explanatory Memorandum, *Social Security Legislation Amendment (Stronger Penalties for Serious Failures) Bill 2014*, p. 12.

[6] Job Seeker Compliance Data: https://employment.gov.au/job-seeker-compliance-data, *June Quarter,* 2013.

[7] Job Seeker Compliance Data: https://employment.gov.au/job-seeker-compliance-data, *June Quarter,* 2013.

[8] Less than 2% of waivers are on the hardship grounds. The waiver data discussed in this section relates to people who have had the penalty waived by agreeing to a compliance activity (ie they have "worked off" the penalty).

[9] The Explanatory Memorandum reports waiver rates of 68% and 73% across the two types of penalties, for refusing work and persistent non-compliance respectively, at p 12

The *Explanatory Memorandum* reveals that the number of these penalties has gone up from 644 in 2008-09 to 1,718 in 2012-13.[10] However, these numbers must be understood in the context of the increase in numbers of people receiving unemployment benefits in the wake of the Global Financial Crisis (GFC).[11] In June 2008 the number of people on Newstart Allowance had fallen to just below 400,000 but climbed to 550,000 by June 2012 in the wake of the GFC.

We consider that these penalty numbers would be even lower if more people were exercising their right to appeal against the penalties. In our experience, people tend to "work off" penalties, rather than exercise their right to dispute the penalty (even where we have advised them that they have good grounds to do so).

In summary, we consider that these new compliance measures are not necessary because:

- the number of eight-week penalties currently being imposed is extremely low, indicating overwhelming compliance;
- the existing measures result in the vast majority of people electing to re-engage immediately;
- very few people incur second and subsequent penalties;
- there is an existing punitive element, in that people are required to "work off" the penalty or serve the non-payment period; and,
- the rise in penalty numbers is not cause for concern because it needs to be considered in light of the significant increase in numbers of jobseekers following the global financial crisis.

Structural inequity arising from the period of continuous receipt requirement

The "once only" limit on waiving an eight week penalty during a period of continuous receipt of an income support payment is problematic. It means that people continuously in receipt of income support are disadvantaged compared to people moving on and off payments. In our experience, people continuously in receipt of payments are already more disadvantaged than people moving on and off payments. Restricting waiver on this basis will create a structural inequity with harsher impacts on vulnerable people.

Other factors for consideration

Appeals (Review of decisions)

It is highly likely that introduction of the proposed compliance measures will lead to a considerable increase in the number of appeals, with a consequent increase in workload of the tribunals and the internal appeals system.

[10] Explanatory Memorandum, op cit, p. 13.
[11] DEEWR, FAHCSIA, DHS and DIISRTE, *Joint submission to the Senate Inquiry on the Adequacy of the Allowance Payment System for Job seekers and Others*, p. 58.

Based on the casework experience of our Members, being able to "work off" penalties (by engaging in a compliance activity) means not only that people re-engage rapidly. It also means that people choose to "work off" a penalty rather than challenge the penalty via formal internal and external review to an Authorised Review Officer (ARO) or a tribunal.

There is a sound reason for this decision. The review process is time consuming, uncertain and for many, anxiety inducing. Anecdotally, our workers observe that many people choose to re-engage rather than challenge the penalty, even where there are good grounds for an appeal (eg because there was a reasonable excuse for one or more of the failures or because the job was unsuitable).

Moreover, analysis of previous appeals trends supports the view that these measures would increase appeal rates. In the 2007-08 financial year (ie after the introduction of eight week penalties in 2006), the Social Security Appeals Tribunal (SSAT) experienced a 35% increase in applications which it attributed "*to the increase in appeals related to Newstart Allowance that saw an increase of appeals of 140%. Over half of these appeals concerned so called 'participation failures'*".[12] By contrast, the SSAT's annual report in 2009-10 (ie after the measures to "work off" penalties were introduced in 2009), recorded a decrease in appeals by 16.5% on the previous year which can be attributed to the decrease in Newstart Allowance reviews. The decline in appeals was substantial – a fall of 1,782, from 3,799 to 2,017.[13]

In the Annual Report of the Commonwealth Ombudsman for the same year, 2009-10, there was a similar reduction in complaints about Centrelink, which resulted in a dramatic decline of 28%.[14] There was also a reduction in Centrelink's overall internal reviews (from 207,871 to 186,718).[15] Unfortunately, this number is not broken down by complaint type. However, it was our understanding at the time that the reduction in complaints was attributable primarily to falls in appeals relating to participation failures and to economic stimulus payments and bonus payment).

The Government is budgeting for a substantial increase in the number of people requesting reviews of decisions over the next 12 months subsequent to the raft of social security changes in the recent budget. To cope with the surge in appeals, it has given more than $1 million extra in funding to the Social Security Appeals Tribunal (SSAT). Officials from the Department of Social Services indicated that they anticipated an increase in "appeals against the stronger compliance measures".[16]

The measures in this Bill will entirely remove the incentive to immediately re-engage (via a compliance activity) for people who have refused or failed to accept a suitable job offer or have had an earlier eight week penalty for persistent non-compliance waived and will inevitably result in a surge in the number of appeals.

[12] Social Security Appeals Tribunal, *Annual Report, 2007-08*, p. 2.
[13] Social Security Appeals Tribunal, *Annual Report, 2009-10*,
[14] Commonwealth Ombudsman, *Annual Report, 2009-10*, p. 52.
[1515] Centrelink, *Annual Report 2009-10*, p. 77.
[16] Senate Affairs Legislation Committee, *Estimates Transcript*, 4 June 2014, p. 21.

Interaction with other proposals

There needs to be careful consideration of how this will interact with other proposals, such as the six month waiting period for unemployed people under 30. One of the effects of the Bill under consideration is that a person who is struggling to meet their participation requirements may take themselves out of the system and leave themselves without income support for a period in an effort in an effort to achieve a "clean slate". We should be concerned about vulnerable people in such groups who in effect "drop out".

The measures also need to be considered in light of the new disallowable instrument which restricts "reasonable excuse" rules for people who fail to comply with their obligations.

On 1 July the Government Tabled a new Disallowable Instrument the Social Security (Reasonable Excuse – Participation Payment Obligations)(Employment) Determination 2014 (No.1).The stated aim is to "tighten" the existing rules around when a person may be found to have a "reasonable excuse" for a failure to meet their participation obligations. Currently, a person may not have a "reasonable excuse" taken into consideration, unless they notified the excuse in advance (eg before the appointment or activity date) unless the Secretary is satisfied that there were "circumstances" in which it was not reasonable to expect the person to give the notification. The new Instrument before parliament will substantially "tighten" these provisions by:

- imposing a new *direct causation requirement* (ie the matter must have directly prevented the person from meeting the requirement that was the subject of the failure); and

- requiring the Secretary to consider whether:
    - there was an *inability to comply beyond the persons control*; and
    - there were *exceptional and unforeseeable* circumstances beyond the person's control such that a reasonable person would not expect them to comply; and

- for the failure to notify in advance, the Secretary must also consider whether
    - there was an *inability for reasons beyond the persons control* to give notice; or
    - there *were extreme and unforeseeable circumstances beyond the person's control* such that a reasonable person would not expect them to give notice

The requirement that the circumstances for not giving notice in advance must be both extreme and unforeseeable is too harsh. When the Bill which inserting section 42 UA was first introduced, it had a requirement that there must be "special circumstances" which prevented the person from notifying their inability to comply in advance. We note that the word "special" was removed in recognition of the fact that there may be reasonable circumstances for not notifying. An example might be a person who has a good history of compliance, but simply forgot or got confused about an appointment date. These are perfectly understandable, reasonable excuses that would not meet the bar of "extreme" or "special".

This "tightening" will severely restrict the discretion not to apply certain penalties based on reasonable excuse. It will likely see a significant increase in the number of penalties being imposed in situations where a person was not being wilfully non-compliant and may have had a reasonable excuse, but for some reason didn't provide prior notice (eg flat phone battery, insufficient credit, was confused about the appointment date, innocently forgot about the appointment). The impact of the penalty on such a person will be compounded by the measures in this Bill which would restrict the ability for such a person to re-engage and "work off" a penalty.

Financial impact of penalties on job seekers

The loss of income from financial penalties can have a significant impact, particularly in light of the very low and inadequate rates of social security payments that are available for people receiving either the Newstart or Youth Allowance. In recent years, the low levels of payments for job seekers has created a groundswell of criticism, with groups as diverse as the OECD, the Business Council of Australia, the ACTU, ACOSS and the Centre for Independent Studies all noting the need to address the problem of Newstart Allowance payment rate inadequacy.

Before the Committee opts for a return to a policy of increasing the numbers of harsh, irreversible eight week penalties, it is useful to re-examine the findings of a DEEWR survey into the consequences of this approach. In its submission to the 2008 Senate Inquiry into the new penalty system, the Department revealed that the previous penalty arrangements had had a debilitating impact on vulnerable job seekers, including people with a mental illness. DEEWR included details of a survey it conducted on the impacts of the penalty system on job seekers.[17] Fifteen percent of those with an eight week non-payment penalty were found to have lost their accommodation. Fifty percent of job seekers, approximately 16,000 people, who had an eight week penalty had trouble keeping up with rent and were put at risk of homelessness.

At the individual level, the consequences for many job seekers will be greater financial hardship, with the loss, for almost two months, of what is often the person's only financial support. The financial impact for a single adult Newstart Allowance recipient will be $2,042, equal to 15% of their annual income.

Savings to Government are undermined by the significant flow on costs to the wider community with people relying on family and friends and charities to meet basic needs such as food, shelter and medication during the penalty period.

We note that Disability Support Pensioners may be subject to new participation requirements under legislation before the Parliament. While NWRN supports reasonable

[17] Department of Education, Employment and Workplace Relations, *Submission to the Senate Standing Committee on Education, Employment and Workplace Relations inquiry into the Social Security Legislation Amendment (Employment Services Reform) Bill, 2008*, p. 2.

activity requirements for some people on the DSP where appropriate, we are extremely concerned at proposals to make DSP recipients subject to the compliance regime.

Do tougher compliance penalties increase the likelihood of employment?

Other findings from the DEEWR submission undermine the contention that a harsher penalty system improves the likelihood that a job seeker will move off payments and into employment. The submission stated:

"*Nor are irreversible eight week non-payment periods particularly successful in compelling job seekers to find sustainable employment. Seventy-five per cent of job seekers who receive an eight week non-payment penalty are soon back on benefits, most of them within a fortnight of finishing their non-payment period*."[18]

DEEWR's findings that the imposition of eight week penalties made it difficult for job seekers to find work strongly suggest that a return to the old approach of a harsh punitive system is more about punishment than a desire to foster genuine participation. The submission also stated:

"One finding of particular concern from the DEEWR survey was the impact of eight week penalties on the motivation and ability of job seekers to look for work. The survey found that the imposition of an eight week penalty made around 50 per cent of job seekers more motivated to find work. However, around 75 per cent of job seekers reported that having no income support made it harder to look for work, with over 50 per cent reporting that it made it a lot harder."[19]

Vulnerable jobseekers

NWRN's assessment is that the existing compliance regime provides only limited safeguards for the most vulnerable income support recipients. Senate estimates data reveals that in the 2012-13 financial year a total of 18,559 financial penalties were imposed on job seekers with vulnerability indicators (ie, they were identified by DHS as vulnerable). Of these, 5,263 were eight week penalties and 13,296 were for smaller daily *No Show No Pay* penalties.[20]

Over the six month period, more than 5,502 people with psychiatric problems, mental illness or who were identified as being homeless or being at risk of homelessness had penalties applied. Over the same period, 378 people with a known cognitive or neurological impairment were subject to compliance action.

We are concerned that a considerable proportion of the people who serve an eight week penalty may do so because of undisclosed or known vulnerabilities. The *Report of the*

[18] Ibid, p. 3
[19] Ibid, p. 3.
[20] Senate Standing Committee on Education and Employment, *Questions on Notice,* Additional Estimates 2013-14, EMO185_14.

Independent Review recommended that detailed research be conducted into the reasons why some job seekers who incur a Serious Failure either do not opt to undertake a Compliance Activity or withdraw from that activity prior to completion of the required period.[21] In our view conducting an independent assessment of this group would be very worthwhile; posing questions such as:

- How many people gained a job during a penalty period?
- How many people were unaware that they could work the period off?
- How many people were living in remote areas?
- How many identified as Indigenous?
- How many did not return to Newstart Allowance after the eight week period and why?

Comprehensive Compliance Assessments (CCA's) provide a critical safeguard in the current system for persistent non-compliance assessment. CCAs are undertaken by a senior specialist DHS officer, or an experienced social worker. They identify any undisclosed barriers or problems, prior to the decision to impose an 8 week penalty, by investigating whether the person has disclosed all relevant information that could have influenced their behaviour and reasons for non-compliance. CCA's also play an extremely useful role in determining whether an alternative servicing arrangement, or referral to a Job Capacity Assessment or Employment Services Assessment, is appropriate, instead of the imposition of a serious failure penalty period.

However, there is currently no legislated requirement for a CCA prior to imposing penalties for refusal to accept suitable work, so there is no process for determining if other factors may explain the apparently unreasonable refusal to accept work. Data collected by the Independent Review showed that the majority of assessments conducted in relation to persistent non-compliance identified a need for more assessment, assistance or action by the job services provider, suggesting a high level of previously undisclosed factors affecting the job seeker's ability to comply with their obligations. Without this safeguard, inappropriate penalisation of vulnerable job seekers is more likely to occur.

Conclusion

For the reasons explained above, the proposed measures are not necessary, and are likely to be counter-productive with respect to employment participation and with respect to protecting people in vulnerable circumstances. The following provides a summary of why the proposals contained in this Bill should not be passed:

The existing measures are generally effective in ensuring compliance and in facilitating re-engagement:

- the number of these penalties currently being applied is extremely low,

[21] Op Cit, Disney, et al, Recommendation 20.

- existing measures result in the vast majority of people electing to re-engage immediately,
- very few people incur second and subsequent penalties,
- there is already a punitive element, in that people are required to "work off" the penalty or serve the non-payment period
- the rise in penalty numbers is not a cause for concern when considered in light of the significant increase in numbers of jobseekers following the global financial crisis

The proposed measures will produce negative consequences:

- inability to work off penalties will give rise to a large increase in appeals to Authorised Review Officers in the Department of Human Services and tribunals
- the limit on waiving an eight week penalty to only once in a period of continuous receipt of an income support payment will disproportionately penalise the most disadvantaged group of job seekers
- there has been no assessment of how these measures will interact with other proposals, such as the six month waiting period for unemployed people under 30
- overall, there are concerns that the measures may disproportionately impact on vulnerable people.

The 2009 reforms to the compliance system struck a reasonable balance between enforcing compliance in a proportionate fashion while achieving what should be the primary aim, which is to help job seekers who are able into work. The Independent Review report found that the changes were working well.

By removing or limiting waiver of eight week non-payment periods, this Bill effects a partial return to the system in place between 2006 and 2009 and, in that respect, has the same deficiencies. It will result in undue and disproportionate hardship for job seekers, with further effects on their families and dependents. It undermines the purpose of the system which is to increase engagement with employment services. Depriving a person of income for eight weeks, which will often result in homelessness and other severe consequences, is a very harsh penalty that should be used only as a last resort.

The comprehensive compliance assessment does not apply to penalties for refusal to accept suitable work, so there is no process for determining if other factors may explain the apparently unreasonable refusal to accept work. Data collected by the Independent Review showed that the majority of assessments conducted in relation to persistent non-compliance identified a need for more assessment, assistance or action by the job services provider, suggesting a high level of previously undisclosed factors affecting the job seeker's ability to comply with their obligations. Without this safeguard, the inappropriate penalisation of vulnerable job seekers is more likely to occur.

In introducing this Bill, the Government's concern is to redress a perceived problem regarding job seekers evading their participation obligations. The Independent Review acknowledged the existence of a small minority of job seekers seeking to evade their participation obligations and suggested the possibility of further targeted assessment through the comprehensive compliance assessment process. However, the current Bill is

not proportionate to the small problem which exists and potentially creates harm and further societal problems. Furthermore, there is already a proportionate response to this issue in the current system, one that gives those job seekers the option of serving an eight week penalty or participating in an intensive compliance activity, often work for the dole. This Bill does not take a targeted approach and will apply an excessive penalty to a wider group of already vulnerable people and their families. If past trends repeat, young people and Indigenous Australians, two groups in our community who already experience high levels of homelessness, will be heavily over-represented among increased numbers of job seekers forced to serve eight week penalties.

NWRN recommends that the Committee reject Schedule 1 of the Bill.