



**Submission to Senate Community Affairs Legislation Committee Inquiry  
into Employment and Workplace Relations Legislation Amendment  
(Welfare to Work and other Measures) Bill 2005**

It is generally agreed that effective welfare reform involves the right combinations of incentives and requirements together with the right sequences of relevant assistance. Effective welfare reform and measures to reduce dependence on income support must also be implemented with a strong focus on positive engagement of the people concerned.

Under the proposed Welfare to Work measures, the government proposes to:

- reduce rates of payment and to increase taper and withdrawal rates for parents and people with disabilities who will move on to Newstart Allowance rather than retaining their access to more beneficial Parenting Payment (in the case of parents) or moving on to Disability Support Pension (in the case of people with disabilities with limited work capacity);
- introduce new job search and activity requirements for parents, people with disabilities and some mature age jobseekers;
- introduce a new compliance and penalties regime for all Newstart recipients including for relevant parents and people with disabilities;
- provide substantial numbers of child care places for parents subject to job search and other activity requirements;
- provide substantial numbers of additional employment and related services places in programmes (such as the Job Network, Disability Open Employment Services, Personal Support Programme, vocational rehabilitation, Work for the Dole) for people with new or increased job search and activity requirements;
- provide very limited additional vocational education and training places for the new groups and access to wage subsidies for a small number of very long term unemployed people;
- introduce long term and full time Work for the Dole participation requirements for very long term unemployed people who are judged to be “non-genuine” job seekers;
- implement a number of measures to encourage employers to employ mature workers, parents and people with disabilities;
- increase incentives for unemployed people on Newstart to undertake employment by reducing taper and withdrawal rates for this group;

- introduce a new and streamlined Comprehensive Work Capacity Assessment for people with disabilities; and
- introduce new and beneficial transition and safety net arrangements for people on Disability Support Pension who seek to move off the Pension and into paid employment.

These and the other measures proposed by the government have a strong emphasis on requirements and potential penalties, substantial disincentives for parents and people with disabilities, improved incentives for people presently on Newstart and Youth Allowance and generally modest additional assistance for Work for the Dole requirements being brought into the new job search and activity regime. The measures would be fairer, more balanced and more potentially effective if there were more substantial investment in assistance, no reductions in payments and associated disincentives for parents and people with disabilities and a less potentially onerous compliance and penalties regime.

As noted above, it is also imperative that the measures are implemented with a strong emphasis on positive engagement of the people affected and with resort to penalties only in cases where people willfully fail to meet reasonable activity and work requirements and where they have a clear understanding of the consequences of their actions or failure to comply with requirements.

We suggest that the following particular aspects of the proposed measures also warrant the Committee's close consideration:

### **More investment in employment assistance.**

We acknowledge and welcome the increases in Job Network and other relevant programme places and enhancements such as the new Employment Preparation Service and Wage Assist. We believe, however, that more investment is needed if people are to get the assistance they need to overcome their barriers to employment and to make a successful transition into paid employment.

More resources are needed:

- for the Employment Preparation Service which is to be funded at a level which will be insufficient to enable Job Network members to provide substantial assistance for those parents and other groups who don't gain immediate access to Intensive Support Customised Assistance upon entry to the Job Network;
- to reverse the government's decision to limit access to Intensive Support
- Customised Assistance by lifting the Job Seeker Classification Instrument threshold for qualification as highly disadvantaged;
- to provide substantially more Wage Assist places for very long term unemployed people;

- to ensure Job Network members have the resources and capabilities they need to effectively assist people with disabilities, increasing numbers of job seekers with mental illness and others with more complex needs;
- to provide more substantial training and work experience opportunities for those very long term unemployed people who have been through two rounds of Intensive Support Customised Assistance, who don't get access to Wage Assist, who are not referred to full time Work for the Dole and who still can be assisted into employment;
- for substantially more places for the Personal Support Programme and for the JPET Programme to remove waiting lists and to accommodate anticipated higher levels of need;
- for indexation of fees and resources for those programmes, including Community Work Co-ordinator/Work for the Dole, PSP and JPET which effectively face a net real reduction in the level of resources available over the next three years;
- to enable proper and necessary increases in the income support supplement for those people on full-time Work for the Dole who will incur additional transport costs as a consequence of increased participation requirements; and
- for more vocational education and training places.

#### **For parents:**

The government should reconsider its proposal to remove access to the Pensioner Education Supplement for those parents who move on to Newstart, to enable them to undertake substantial education and training to equip them for higher paid employment and subsequent career progression.

Although the government is providing substantial increases in child care places it is not certain that places will be available in the locations and in the numbers where they will be required. Access to vacation care remains problematic and will limit and constrain parents' ability to undertake employment and job search.

#### **For people with disabilities:**

The new Comprehensive Work Capacity Assessment arrangements with their emphasis on work capacity and timely referral to employment and related services, the government's employer demand strategy and its commitment to support employers and providers through the proposed Job Accommodation network are welcome new initiatives. Employer discrimination against people with disabilities and lack of access by people with disabilities to transport and other necessary infrastructure to enable them to participate in the workforce will continue to be problematic and will require sustained investment and effort to overcome.

The needs of increasing numbers of people on income support with mental illness, and including those with episodic conditions will require the assistance and requirements elements of the system to be carefully tailored and nuanced to ensure

that people get the assistance they need and to ensure they don't suffer adverse consequences of the new compliance and penalties regime.

**For very long term unemployed people:**

The means by which people are judged to be non-genuine job seekers and therefore referred to long term and full-time Work for the Dole need to be objective and transparent and should be subject to administrative review. Mechanisms by which job seekers can exit their full-time placements and return to less onerous participation requirements should also be available and clearly communicated to them. Opportunities for clean-slatting should be available for those who fail to meet attendance requirements and suffer an eight week payment preclusion period and who subsequently wish to re-engage.

**For people in regional, rural and remote areas:**

Access to transport, child care, training and other assistance as well as suitable employment opportunities will continue to be problematic for many job seekers in some regional, rural and remote areas. This will need to be taken into careful account in the determination of activity and participation requirements for people in such locations.

**The compliance and penalties regime:**

The proposed eight week payment preclusion period is severe and should be reduced. The parameters of the operation of the proposed case management by Centrelink remain unclear - both in terms of who will be case managed and the nature of and limits on payments to be made. The operation of these arrangements, which are likely to cost more than the total costs of income support, should be transparent and consistent and clearly communicated to those people who are affected.

All people on income support who are subject to the proposed new compliance and penalties regime should receive clear and consistent information from all relevant agencies and providers about their obligations and the consequences of their failure to meet them. The government will need to ensure there are effective and consistent mechanisms to identify and exclude vulnerable job seekers from the compliance and penalties regime.

Job seekers who have already accumulated breaches before 1 July 2006 which will be taken into account in the possible imposition of payment preclusion periods after that date should be given clear written advice of this and of the consequences of further breaches well before the implementation of the new system.