



**NATIONAL
WELFARE RIGHTS**
NETWORK

Creating Parity or Creating Uncertainty?

**A response from the National Welfare Rights Network
to the Employment Review Taskforce**

26 September 2014

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1. About the National Welfare Rights Network

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 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.

2. About this submission

The National Welfare Rights Network (NWRN) welcomes the opportunity to provide feedback on the Forrest Report on *Indigenous Jobs and Training* programs. *Creating Parity* has ignited extensive discussion and debate on a number of important issues. Mr Forrest has rightly imbued a sense of both passion and urgency into the debate. However, the recommendations arising from the report should be debated carefully as they will have significant consequences for Indigenous and non-Indigenous Australians. While it is to be hoped that the consequences would be positive, it is also our responsibility to be on alert for potential negative and detrimental consequences.

It is of real concern that the *Forrest Report* has moved away from the terms of reference and instead offered a broad range of comments on matters that were outside the ambit of the review. This has resulted in a report that tends to simplify some issues, perhaps trivialise others, and appears polemical and aggressive towards those with alternative views.

Some of the Report's recommendations are supported by NWRN; however, in a number of areas the proposals lack a strong evidence base and cannot be supported.

We note the very strong commitment to Australia's First Peoples and agree wholeheartedly with the sentiments expressed by the *Forrest Review*: "*It is time to end the disparity between our first Australians and other Australians.*" The debate, of course, is what pathways we take as a nation to get there.

The *Forrest Report* urges monumental change in areas of employment, training, income support, education, tax, housing, public service and procurement policies. Forrest argues that his prescription must be followed in its entirety but we see no need for Government to accept this proposition. Unfortunately, it is also not clear that all of the suggestions will be beneficial in the short or long term.

The difficulty is that some key proposals, around the Disability Support Pension, Job Seeker Compliance, the granting of exemptions, and of course, the Healthy Welfare Card, may cause significant damage. Some of the proposals are punitive in their nature and appears to blame individuals themselves for the situation facing unemployed people, and at people working alongside them.

Given that the recommendations from this Review may change irrevocably the lives of millions of people living on low incomes, it is wrong that the consultation processes have been so limited.

2.1 The uncertain environment for Indigenous community organisations

NWRN notes the *Forrest Review* is to be considered at a time when there are significant levels of uncertainty about Government funding and support for Indigenous programs and Indigenous-controlled organisations. There are major concerns about the changes to the Federal Budget process, with funding cuts of over \$530m from Aboriginal and Torres Strait Islander programs achieved by reducing the number of funding streams from 15 to just five. Of most concern are reductions in funding for Aboriginal Child, Family Centres and National Family Violence Prevention Legal Services and legal assistance.

The loss of Government funding to the National Congress of Australia's First Peoples is not only wrong but creates great uncertainty about the Government's future directions and commitment to ensuring a genuine partnership with the diverse Indigenous community. The country needs to learn from previous mistakes in implementing policies such as Compulsory Income Management. To be truly effective, Government must work with communities, and not impose policies and solutions from above, ensuring that all engagement is in a manner that is respectful and culturally sensitive. Effective programs must be built on genuine consultation and partnership with local communities and based on evidence of what works locally.

2.2 Indigenous incarceration rates must be a policy priority

If we are to address employment and participation issues for Indigenous communities, the disproportionate incarceration of Indigenous people must be addressed. *Creating Parity* makes some recommendation in this area, and we understand that some of these approaches are already in place in some locations.

The North Australian Aboriginal Justice Agency (NAAJA) noted recently news that the Northern Territories imprisonment rate, while slowing, is 5 times the Australian average and nearly the highest in the world. While Indigenous people make up 30 per cent of the Northern Territory population, they account for 86 per cent of adults in prison and 99 per cent of young people in detention are Indigenous.¹

More women are being warehoused in our prisons, with the Australian Bureau of Statistics reporting a 13 per cent rise in the number of non-Indigenous going to jail.² Incarceration rates for Aboriginal and Torres Strait Islander women have surged 18 per cent in the past 12 months. Aboriginal and Torres Strait Islanders make up 2 per cent of the general population but are a disturbing 28 per cent of the prison population.³

New South Wales, Queensland and Western Australia are responsible for locking up three quarters of the nation's Indigenous prison population.

The dimensions of the problem make this a national priority.

¹ North Australian Aboriginal Justice Agency, Media Release, *NAAJA welcomes the NT Government's announcement that the NT prison population is growing slower than previously expected*, 13, September 2014.

² Australian Bureau of Statistics, *Corrective Services, Australia*, 11 September 2014, Cat. No. 4512.0

³ Jabour, B. *Jail rates for Indigenous women soar as legal funding cuts loom*, The Guardian, 16 September.

3. Overview

Creating Parity contains a number of proposals that have the potential to improve opportunities and independence for Indigenous and non-Indigenous Australians.

The National Welfare Rights Network (NWRN) welcomes the positive focus on early childhood intervention, targeted support and integrated education services. Focussing on infants aged 0-3 will give our youngest citizens the best chance of flourishing: in school, education and life.

However, cutting Family Tax Benefit payments if children don't meet school attendance targets will harm both parents and children and impose a financial burden on families struggling to make ends meet. Larger families may be put under hardship where one child fails to meet expectations. This approach does not address the real reasons why young people fail to regularly attend school.

Other proposals such as allowing school principals to veto claims for Youth Allowance will harm positive community, family and school inter-relationships. It will also mean that social security decision-making will be applied inconsistently to different citizens depending on the school they happen to attend. Income support claims and payment should be based on legislative criteria, and based on an objective assessment of need. This proposal also places an additional burden on school principals who already have huge responsibilities.

It is troubling that the Review over-reached its terms of reference by choosing to make extensive and far-reaching recommendations about the design and architecture of the social security. This is particularly so, when a parallel process is occurring with the McClure Welfare Review.

It is also concerning that the consultation processes have been limited. The engagement must occur in a manner that is respectful and culturally sensitive. Effective programs must be built on genuine consultation and partnership with local communities and based on evidence of what works locally. Any reforms must be led by and initiated from communities, and **not** be imposed from above.

The commitment to improved accountability, improved data collection and evaluation into what is effective locally, is very positive.

The Healthy Welfare Card (HWC) appears to have been driven by good intentions, but the proposal is unacceptable in its current form.

The denial of cash under the HWC would make life more difficult for many. It may have major unintended consequences and encourage a return of the pernicious of "book up" system which has historically placed Indigenous people at risk of financial exploitation. Placing a prohibition on cash might influence other behaviours, like people buying purchases and then hocking them at the pawnbrokers for cash.

The HWC may overcome the stigma problem associated with the income management BasicsCard, It is also positive that it will be linked with the EBT system. Unfortunately, the mandatory nature of the scheme is a major flaw. People living on the lowest incomes in Australia would be subjected to a massive social experiment, the likes of which we have not seen before.

A denial of access to 100 per cent of a person's social security entitlements in cash is unprecedented, and, arguably, a serious breach of human rights. For people on income support, the cash economy is still an important part of their daily lives, and it will continue to be so for a number years.

There may be a number of obvious benefits for the banking industry in obtaining access to some of the \$37 billion in social security benefits. However, that is not a reason to adopt this experiment. In the submission below we compare and contrast the card system in South Africa to the proposal of the *Forrest Review*.

The Review makes claims about the income support system which are not supported by the facts. Radical changes to the jobseeker compliance system are flagged, that would result in greater numbers of financial penalties be applied (especially upon Indigenous jobseekers); financial penalties being applied more quickly; Centrelink's oversight of the penalty regime reduced to "spot checks", and employment service providers to be given a greater role in the application of sanctions.

It is ironic that the only mention of disability in the entire 250 pages is basically about stopping people eligible for a Newstart/Youth Allowance testing their eligibility for the Disability Support Pension (DSP). About 45% of people each year are granted the DSP. The people granted DSP may be very ill, have brain injuries or cancer. This recommendation is impractical, unworkable and unfair. Routinely denying people access to the Disability Support Pension (DSP) would be cruel, harsh and inhumane.

The Review calls for the removal of all discretion in the granting of exemptions for activity testing; yet, it failed to recognise that the Department of Human Services already had strict guidelines in place. Only 1.2%, (9,340) of the Job Services Australian caseload had an exemption longer than 13 weeks, and 87% of exemptions were for short periods of 13 weeks or less.

NWRN does not support the removal of discretion to provide activity test exemptions as this would have negative impacts upon many vulnerable people, including injured people, those with cancer, and women close to giving birth, and women experiencing family violence.

We support the idea of improving equity between households in different types of accommodation, but any changes should not leave people worse off. Some of the housing proposals, along with other policies in the report that involve cutting family payments or imposing compliance penalties, are likely to create hardship and result in higher poverty, and lead to homelessness and evictions.

The Review promotes some positive changes for employment services, though its prescription would make it next to impossible to take part in training. Key stakeholders should work collaboratively to find solutions that get the balance right between a demand-driven approach and one that values high quality and purposeful training.

NWRN opposes moves to abolish CDEP wages, as they will further impoverish individual job seekers and leave communities without important services.

We welcome the proposal for contracts with the top 200 companies to increase Indigenous employment to 4%, and Commonwealth public sector employment target of 4%, supported by accountability and reporting measures. While targets are important, it is also just as critical that Indigenous Australians are provided with greater opportunities and support to have significant careers, and that they can move past entry level positions. The Government should also adopt a similar target for the employment of Indigenous people with disability.

Housing shortages, high rental costs, limited housing options and over-crowding are the key concerns in many remote Indigenous communities. The housing options raised by the Review risk exacerbating affordability problems for many groups. NWRN does not support the creation of tax free status for Indigenous businesses and social enterprises. The Review could have focussed more on structural issues and barriers to regional development such as those that were recently highlighted in the *Pivot North* report, which highlighted major development "obstacles" such as infrastructure, lack of sealed roads.

4. Chapter 1: Prenatal, early childhood and education

NWRN endorses the thrust of this recommendation, which is to focus on early intervention that prioritises pre-natal and early childhood development and education. Co-locating and coordinating health, nutrition and other support services within school, or other community hubs with an outreach to schools makes good sense. This approach will be particularly beneficial to new parents who may not know where to find support or how to access services. Focussing on infants aged 0-3 will give our youngest citizens the best chance of flourishing: in school, education and life.

4.1 Will cutting income support for children improve school attendance?

NWRN does not support any measures that link eligibility for Family Tax Benefits payments to school attendance. Punishing families by reducing income will not assist families experiencing problems, including where attendance at school is low.

There is a broad range of complex factors that lead to low school attendance. Of course, families have a responsibility for school attendance, but often, hidden underlying issues such as inadequate housing and health care, mental health issues, family violence, overcrowding, generational unemployment, lead to low school attendance. Recent research by the Menzies Centre for Child Development and Education at Menzies School of has found a 'strong correlation between overcrowding in housing and school attendance'.⁴ They reported compelling evidence that suggests that measures that address overcrowding are likely to be remarkably successful in improving school attendance.

Efforts to improve school attendance are critical. The NWRN supports the need for students to be fully engaged in school life. However, the Network opposes all extension of conditional welfare in such a punitive and counter-productive measure like cutting FTB payments and the *School Enrolment and Attendance through Welfare Reform Measure (SEAM)*. The SEAM policies are expensive and have not been subject to rigorous formal evaluation.⁵

The Government's own findings in the *2011 NTER Evaluation Report* found no improvements from the SEAM program.⁶ More recent analysis from 2012 found that overall, attendance rates increased by 5 per cent over 2009-10, but the attendance falls over time and attendance lapsed.⁷

Newer approaches are not showing any better results, with early evidence suggesting that the most recent attempt – "truancy troops" – is not having any sustained positive impact upon rates of school attendance.

The withdrawal of income support will not assist in overcoming complex and longstanding problems with school attendance or truancy.

⁴ <http://theconversation.com/how-crowded-homes-can-lead-to-empty-schools-in-the-bush-30971>

⁵ SEAM is costing over \$200,000 per school year to administer. SEAM is a very expensive program, costing over \$28.2 million, with little to show for the funds expended. NWRN remains concerned about the "opportunity costs" and opportunities lost by such levels of expenditure on a punitive program that offers little real benefit in return.

⁶ See: Behrendt, Larrisa, McCausland, Ruth and Jumbunna Indigenous House of Learning, University of Technology Sydney, *Welfare payments and school attendance: An analysis of experimental policy in Indigenous education*, August 2008, pp. 1-36; Cox, Eva, *Evidence-Free Policy Making? The Case of Income Management*, in *The Journal of Indigenous Policy*, Issue 12, September 2011, pp.1-93; Harris, Michele and Rosa McKenna and *Cuts to Welfare Payments for School Non-Attendance: Requested or Imposed?*, October 2011, pp.1-26.

⁷ Department of Education, Employment and Workplace Relations, *Improving School Enrolment and Attendance through Welfare Reform Measure (SEAM) Evaluation for 2010, January 2012*.

Punitive measures are being proposed, instead of practical steps to address the source of the truancy problem, which includes issues such as insecure teacher and staff employment that caused problems of high staff turnover and shortages.

Each state and territory has legislation that deals with truancy and in severe cases, a parent/caregiver can be prosecuted for persistent non-attendance of students of compulsory school age. Where there is neglect/ abuse then surely this is a matter for relevant state or territory welfare department rather than Centrelink.

There have been numerous programs across Australia which have increased attendance of Aboriginal students at school. All of these programs stress the need to have well-supported teachers who build constructive relationships with students and their parents.

A good example is the website *What Works: The Work Program* hosted by the Department of Education. The site lists many examples of programs that have increased school attendance by having teaching staff who have been able to build constructive relations with students and parents.⁸

5. Chapter 2: The Healthy Welfare Card

NWRN opposes the proposal for a 'Healthy Welfare Card', which would be imposed on all 'working age payment' recipients. This system proposes to capture the entirety of the income support payment on a debit-like card and provides no access to funds in cash. The 'Healthy Welfare Card' could lead to the use of barcode technology to monitor and track the spending habits of significant numbers of people receiving a social security payment.

The observation that many people are increasingly opting to transact electronically, via an EFTPOS-style card, to purchase many goods and services is true. However, it does not lead to the conclusion that *all* or even *most* 'working age' people receiving income support or family assistance payments will be able to participate in daily life with no access to any cash whatsoever.

The danger in the proposals outlined in the discussion paper is the real risk of a loss of personal autonomy and gross intrusion into the right to self-determination for significant numbers of people who receive social security payments.

NWRN takes a rights-based approach to social policy and the provision of assistance. This is based upon the concept of an entitlement which is underpinned by a transparent set of legislative requirements governed by administrative review and oversight. It is predicated on the tenet of the inalienability of social security entitlements which is clearly delineated in social security and family assistance Law.

We oppose a model in which income support recipients must satisfy behavioural requirements in order to receive financial assistance or where entitlements are administered or controlled by third parties. This latter approach is premised on the belief that people on low incomes lack discipline and it is individual behaviour which is the main or sole problem, rather than poverty and lack of a sufficient income.

The imposition of a Healthy Welfare Card implies that income support recipients, as a group, are unable or incapable of budgeting to meet personal and family needs. NWRN member centres interact each and every day with people living on just the basic rate of pension or allowance. It is definitely a challenge to make ends meet on income support payments that are set at such low basic rates – but rarely do we see people

⁸ See: <http://www.whatworks.edu.au/dbAction.do?cmd=displaySitePage1&subcmd=select&id=499>

who people who simply cannot manage their incomes. State and Territory jurisdictions have guardianship boards and other supports for people who are subject to financial abuse.

There is also the Centrepay system administered by the Department of Human Services and the option for weekly payments. People can volunteer for income management if they believe that it would be beneficial.

While some income support recipients do experience difficulty managing their finances and caring for their children due to a range of complex health and other issues, this group represents a minority of recipients. Further, budgeting and parenting issues are not limited to income support recipients but extend far more broadly.

The denial of cash under Forrest's Healthy Welfare Card would affect people in many ways, including what they eat, how they shop, how they learn about world events, and how they socialise and interact with others.

It also seems clear that the denial of all access to cash will have major unintended consequences for many remote Indigenous communities, as it may encourage a return of the pernicious of "book up" system which has historically placed Indigenous people at risk of financial exploitation.

We haven't even tried to assess how placing a prohibition on cash might influence other behaviours, like people buying purchases and then hocking them at the pawnbrokers for cash, or what other things may do if they are desperate for access to cash.

Forrest's cashless card will create a large range of practical difficulties for people required to use the card. The card will have an impact on what you can buy as well as where and how you spend your money. Where you shop may be restricted, and cardholders may be unable to make purchases at markets, community fetes and stores without EFTPOS.

Cardholders will face restrictions to everyday activities: for example, transport may be problematic where private buses operate, parking meters may be restricted in some areas and food from the school canteen is out of the question. You won't have the coins required to access a shopping trolley the Laundromat or buy the occasional newspaper. Furthermore, school children won't be able to participate in "gold coin" days or use the swimming pool.

Children won't be able to buy milk or bread on the way home from school. To overcome this problem, the PIN and card must be handed over, leaving you at risk of fraud, or not covered by EFT Code.

As the Forrest cashless card is to be used for all transactions, multiple bank fees and charges may be applied. Another major problem with the cashless option is that large numbers of shops impose a \$10 minimum purchase limit. This limit can be avoided by those who pay cash, but for shoppers who must use the card, they may have to buy more than they intended to, or more than they can afford.

If age and veteran pensioners are the only individuals in and communities who have access to cash, they may feel unsafe. The Government today may opt to deny income support recipients the opportunity to purchase cigarettes or alcohol. The technology will allow one to include other items, and there will be pressure to restrict the ability to purchase food that may be seen as unhealthy, for instance.

Creating Parity cites approvingly the South African introduction of the "cashless" card, but fails to mention a key difference – the South African MasterCard version does not restrict purchases, such as alcohol or tobacco.

It is also important to place the South African card in its local context and environment: before the card, two-thirds of the adult population in South Africa were unbanked, with 37 per cent also living in rural areas.

The card was introduced in a country where much of the population was locked out of the basic banking system, and generally excluded from access to credit and loan facilities. The card helped introduce micro-finance for many low income South Africans.⁹

Direct payments cards are being used in many countries and personal plastic cards are part of what some see as an unstoppable transformation of how people live, of commerce and of how people interact with Government and obtain goods and services. In some countries, e-health records and individualised personal health budgets will soon be part of the landscape.

Cashless cards are here, and are used increasingly by local UK authorities, and are used to support asylum seekers support care-plans and to assist people needing crisis payments.

The use of cards may bring significant savings in administrative and audit costs. There may also be benefits to the economy and to individuals. However, denying a significant section of the Australian population access to cash – the most disadvantaged section – needs careful consideration and should not occur with such limited community discussion and consultation as we have had to date.

It may be that plastic, electronic payment cards of some description are inevitable – but even before this can be even considered, we must put two safeguards in place: the system must be *voluntary* and it must place a premium on the *privacy* of people using the system.

Questions still remain about the benefits of compulsory income quarantining. There is no hard evidence that Income Management has had a positive impact on people's lives. A 2012 report by the Parliamentary Library sought to answer the question '*Is income management working?*'¹⁰ It notes "substantial difficulties associated with evaluating the effectiveness of income management", with very few studies having been able to directly measure the impacts of income management separately from the mix of other policy interventions. Existing evaluations, says the researchers, should be 'treated with caution' due to a range of methodological problems.

The best that the Parliamentary Library can say is that any evidence of positive changes is "uneven and fragile" and that "there is no clear evidence that income management is responsible for a worsening of the situation in areas in which it operates".¹¹ If the best that can be said about the system was that it "didn't hurt anyone", then the scheme is not worth the government expense let alone the individual humiliation.

The 2012 independent evaluation of income management in the Northern Territory found no clear evidence of the value of the program. At best, some people perceived that they were being assisted by the program. More than two thirds of those surveyed said they felt discriminated against by Income Management. Three quarters felt it was unfair and a similar number reported feelings of embarrassment.

⁹ The system is not without its problems: \$0.90 fee for cash withdrawals which would hit lower income earners and lead to the withdrawal of larger sums of money, raising subsequent problems with safety and crime. The problem of long monthly bank queues has also attracted criticism.

¹⁰ Buckmaster, L. Ey, C and Klapdor, M. *Income management: an overview, Background Note*, Parliamentary Library, June 2012, p.40.

¹¹ Ibid, p. 42.

A major problem with the existing Income Management regime is that it does not offer an “exit strategy” where the ultimate aim should be to have individuals actively managing their own income and decisions that affect their lives.

Compulsory income management unfairly and wrongly assumes that just because a person receives an income support payment, they can’t manage their own affairs. It should only be implemented as a part of an economic and social development plan negotiated with communities.

There is a compelling and convincing case that income management should be disbanded, not expanded.

People on income support are often the best money managers – they do not need the state to manage their affairs. It is claimed that placing all funds onto a cashless card will encourage budgeting – but restricting purchases does the opposite of this; it removes the capacity and the need to learn skills and become self-reliant, and limits self-control and personal autonomy.

So the question now becomes, what should replace it?

Is the *Healthy Welfare Card* the answer, or is it going to be the beginning of a whole new set of problems, with the poorest, most vulnerable and disadvantaged in the Australian community being subjected to a massive social experiment, the likes of which we have not seen in this country?

One part of the solution may be already in place, and it’s called Centrepay. Centrepay operated by the Department of Human Services, and almost one in ten people receiving income support have enrolled in the free scheme which helps to budget and manage essential bills and deductions. This scheme could be expanded, and better promoted, and is a good alternative to income management, according to an Independent evaluation of the scheme that was commissioned by the previous Government.

Staff at the Department of Human Services says that Centrepay a good option, and they should know. More than half Centrelink workers (56%) told researchers that Centrepay “could be just as effective in assisting people to manage their finances effectively”.¹²

In June 2013, 583,433 people were using Centrepay, compared to 545,512 in June 2012. Over 13,700 third-party organisations participated in Centrepay, and over 1.8 million deductions were made to the value of \$148 million.¹³ There is scope for a massive expansion of the scheme – and people could still have access to real money when they need it.

The *Forrest Review* may note with interest that the use of Centrepay was highest among Indigenous income support recipients, who make up 15% of participants who have, on average, higher levels of deductions.¹⁴ This is hardly surprising, as Centrepay had its origins in 1998 to assist Indigenous people with money management.

So where to now?

A denial of access to 100 per cent of a person’s social security entitlements in cash is unprecedented and arguably, a serious breach of human rights. Any move in this direction would certainly be challenged.

¹² Bray, Op Cit, p. 166.

¹³ Department of Human Services, *Annual Report 2012-13*, p. 186.

¹⁴ Buduls, A. *The Independent Review of Centrepay, Report to the Secretary of the Department of Human Services, Australian Government*, June 2012, p. 13

There are no doubt a number of obvious benefits for the banking industry in obtaining access to some of the \$37 billion in welfare payments that is attached to the Forrest welfare card. Recent media reports that the card will be extended to the “vulnerable”, including long term unemployed, jobless families, people experiencing domestic violence, and those who are homelessness.

The numbers of people likely to be affected are considerable: if extended to all unemployed people who have been out of work for over two years the numbers reaches over 355,000.

For people on income support, the cash economy is still an important part of their daily lives, and it will continue to be so for the foreseeable future.

6. Chapter 4: Breaking the Welfare Cycle

Creating Parity makes a number of claims about the Australian income support system which are not supported by the facts. Australia spends 8.6 per cent of GDP on social security, well below the OECD average of 13.2 per cent. More analysis of Australia’s income support system can be found in NWRN’s submission to the McClure Report.

It is troubling that the *Forrest Review* has over-reached by choosing to make extensive and far-reaching recommendations about the design and architecture of the social security, when a parallel process is being undertaken by the McClure Review. It is notable that a majority of independent stakeholders who attended the Sydney consultations expressed concerns that the *Forrest Review* went beyond its brief by proposing major social security reforms.

6.1 Job seeker compliance: three steps backwards

Creating Parity suggests a series of radical changes to the jobseeker compliance system that mirror some of the proposals around compliance that have emerged from the recent McClure Review into income support.¹⁵

It proposes changes to the existing penalty system that would result in:

1. greater numbers of financial penalties be applied (especially upon Indigenous jobseekers);
2. financial penalties being applied more quickly;
3. Centrelink’s oversight of the penalty regime reduced to “spot checks”; and,
4. employment service providers to be given a greater role in the application of financial penalties and sanctions.

The existing compliance regime operates with a number of important checks and balances, for instance, some people who face compliance penalties are offered the opportunity under social security law to “re-engage” and “work off” eight week financial penalties.

The *Forrest Report* incorrectly claims that penalties are “rarely applied” upon Indigenous job seekers, noting that under the current waiver provisions, penalties can be waived, worked-off, and only about a quarter are applied. The application of 1-in-4 penalties is a significant number, and, for some people, the loss of \$50 per day is a significant penalty. In 2013, almost 60,000 financial penalties were applied to

¹⁵ McClure, P. *A New System for Employment and Social Outcomes: Interim report of the Reference Group on Welfare Reform*, 2014, p. 81.

Indigenous job seekers, who bear 28 per cent of all financial penalties; 30 per cent of all smaller financial penalties and 34 per cent of eight week penalties for “serious non-compliance”.

While some may see merit in imposing more and bigger financial penalties on vulnerable job seekers, there is no evidence that the imposition of penalties has assisted in moving people into sustainable employment.

One suggestion is that that Centrelink’s role in job seeker compliance be limited to “spot checks”.

NWRN does not support this approach as it would create an uneven playing field and limit independent oversight of the system. The current oversight by Centrelink ensures consistency and fairness in decision-making.

Our experience suggests applying financial penalties earlier leave people in at increased hardship, and this would leave people with less time to prepare for the loss of income. With some warning, people may be able to avoid eviction and change the date or amount of Centrepay deductions to meet bill repayments.

The compliance change of most concern is the suggestion that employment service providers be allowed greater discretion in the imposition of penalties on job seekers.

The application of a consistent approach to the application of penalties by the Department of Human Services, with transparent, open and accountable processes and decision-making is an important, long-standing feature of all previous compliance regimes. The divestment of decision-making about an individual’s access to income support is risk and fraught with complexity.

The Department of Human Service (DHS) employees are best-trained and most knowledgeable for making important, discretionary decisions affecting income support. DHS decision makers are intensively trained and well-resourced to make decisions about the interpretation and application of social security law.¹⁶

Transferring this role to employment services provider staff, in a decentralised and less supported environment, who are not employed to fulfil this role, will inevitably lead to an increase in inconsistent and possibly unlawful decision making, even with some training from government. This in turn may lead to increasing costs in the system if more decisions go on appeal. It may also lead to some vulnerable people, who already face barriers to exercising their appeal rights, being subject to unlawful decisions which go unchallenged.

A change of this magnitude would place providers in a new, adversarial role vis-vis job seekers, as they would be seen as directly responsible for the loss of income – for up to eight weeks at a time.

The suggested changes would fundamentally alter the nature of the relationship between job seekers and employment providers.

In addition to increased aggression and stress (on both sides of the counter), employment service providers would need to turn their attention to issues like new office layout to address safety issues, improved security and duress facilities and the employment of security guards. Providers will also have to be familiar with the appeal and review process which applies to government decision-makers and to prepare papers for appearances at the Social Security Appeals Tribunal and higher tribunals. These changes will increase red tape, at a time when there are efforts aimed at reducing it.

¹⁶ For example, decisions under the Act require a high level of documentation setting out the reasons for each decision and the evidence and law on which it is based, and these may be sought by clients under the *Freedom of Information Act* or be required to be produced to an external tribunal.

6.2 Denying transfers to Disability Support Pension and removing discretion to grant exemptions

Creating Parity proposes that “all discretion of Centrelink and job service providers to waive job seekers’ obligations and grant exemptions and transfers to non-activity tested payments such as the Disability Support Pension to excuse working age, capable welfare recipients from efforts to get meaningful employment be removed.”¹⁷

It is difficult to respond to this recommendation as it seems to be based on a fundamental misunderstanding of the current system. There is no current ability or discretion to transfer somebody from an activity-tested payment to the Disability Support Pension (DSP). A person may only be granted the Disability Support Pension if a claim is made and they meet all relevant medical and residential qualifications. The bar is a high one. Only 42% of claims for DSP are successful.

This recommendation as it is impractical, unworkable and unfair. Routinely denying people access to the Disability Support Pension (DSP) would be cruel, harsh and inhumane. If adopted by Government, this recommendation would see a person on 25 year old male Newstart Allowance recipient with a massive brain injury due to a car accident denied access to the DSP, and forced to look for work until he reached Age Pension Age, forty years down the track.

The young person would have to exist on around \$170 per week less to meet the extra costs associated with their disability.

People who claim the DSP are granted the Newstart Allowance with a “temporary exemption” from activity-testing while their claims are assessed.

NWRN does not support the removal of discretion to provide activity test exemptions as this would have a detrimental impact upon many vulnerable people, including injured people, those with cancer, women close to giving birth, and women experiencing family violence.

It may be useful to highlight some basic information about activity test exemptions for people with participation requirements.

The Department of Human Services may, under social security law, exempt an individual from the activity test or participation requirements for a specified period of time due to a range of family or personal circumstances. Exemptions are for a specified period, and depending on the type of exemption, subsequent exemptions for one or more periods may be granted. For example, exemptions for temporary incapacity can only be granted for the period stated on the medical certificate or for a maximum of 13 weeks, whichever is the lesser. A further period of exemption can be granted, if the job seeker continues to meet all criteria for a temporary incapacity exemption.

Prior to the renewal of any exemption, the job seeker’s circumstances are examined to ensure that the reasons for the exemption continue and that it is appropriate to grant a further period of exemption for a specified timeframe.

NWRN members regularly advise people about exemptions, activity tests and participation requirements. Typical cases involve a person who has broken a leg, in a car accident or a woman with small children who are homeless as a result of domestic violence.

¹⁷ Forrest, A. Op Cit, p. 35.

The Department of Human Services has well-developed, clear guidelines which specify the circumstances when an exemption may be offered, how long it will last for, and when it will cease. From our casework experience, we see no evidence of the exemptions be abused or misused. The guidelines are already sufficiently strict. Indeed, concerns that exemptions were too hard to obtain led the previous Minister for Employment to convene the *Participation Taskforce*. The Department of Employment Education and Workplace Relations Taskforce made a number of recommendations aimed at increasing the awareness of and access to domestic violence exemptions.

Our assessment of activity test exemptions reveals that there is no evidence that the rules are being abused, as just 1-in-8 exemptions are of a longer term nature, with only 9,430 granted. This means that less than 1.2 per cent of the Job Services Australia caseload of activity-tested income support recipients (which was 799,510 at March 2013) were granted a longer exemption.

With the data revealing that just 1-in-8 exemptions are of a longer term nature, and comprising only less than 1.2 per cent of the stock of activity-tested income support recipients as of March 2013, it appears to be a significant over-reaction to suggest stopping these exemptions altogether.

The overwhelming majority of exemptions are for limited periods. Short-term exemptions represent 87 per cent of all the exemptions. These are generally of 13-week duration and could be slightly longer, while the average longer-term exemptions are 52 weeks in duration.¹⁸

Some activity test exemptions are in place as a result of the current Government's 2006 'welfare to work' reforms, which provide automatic activity test exemptions for "principal carer" single parents large families (four or more school-age children), home schoolers/distance education and foster families. Parents of children with a disability must lodge a claim for the exemption each year. If these exemptions were removed, many families would be in hardship, as they would struggle to look for work, while looking after a child with a disability, or looking after a couple of foster children.

Removal of the exemptions would also affect women who have escaped from a violent relationship. While some women have the capacity to look for work immediately, others do not. The current arrangements allow a degree of flexibility in addressing this difficult matter.

NWRN has undertaken an assessment of activity test exemptions that were in operation at March 2013. We found that:

- the current exemptions processes are importance to people experiencing temporary incapacities to work or illness that prevent them from looking for work for a short period;
- the data show that the numbers of people accessing the exemptions is small, and is not cause for concern;
- any tightening of the existing strict rules would cause great hardship for people facing issues such as pregnancy, homelessness, serious mental illness, or domestic violence;

Key facts are exemptions are:

- at March 2013 there were 74,298 exemptions from participation requirements, out of nearly 800,000 income tested recipients, and

¹⁸ Standing Committee on Education, Employment and Workplace Relations, Additional Estimates 2011-12, DEEWR Question No. EW1042_12

- the majority, (49,295), were for people living in the major cities, which accounted for 66 per cent. Nearly a third (31 per cent or 23,340) were located in regional Australia and just 2.1 per cent, or 1,578 were located in a remote area, according to Department of Human Services administrative data.¹⁹

There were 5,071 Indigenous exemptions at 2011 from a total of 72,037 exemptions. Seven per cent were for Indigenous job seekers. Forty-eight per cent were for temporary illness, injury or disability, including cancer and acquired brain injury.²⁰

Of the total of 74,298 exemptions, the majority (84 per cent or 62,524) were for Newstart Allowance recipients. Parenting Payment Single recipients accounted for 4,425 exemptions, and Partnered Parents received just 1,496.

The main reason for claiming an exemption is a temporary medical condition, according to Senate estimates experts, and this has been consistent over many years. That has to be assessed on the basis of a medical certificate provided by the job seeker, and the exemption goes for the period of time of the medical certificate.²¹

Short-term ones represent 87 per cent of all the exemptions. These are generally of 13 week duration and could be slightly longer. The long-term exemptions are just 13 per cent of all exemptions, and number 9,430.²²

Analysis of exemptions for people on Youth Allowance indicates that:

- only 5 per cent of young unemployed people were in receipt of an exemption from having to look for employment or other activities, at March 2013;
- just 5,835 of 106,735 activity-tested Youth Allowance (other) job seekers were granted an exemption;
- only 168, or just 2.8 per cent, of these young people were living in remote areas; and
- thirty-seven per cent, of 2,139 were located in regional Australia. Two-in five, or 3,520, resided in the major cities.²³

An examination of Youth Allowance exemptions from the activity test reveals that:

- over half of all young people with exemptions are on short term exemptions. 3,135 of the entire 5,835 young people on Youth Allowance, (or 53 per cent) have “temporary incapacity due to illness, injury or disability”. This could involve a severe flu, an operation for a burst appendix, or a broken arm or leg;²⁴
- the other significant reason for exemptions is for what is defined as “personal circumstances”. Almost 1,000 young people (937) qualified for the exemption that is available for expectant mother within six weeks of expected due date of giving birth and 6 weeks after giving birth. The next significant reason for exemptions is for young people who are assessed by the Department of

¹⁹Senate Standing Committee on Education, Employment and Workplace Relations, Questions on Notice, Budget Estimates, 2013-2014, DEEWR Question No. EW0147_14.

²⁰ Standing Committee on Education, Employment and Workplace Relations, Question on Notice, Additional Estimates 2011-12, DEEWR Question No. EW1042_12.

²¹ Senate Standing Committee on Education, Employment and Workplace Relations, Estimates Transcripts, 3 June 2013, p. 27.

²² Ibid, p. 28.

²³Senate Standing Committee on Education, Employment and Workplace Relations, Questions on Notice, Budget Estimates, 2013-2014, DEEWR Question No. EW0150_14

²⁴ Ibid.

Human Services as has having a major personal crisis, e.g. homelessness, witness protection, domestic violence, indigenous job seeker undertaking cultural or sorry business; and

- over one-in 10 young people (11 per cent), or 661 young people qualified for this type of exemption.²⁵

There is no evidence to back up the assertion in the report that exemptions are used by people to avoid looking for work.

6.3 Towards a simpler, fairer social security system

NWRN agrees that our income support system could be made fairer and simpler. The NWRN's submission to the [McClure Review](#) includes an analysis of the current income support system, and makes a number of proposals for improving the system, and ensuring that adequate levels of income support are available, and that the system rewards work and supports people into employment, where this is realistic.

It is disappointing that the only discussion of the Disability Support Pension (DSP) in *Creating Parity* is where it is asserted that claims for the DSP are an "excuse" for people who are seeking to avoid work. There are currently 832,533 people in receipt of the DSP in Australia. Of these, 47,442 were Indigenous, and 6,328 were from the Northern Territory.

As we have pointed out previously in this submission, the receipt of DSP only occurs after a rigorous assessment is undertaken by the Department of Human Services. People are assessed under the impairment tables, which were made more restrictive in 2011 and 2012. The grant of a claim means that the person has a significant disability (or disabilities) which are found to attract at least 20 points under one impairment table and the person is assessed as being unable to work for 15 or more hours per week over the next two years, and that their condition has been treated and stabilised. There are further requirements as well, relating to co-morbidities which mean that if you attract at 20 points or more across a number of impairment tables, then DSP will not be granted until a program of support to gain employment has been completed usually over an 18 month period.

6.4 CDEP Wages

Forrest recommends that CDEP wages be abolished and that all job seekers be treated under the same rules. Unfortunately, this means that people under CDEP schemes will lose out. This is unfair, and will leave individuals, and their communities, worse off. In local communities, for all intents and purposes, CDEP jobs are real jobs, despite how the report wishes to say otherwise. People are doing jobs that are critically important to the local community – it is important that they be remunerated for such jobs. NWRN opposes moves to abolish CDEP wages.

²⁵ There are other considerations at work, and exemptions arrangements can be complex. Exemptions are granted for a range of practical reasons. For young people, exemptions may be granted because they are undertaking study. Older people over 55 are meet activity requirements under special rules that allow them the take part in voluntary work or a combination of both. These flexible arrangements should be maintained; at least until the problem of age discrimination in the workforce is adequately addressed. Another group who may be negatively impacted by any moves alter policies around exemptions are those job seekers who are "suspended", and these are people who exited the system and who also worked part-time. In March 2013, there were 146,171 people in this situation.

7. Chapter 5: Building capacity, dismantling the cash barbeque and eliminating disincentives

The *Forrest Review* makes a number of suggestions aimed at improving the employment services system. The Government had made a start with the recent announcements for the 2015-2020 Employment Services Tender. However, it has placed too much emphasis on Work for the Dole programs, which fails to build the necessary skills that employers are demanding, and have been shown to be half as effective in getting unemployed people into sustainable employment as other programs such as wage subsidies.

NWRN believes that too little focus is paid to ensuring that the assessments of job seekers uncover their barriers to employment, and too little support is provided to address these barriers. It is positive to note, however, that all assessments under the new system of employment services will be done in person.

NWRN agrees with the assessment in *Creating Parity* that in the past there was too much focus on “training for training sake” particularly when the employment service provider and the Registered Training Organisation were in reality part of the same organisation. This frustrated many job seekers, who refused to join in the merry-go-round of Registered Training Organisations. However, training has its place, and is indeed, crucial for many job seekers.

We have concluded that the proposals in the report are unbalanced in that they are largely dismissive of training activities. This cannot be justified and makes no sense. NWRN believes that training should be available if it improves a job seekers employment prospects. The proposals to financially support training only when there is a job at the end of the training, is too restrictive.

Recommendation 14.2 proposes that the funding of training and employment services be totally contingent on achieving 26-week employment outcomes.²⁶ NWRN shares the concerns of Jobs Australia with this approach, and are worried that this stipulation would mean that only providers with access to substantial up-front funding could operate in this system. This could mean that local Indigenous and mainstream not-for-profit providers may be effectively priced out of the market.

NWRN supports steps to improve the quality of training and improve links with business, and to better respond to their needs.

Creating Parity suggests that the employment supports system prioritises a “demand-driven” approach. This focus has been the centrepiece of a major employment initiative between major organisations in Australia. The Australian Council of Social Service, the Australian Council of Trade Unions and the Business Council of Australia have jointly proposed improvements to employment services that would deliver better job outcomes for people disadvantaged in the labour market. Their consultations with key stakeholders revealed a consensus that employment services would be more effective if the government adopted a “demand-led”, or partnerships approach. This would see employment providers working closely with the employer to identify staffing needs and train people for specific jobs. In-work support would be provided for unemployed people, with the likelihood of ongoing employment at the end of the scheme.²⁷

It aims to more effectively link employment services with employer needs and to direct funding to more targeted training and in-job support.

²⁶ Forrest, Op Cit, p. 43.

²⁷ Australian Council of Social Service, the Australian Council of Trade Unions and the Business Council of Australia, *Alliance Proposes Partnerships to Secure Jobs for Disadvantaged Jobseekers*, 30 June 2014. The alliance are seeking government support for two trials— one at the national level focused on large national employers, and one at the regional level with a focus on a network of regional employers.

The organisations have recommended:

- the appointment of national and regional employment brokers to promote and coordinate partnerships and to connect employers with disadvantaged jobseekers;
- establishing regional employment boards or networks in regions with high unemployment to promote employment partnerships among employers, industry organisations, unions, employment services and training providers;
- redirecting resources for provider investment in the Employment Pathway Fund to focus more on disadvantaged jobseekers, and allow providers to use the fund for employer partnership development and related work experience and training;
- rewarding lasting employment outcomes where jobseekers remain in paid employment.
- giving providers more incentives to attract the most disadvantaged jobseekers, and giving jobseekers more information to make an effective choice of provider; and,
- ensuring access within the Vocational Education and Training system to training up to AQF3 level for jobseekers in receipt of income support payments, while ensuring that the training matches the jobseeker's interests and skill sets and aligns with current skills shortages and labour market needs.

These positive employment recommendations closely mirror some of the suggestions in *Creating Parity*, and are strongly endorsed by NWRN.

7.1 Addressing economic barriers to growth

Creating Parity focuses primarily on individual deficits as the cause of unemployment, and ignores obvious structural problems like the lack of suitable jobs, and other major problems such as the barriers to economic development in remote and very remote communities. NWRN contends that attention to structural issues could also assist in providing beneficial employment outcomes for unemployed people.

There barriers were recently highlighted in the recent *Pivot North* report, which highlighted major development “obstacles” for Australia’s north. Development barriers included:

- a small, sparsely distributed population which impacts on the development of sustainable industries;²⁸
- the absence of capital infrastructure - lack of sealed roads (80% of roads are unsealed according to the NT Cattleman’s Assn), adequate water supply, sewerage systems and power supply networks;²⁹
- absence of social infrastructure like community halls, childcare centres, sporting facilities, cultural centres and the arts;³⁰
- affordability—especially with regard to development costs, power costs and insurance and the cost of living, cost of housing;³¹
- regulatory environment especially in regard to taxation, land tenure, approvals processes and air transport regulation; and³²
- the need for standardisation across jurisdictions.³³

²⁸ Central Land Council, *Land Reform in the Northern Territory: evidence not ideology*, October 2013, p 3.

²⁹ The Northern Australia Senate Committee, *Pivot North*, At:

http://www.aph.gov.au/Parliamentary_Business/Committees/Joint/Northern_Australia/Inquiry_into_the_Development_of_Northern_Australia/Tabled_Reports

³⁰ Ibid, p. 112.

³¹ Ibid, p. 124.

³² Ibid, p. 128

³³ Ibid, p. 129.

Any effort to improve employment outcomes in these locations require that Government respond to the range of barriers to economic development that are highlighted in the *Pivot North* report.

8. Chapter 6: Incentives for housing and mobility

8.1 Housing support

Creating Parity makes a number of suggestions around housing support, affordability, and how mobility can be increased which require careful consideration. These issues are also being considered by the McClure Review which is well-placed to consider these important matters.

The issue of remote housing is a complex one, which has received a great deal of attention from the Parliamentary Secretary to the Prime Minister on Indigenous Issues. APONT, the organisation which represents Aboriginal peak organisations in the Northern Territory, has disputed claims by the Parliamentary Secretary in The Australian recently.³⁴ Mr Tudge said free houses in Indigenous communities have contributed to problems of welfare dependency as much as payments.

As APONT noted: “There is no such thing as a free house in Indigenous communities in the NT, and that public housing is managed by the Northern Territory Government. To get a house, people have to show that they are eligible – that they are homeless, live in an overcrowded house, have medical problems or suffer from domestic or family violence. Once they move in, they pay rent, just like any other tenant in Australia.”

APONT explained that all adult residents of houses in remote communities are expected to pay rent, and given that most houses are overcrowded, the rent charged can be higher than the market value of the house.

They also noted major housing shortages in the Northern Territory, with the report that launched the Intervention estimating that 4,000 houses were needed to adequately house the population in 2007. The National Partnership Agreement on Remote Indigenous Housing (NPARIH) built just 1,465 houses in 16 of 73 remote communities.³⁵

The appalling state of disrepair of housing stock in remote communities was also of concern.

The housing shortage and the significant affordability problems in the NT are well-known. The recent Anglicare Australia *Rental Affordability Snapshot of 2014* shows none were affordable and appropriate (therefore suitable) for people on Newstart and Youth Allowances, Parenting Payment or Disability Support Pension and only six were suitable for people on some benefits and minimum wages.³⁶

NWRN’s members in the NT are becoming increasingly concerned with the increase rental stress in remote communities which, they believe is increasing as a consequence of the high cost of living and the significant increase in rent payable since National Partnership Agreement on Remote Indigenous Housing (NPARIH).

The *Forrest Review* suggests giving priority allocation in the allocation of social housing to families in employment and those whose children are regularly attending school, over other people in the community.

³⁴ Tudge, A. *Welfare lobby blind to reality*, The Australian, 9 September 2014.

³⁵ *Ampe Akelyernemane Meke Mekarle – Little Children are Sacred*, Report of the Northern Territory Board of Inquiry into the Protection of Aboriginal Children from Sexual Abuse, 2007.

³⁶ Anglicare Australia, *Rental Affordability Snapshot*, April 2014, p. 37.

In an environment of great shortages, this option begs the questions about where the other groups – who will by definition, have less income to find other rental accommodation. The current system prioritises people with disabilities, parents, and older people. This broad support should be maintained.

The report also highlights the disincentive of high marginal tax rates for people living in public housing and for those on waiting lists. The problems of work disincentives experienced by people in public housing, and on waiting lists, has long been acknowledged as a vexed problem. A 2012 report by Tenants Queensland notes that the issues of work disincentives, and how this problem should be tackled, are a “fiendishly complex and difficult to solve in practice”.³⁷

One key consideration is that the current income-based system for calculating rents is extremely effective in ensuring affordability. This is shown by the fact that few people in social housing are in rental stress. This compares to the half a million Australians who are in rental stress, and paying in excess of 30 per cent of their income in rent, as revealed in NWRN’s report into the analysis of Rent Assistance in assisting housing affordability to low income earners.³⁸

We oppose the option of moving toward market rents, suggested by the *Forrest Review*, as this would create significant hardship among many who are already experience deep disadvantage. We support efforts to address the high marginal tax rates, and the disincentive effects in the current income-related system. Consideration could be given to expanding the use of “rent holidays”, which delay increases in rent when income increases. Steps are also needed to improve awareness of how the additional income many impact on people. If people believe that they will be no better off, they will not seek employment.

In summary, we support the idea of improving equity between households in different types of accommodation, but any changes should not leave people worse off. Some of the housing proposals, along with other policies that involve cutting family payments or imposing compliance penalties, are likely to exacerbate housing problems, create hardship and result in higher poverty, homelessness and evictions. These may have some negative flow-on consequences for women and children, particularly in relation to increased family violence.

8.2 Employment and relocation

Creating Parity explores issues around mobility and options for people to relocate for work. NWRN has long supported financial incentives to assist people who are keen to voluntarily move to take-up employment. However, there are complex social and personal factors involved, noted in the recent Productivity Commission’s inquiry into geographic mobility.

About 16 per cent of the population move residence each year, and the numbers of those moving has remained static over recent decades, according to the Productivity Commission.³⁹

Most people do not move for employment-related reasons. Housing and family are the most common reasons for moving. Housing-related reasons are nominated by about 50 per cent of people who move residence and family reasons by about 30 per cent. Employment reasons are only cited by between 10 and

³⁷ Tenants Queensland, *Rent Setting for Social Housing: A discussions paper on options and implications*, December 2012, p. 17.

³⁸ National Welfare Rights Network, *The impact of Rent Assistance in housing affordability: Australia*, May 2014. At: <https://www.welfarerights.org.au/news/2014/3/28/impact-rent-assistance-housing-affordability-for-low-income-renters-australia>

³⁹ Productivity Commission, *Geographic Labour Mobility, Issues Paper*, July 2013, p. 5.

17 per cent of residential movers. People moving for work reasons are more likely to move longer distances.”⁴⁰

Young people aged between 25–29 year olds are twice as likely to move as the overall working-age population.

Despite heavy promotion of relocation schemes, with generous subsidies attached, such programs have met with limited success. NWRN notes that the take-up of the program was less than anticipated, but this was neither unexpected nor cause for concern. Moving interstate is a major decision, and not all jobseekers would be willing and able to pack their lives in a few suitcases and move away from family, friends and surroundings.

Housing costs and housing affordability obviously has a significant impact on the capacity to relocate, and this issue can influence decisions to relocate. Many people, and single parents in particular, relocate in an attempt to find affordable housing.

It is important that relocation options remain voluntary.

The current settings around Rent Assistance should be reviewed, including the rate, the method of indexation, and the impact of the ‘sharers’ rate on young people. The Productivity Commission is well-placed to further investigate these issues and report on how policies can be improved to address affordability issues, which encouraging people to voluntarily relocate.

9. Chapter 7: Building Employer Demand

NWRN endorses the proposal for the 4 per cent Commonwealth Government procurement target from Indigenous owned businesses and the enforcement of Indigenous employment levels in contracts.

We also welcome the recommendation for contracts with the top 200 companies in Australia to increase Indigenous employment to 4 per cent, including 26 week retention payments.

Further, NWRN supports the Commonwealth public sector employment target of 4 per cent, with accountability and reporting measures. While targets are important, it is also just as critical that Indigenous Australians are provided with greater opportunities and support to have careers and can move out of entry level positions as appropriate. NWRN suggests that the Government adopt a similar target for the employment of Indigenous people with a disability, with similar reporting and accounting measures attached.

The report recommends the creation of tax free status for Indigenous businesses and social enterprises. This is not supported by the NWRN.

⁴⁰ Ibid, p. 7.