



Melbourne Citymission
Building Inclusive Communities

Work Choices or Justice at Work?

The Welfare reform legislation is part of the public policy divide that has been a key feature of this federal government. The public policy divide is about two sets of rules. One for people in our community who are on low income and another for people who are on high income, who can afford to have choice in the newly created two tiered system that now exists, particularly in the areas of education and health.

Welfare Reform is not about assisting people who are unemployed to gain more skills in order to improve their employability. It is about forcing people into low paid insecure jobs, (welfare reform is intrinsically linked to the Work Choices legislation), it's about lowering income support for people on the parenting support payments and people who are on disability support pension or forcing unemployed people off income support all together.

For instance if you are on income support from Centrelink the activity requirements that you need to fulfil, in order to keep receiving your income have changed. These activities now don't have to have a labour market focus and government, Centrelink and community sector organisations have much more discretion around setting these activity requirements. This will mean for the very long term unemployed, if you have completed 2 rounds of customised assistance from the Job Network, you will be tested to see whether you are genuinely interested in working *or whether you have formed a pattern of "work avoidance"*. If you pass this test you will continue to receive the standard service from the Job Network agency, but if you fail you will be expected to participate in full time **work for the dole** (WFD) program for at least 10 months or more - the length of time is discretionary - it's up to the Job Network agency and Centrelink to determine how long you'll be doing this. The government quite openly states the WFD is not about employability it is about keeping people active, it's about giving something back in return for support and building the work ethic. If you refuse to participate in WFD you will have your income support stopped for 8 weeks.

The welfare reform agenda is also about **extending this new compliance regime to the most vulnerable in our community** people who are dealing with a range of issues such as homelessness and mental health.

For example young people participating in the JPET programme, which is for homeless young people, are now subject to this new compliance regime, which means if they do not contact their JPET service for 6 weeks, their payments will be suspended, and if they can't demonstrate that this was due to being in a "vulnerable situation" (as determined by Centrelink) then this means payments could be stopped for 8 weeks. How much more vulnerable do you have to be than being homeless, because that's what JPET is about.... supporting young people who have no family or social networks.

This compliance regime (of stopping income support for 8 weeks) also extends to people who refuse a job offer or are dismissed from employment due to misconduct *or are dismissed from a "Suitable job"...* or leave a job voluntarily. Essentially people will be trapped in low paying work, because if they leave their job they face 8 weeks without income. The reduction in wage levels has already begun ...since the introduction of the Work Choices legislation 6,263 Australian Workplace Agreements have been lodged and of these 63% have cut penalty rates, 40% removed public holidays and 16% have removed all protected Award conditions.

If you find yourself in the position of having your payment stopped for 8 weeks, you may be referred to the new **Financial Case Management Services** which is currently being tendered out by the federal Govt. This service is for people with, (as Centrelink documentation states), “vulnerable dependents” and those assessed as “exceptionally vulnerable”. The service provider will discuss with you your existing expenses; the essential expenses and payment options, and then recommend to Centrelink’s new **“Participation Solutions Team”** which essential expenses should be paid on the person’s behalf.

What is this all about?. We know it’s about ideologythey know what’s best for you and if you don’t fit into the activities they believe you should be participating in, such as WFD, then you will be punished. It is not about addressing the barriers some people may face re accessing education, training and employment – barriers such as not being able to afford to attend education and training. This is evidenced by the lack of investment in these areas. There has been minimal investment in vocational training courses and life skills programs – *a consequence of this is that there is a 6 month waiting list for pre-apprenticeship courses in skill shortage areas such as carpentry and electrical.* The federal government had an opportunity in the last budget but chose tax cuts instead. The areas the government is investing in and is expanding are programmes like WFD. Even if you are able to access education and training this may not satisfy the gov’t’s activity requirement to receive income support.

It is also about monitoring your every step. The likely introduction of the “smart card” (which will carry a range of personal data) will be essential for people who need to access government services and they are in the main people on low income. When the politicians talk about the benefits of this smart card they talk about reducing social security fraud, which is nonsense. A report recently commissioned by the ALP reveals that every dollar spent on catching people defrauding the tax office brings in \$7.53 while the government will recover just \$1.94 per dollar spent on welfare fraud, because more often than not it isn’t about fraud it has been about a Centrelink overpayment. There is even a government website devoted to informing Centrelink about welfare fraud. You don’t have to provide your name if you are dobbing but the site elicits very personal information about suspected defrauders.

Shaun Carney wrote in last Saturday’s AGE that the introduction of Work Choices legislation in good economic times essentially means that the government is cutting in to people’s pay levels not because they have to, it is because they want to.

Perhaps I am reading too much into all of this but I believe this is **an attack on civil society** and so it brings me to question what sort of community do we want to live in and what is the role of a community sector organisation?

I am sure most of our mission statements talk about providing a voice for disadvantage people – advocating on behalf of the disadvantage – but are we just an agent of government??

We are all challenged by the sheer fact that we are engaged in a dual role of delivering govt funded programmes as well as having an advocacy role, How far are we willing to be compromised. Community sector organisations deliver WFD, the Job Network now. The first compromise may have been to tender for these programmes in the beginning, but what about now with the introduction of the welfare reform legislation and the workchoices legislation. Delivering these services means that community sector organisations are part of the new compliance regime.

I think we need to get back to basics in terms of why we exist. When are we going to stand up and be counted? This is the time for the community sector to unite around these key public policy issues. It is not just about tweaking around the edges of the service system. It’s bigger than that. We need to speak with one voice about, for

instance, abolishing the compliance regime, advocating for people's rights to a liveable wage and to support and encourage people who are disadvantaged in our community to tell their own stories.

We need to pool our resources to conduct further research into this area in order to provide the evidence/the facts about the welfare reform and work choices legislation and the impacts on our community. Or maybe even just refuse to deliver these services. MCM delivers the JPET programme that is about to be swept up in this new compliance regime. We will be forming alliances across the country with other community sector organisations and meeting with Ministers and bureaucrats stating that JPET clients should not be part of this compliance regime and that's why we are also *working in partnership with unions through Union solidarity to hold the government accountable.*

But at the end of the day if it becomes clear that this is not going to happen we will do just that ...hand JPET back.

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