



# Australian Council of Social Service

24 September 2014

Employment Review Taskforce  
Department of Prime Minister and Cabinet  
PO Box 6500  
CANBERRA ACT 2600

by email: [indigenousjobsandtrainingreview@pmc.gov.au](mailto:indigenousjobsandtrainingreview@pmc.gov.au)

Dear Taskforce,

Thank you for the opportunity to provide a short submission in response to the Andrew Forrest review of Indigenous Training and Employment Programmes. The Australian Council of Social Service (ACOSS) welcomes the Forrest report's emphasis on early learning and demand led employment, however we are deeply concerned by the far reaching nature of the report, including a number of significant proposed changes to the social security system that lack a thorough evidence base.

## **Proposals we support**

The report's focus on early childhood investment is a positive step, including the proposal for comprehensive case management for children aged 0-3 years who are identified as being vulnerable. This emphasis reflects the substantial evidence base highlighting the importance of early childhood intervention, education and care in determining long-term educational and employment outcomes. Given this evidence, it is deeply concerning that the Government is proposing to withdraw funding from thirty-eight Aboriginal-controlled child and family centres across the country.

ACOSS also supports the proposal to provide schools with extra support to engage with parents and broader community to deliver responsive services. We have long argued that part of the solution to improving school attendance is to improve the engagement between schools, parents and the broader community.<sup>1</sup>

The Forrest report highlights the effectiveness of demand-led employment models. We welcome this emphasis. Demand-led or partnership based employment models should effectively link employment services with employer needs and redirect funding to more targeted training and in-job support. This has been a focus of ACOSS' work with the Business Council of Australia and the Australian Council of Trade Unions and our detailed proposal a new partnerships model is attached.

Other welcome proposals in the report include setting a 4% target for the employment of Aboriginal and Torres Strait Islander people in the public service within 4 years, and imposing procurement requirements on the Commonwealth Government to purchase products from Aboriginal and Torres Strait Islander enterprises (4%).

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<sup>1</sup> See for example, ACOSS submission on the School Enrolment and Attendance Measure (SEAM) which cites research by Behrendt and Withers:  
[http://acoss.org.au/images/uploads/ACOSS\\_Submission\\_on\\_Schooling\\_Requirements\\_Bill.pdf](http://acoss.org.au/images/uploads/ACOSS_Submission_on_Schooling_Requirements_Bill.pdf).



## Proposals we oppose

While the report contains a number sound policy proposals that will make a real difference, the potential benefit of these policies risks being undermined by a number of damaging proposed changes to the social security system.

One recommendation that ACOSS is particularly concerned by is the Forrest Review's proposal to introduce a 'Healthy Welfare' card. The card would apply to the total income of all payment recipients (except veterans and age pension) and operate like an EFTPOS card. However, like income management, individuals using the card would be unable to purchase prohibited items (proposed to include alcohol and gambling products). While there are a number of differences between the way the proposed Healthy Welfare card would operate compared to the current Basics Card, we do not consider these differences to materially change the nature or impact of the card. The key differences include:

- the mode of delivery: the Healthy Welfare Card would be a regular EFTPOS card and would not require shops to install a specific operating system, unlike the Basics Card. It is unclear whether the card would have a distinctive appearance that would differentiate it from other cards or not (the Basics Card does);
- the proportion of income subject to controls: the Healthy Welfare card would subject 100% of income to income controls, with no funds able to be accessed as cash. By comparison, the Basics Card enables individuals to access 50% of their funds as cash, with the other 50% subject to income controls (except in particular circumstances, like under the child protection model, where the income controlled proportion is higher).

We have attached a summary of the impact of income management in its very forms to date. The Forrest Review report provides its own summary of impacts to date, stating that:

*"Income management was widely regarded as very helpful for vulnerable people, enabling them to manage their budgets, save for expenses and stay in stable housing. However, it is complex, it can be considered paternalistic and comes with a cost that renders it unsustainable and unsuitable for broader application.*

*While income management is useful to stabilise an individual's circumstances, it can make transitions off welfare and into work more difficult. An alternative that provides similar support for welfare recipients but includes them in the country's mainstream banking and financial services system will do much more to build financial literacy and independence."*

The attached summary of published academic evaluations shows that income management has failed to effect long-term changes in behaviour or outcomes, despite the high cost of the policy. Controlling the way that individuals can access and spend their income removes individual autonomy and decision-making and imposes unnecessary bureaucratic controls on the lives of people reliant on income support. The Healthy Welfare card is, if anything, a more interventionist and controlling model given it would subject all income to controls. The fact that it can be delivered through mainstream banking systems does not change this, though it may address some implementation complexities. At the same time, it will create other significant logistical and practical challenges for individuals forced to live without cash in communities in which the cash economy continues to be significant. These individuals may have difficulty making small purchases without cash (many retailers require a \$10 minimum spend), will be limited to shopping at retailers with EFTPOS facilities (which will exclude many smaller and second-hand retailers), will make payment of



small expenses associated with children's education difficult (payment for excursions, purchases at the school canteen) and will preclude individuals from accessing services or products requiring cash (parking metres, shopping trolleys, laundromats). In short, it will constrain choices and make life more difficult. It would send a message that income support recipients cannot be trusted with cash. As outlined in the attached, direct investment in frontline support services which address underlying issues – health and mental health problems, alcohol and other drug use, financial management and family violence - would provide a much more effective and cost-effective alternative.

We are also concerned by a number of other income support proposals in the review report. The recommendation to withdraw Family Tax Benefit payments to families if children are not meeting school attendance targets would inflict further pain on families struggling to cope and do nothing to address the complex issues these families may be facing. Proposals to make it harder for young people to access vital income support by requiring that Youth Allowance recipients be endorsed for eligibility by a school principal are also inappropriate. Eligibility should be based on need, not principal discretion. Further, the recommendation that all of Centrelink's discretion to waive job seekers' obligations and grant exemptions or transfer to non-activity tested payments be removed (for 'capable people') would be extremely detrimental for many people, especially those experiencing complex issues like family violence or homelessness.

We are deeply concerned by the hard-line and counterproductive approach the review has taken to people who are out of work, including the proposal to make work for the dole mandatory for all job seekers. We need to move beyond stereotypes about welfare recipients and towards social security and employment policies based on consultation, partnerships and evidence. We have consistently highlighted the previous failure of work for the dole programs to transition participants to work, despite its high cost. At least \$1,500 per person is being invested in this program despite less one in four jobseekers getting a job after Work for the Dole. Extending a costly and intrusive system of income control and expanding the failed Work for the Dole program would risk undoing all the good work that could be achieved by the adoption of the positive measures in this review.

ACOSS strongly believes that our income support and employment systems should be non-discriminatory in design and implementation and be based on evidence of what works to assist people into work. We urge the government to review the evidence and engage directly with communities in determining employment and education pathways for Aboriginal and Torres Strait Islander people, and all those in our community facing barriers to participation.

Thank-you for the opportunity to provide comment on the Forrest Report. If you require any additional information regarding this submission, please do not hesitate to contact Jacqueline Phillips, ACOSS Director of Policy, on 02 9310 6200.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'C Goldie', written in a cursive style.

Dr Cassandra Goldie  
CEO, ACOSS