

Employment White Paper consultation

Antipoverty Centre submission | 7 December 2022

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Acknowledgement of Country

The Antipoverty Centre acknowledges the original peoples of this unceded continent, who have been custodians of Country for thousands of generations. First Peoples have connections to place, land, waters and community that have been unbroken for 120,000 years.¹ We recognise Indigenous sovereignty and the cultural significance inherent in these connections; historical and contemporary.

We pay respect to Elders past and present and stand with all First Peoples in the quest for land back, self-determination, justice and truth-telling in the face of ongoing colonial violence, including that inflicted through racism in the welfare system, carceral system and labour market.

About the Antipoverty Centre

The Antipoverty Centre was established to counter problems with academics, think tanks, bureaucrats and others in the political class making harmful decisions on behalf of people they purport to represent. We are activists, advocates and researchers with lived experience of poverty and unemployment.

We defend and fight for the rights of people like ourselves who experience violence at the hands of an economic system designed to oppress us. It is our mission to shift how people speak about and respond to poverty and unemployment in this country. We work closely with peer support groups, activists and grassroots civil society organisations to complement their work. Our goal is to help ensure the voices and rights of people living in poverty are at the centre of social policy development and discourse. We believe there should be no decision made about us without us.

¹ Bowler J, Price D, Sherwood J and Carey S (2019) 'The Moyjil Site, South-West Victoria, Australia: Fire and Environment in a 120,000-Year Coastal Midden — Nature or People?', *Proceedings of the Royal Society of Victoria*, 130(2):71–93, publish.csiro.au/rs/rs18007, accessed 8 October 2022.



Introduction

This submission addresses issues facing people on the lowest incomes, in and out of paid work.

Employment policy does not exist in a vacuum.

Politicians must acknowledge that unemployment is structural and stop blaming individuals for the results of government-mandated macroeconomic policy. The reserve army of labour should not be punished for playing the wage-suppressing role policymakers thrust upon us. Conversely, when the choice is made to drive the unemployment rate down, disabled people and others with barriers to employment must not be forced into inappropriate or unsafe jobs to plug gaps in the labour market.

Unemployed people are the most important stakeholders in employment policy because we are the ones you are failing. The existing approach to welfare and the labour market is harming and killing people on low incomes. It is not good for those of us you hurt and nor is it good for our communities.

The government does not get brownie points merely by allowing us to have our views on record or tokenistic consultation. It is meaningless unless you listen. And who you choose to listen to matters. We and others have shared these same ideas before in countless consultations. Time and again you ignore what unemployed people – the real experts – have to say, and instead devise technocratic non-solutions, creating a veneer of action simply to avoid doing what is obvious and necessary.

Policies for unemployed people must be designed by unemployed people, not those who speak over and for us.

All employment, training and related programs must be supportive, non-compulsory and non-coercive. Jobs must be safe – physically and psychologically. No one in paid work should earn subminimum wages. And no one should be forced to work unpaid.

To ensure every person has an equitable opportunity to secure a sustainable job, access to housing, healthcare and education must be truly universal. Every person must be able to meet their needs, including with financial assistance to ensure that no one lives in poverty.

Barriers to employment

Poverty

One of the greatest barriers to work, and the most easily addressed in broad terms, is poverty. Without secure housing, enough to eat and essentials like whitegoods, electricity, water, internet, technology and transport, it is near impossible to do what's necessary for an employer to view you



as “job ready”. On top of this, the health costs of poverty make it difficult to maintain the physical or cognitive energy needed on the job. Three contributors to this submission describe the complex and intersecting factors that hold us back when we cannot meet our basic needs (see [below](#)).

To protect against and overcome poverty as a barrier to employment:

- Social security payments can easily and must urgently be lifted to at least the Henderson poverty line, which is currently \$617 a week. Currently, people receiving the base JobSeeker rate of \$334 a week are 46% below the poverty line. Unemployed people on Youth Allowance receive as little as \$157 a week.
- Centrelink payments must be available to everyone who needs income support.² This means removing the partner and parental income tests, which create the conditions that lead to violence and also trap people living in violent homes. The welfare system should treat every adult as an independent person, and not force us to become a burden on family and friends, stretching limited resources even further.
- Compulsory income control programs for welfare recipients such as the BasicsCard must be abolished in all forms.
- All refugees and people seeking asylum must be eligible for welfare payments with the same restrictions as full citizens.
- To ensure that migrants are treated fairly and can have confidence moving to Australia for a job, people on working visas must have access to income support.

The income free area and taper rates applied to welfare payments must be adjusted to ensure people who rely on income support and have a job do not suffer severe financial penalties. Low paid workers who also rely on a social security payment are taxed at the highest rate in the country, with people losing 79% on their employment earnings between \$350 and \$650 per week.

Income support above the poverty line will also reduce fear among low paid workers, increasing their confidence to push for better wages and placing upward pressure on wages for the lowest paid jobs, in turn boosting gender pay equity.

Structural

Many barriers to paid work are structural and complex. They include social discrimination and exclusion on the basis of disability, race, gender, caring responsibilities and many other factors, as well as the mismatch between available jobs and their suitability for the people available to work.

² Many people are excluded from social security payments altogether based on discriminatory rules, while others fall out of the system due to its complex and punitive nature. Basic Rights Queensland told the Senate Standing Committee on Community Affairs at a hearing for the inquiry into the extent and nature of poverty in Australia that 14% of clients on their caseload have no income at all. The hearing was held in Brisbane on 6 December 2022. The Hansard transcript is not yet available.



It is essential that no one is punished for not having a job, but it is particularly cruel when a person is excluded from the labour market as a result of prejudice or employers' refusal to create a supportive and accommodating work environment.

Job customisation and job carving support must be available to people looking for work and prospective employers, as well as meaningful career exploration assistance from skilled and qualified workers. While these approaches are generally discussed in the context of improving employment outcomes for disabled people, they have the potential to benefit people excluded from the labour market for other reasons, and should be universally available.

Please refer to the following submissions (enclosed below) and their recommendations related to addressing structural employment barriers:

- Antipoverty Centre and People with Disability Australia joint submission to the Department of Social Services review of Disability Employment Services.
- Antipoverty Centre submission to the Senate Select Committee on Work and Care.

Sustainability in work

There is no such thing as a sustainable job that does not pay someone what they need to live. Any business that cannot afford to provide sustainable jobs for its employees is unviable and should not exist.

A robust social safety net is the best protection against exploitative employers and unliveable wages. At present, the welfare system is not only failing to offer this protection, but actively undermining wages and conditions through forced labour programs like Work for the Dole and compulsory "volunteering". These issues are exacerbated by subminimum wage work being performed by incarcerated people and those employed in Australian Disability Enterprises.

It should not be legal to pay any worker below the mainstream minimum wage.

Please refer to our submission to the Education and Employment Legislation Committee inquiry into the *Fair Work Amendment (Equal Pay for Equal Work) Bill 2022* (enclosed below) for further information and recommendations regarding coercive subminimum wage work. In particular, we urge the government to adopt our proposal for a sustainable transition away from Work for the Dole and to work with Inclusion Australia on a 5 year transition plan for ADEs.



Junior rates

There is no excuse for wage discrimination on the basis of gender or disability, just as there is no excuse for discrimination on the basis of age.

Employers are already able to pay people a lower wage while they are in training. Once a person is trained and able to do a job they should be paid the same wage as anyone else doing similar work.

The argument that junior rates are necessary to create opportunities for young people ignores that this is just shifting the problem. When young workers age out of junior rates they then lose some or all of their employment.

Junior rates should be abolished, coupled with strong oversight of organisations paying a significant proportion of their workforce on training rates, or with employees kept on training rates long-term.

Hiring subsidies

Hiring subsidies are known to be largely unsuccessful. The most embarrassing recent example was the Morrison government's JobMaker Hiring Credit. In Australia there are a large number of targeted hiring subsidy programs, which consistently fail to achieve the expected uptake, and do not lead to ongoing employment.

If hiring subsidies are to be used, they must place obligations on the employer to hire people in a permanent role, whether part-time or full-time. Alternatively they should include a requirement for the employer to sustain casual work at a similar level for a minimum of 6 months beyond the life of any subsidy, with the subsidy to be repaid if this requirement is not met.

Please refer to the Disability Royal Commission February 2022 hearing on Disability Employment Services, which explores at length how hiring subsidies are used to exploit disabled people.³ The Antipoverty Centre has received widespread reports of similar employer behaviour towards people who qualify for age-based subsidies.

Valuing all contributions

The current obsession with full employment undermines and devalues the labour of people working to care for each other and the environment to the benefit of us all.

Unpaid work is a social good. The whole community benefits from and relies on unpaid labour to sustain our society and economy. But unpaid work is currently unsustainable for the health and wellbeing of those who do not have access to wealth, and for the people they support.

³ Access via: disability.royalcommission.gov.au/public-hearings/public-hearing-21



To improve outcomes across the workforce, including gender equity and labour force participation, the government must value and support unpaid work, including through the income support system. In addition to ensuring parents and other carers have access to a liveable income, the punitive ParentsNEXT program must be abolished.

Please refer to the Antipoverty Centre submission to the Senate Select Committee on Work and Care (enclosed below) and its recommendations.

Skills and training

We know our own needs

Participation in programs and access to services to overcome employment barriers must not be forced or coerced. The punitive Targeted Compliance Framework and “mutual” obligations are failing and must be abolished. These services are causing immeasurable harm, as demonstrated in the Senate Standing Committee on Education and Employment inquiry report *Jobactive: failing those it is intended to serve*. All fundamental problems in jobactive have been retained in the new Workforce Australia regime, first and foremost its compulsory nature. Widespread media reports and the work to date of the Select Committee on Workforce Australia show that the same harms persist.

Segregated employment and training services that are restricted to people on social security payments do not deliver quality outcomes. To improve quality, all services must be open to universal access, with eligibility for targeted programs to move away from a deficit approach that seeks to “fix” a problem.

The privatised employment services model, including the patchwork of dodgy training providers, obscure hiring subsidies and work experience programs that do not lead to jobs, must be scrapped. Replace this inefficient, ineffective and harmful system with universally accessible, high quality employment services and work experience programs delivered by the public sector.

The Antipoverty Centre welcomed our inclusion in the Department of Employment’s work to develop a new work experience program. All services and programs intended to serve unemployed people should be developed with and for us, and we should play a key role in ongoing oversight.

Within a holistic employment services and employment program ecosystem, the government should support and enable locally developed and led training and employment projects. This should include assistance for the development of worker-owned cooperatives.

Cooperatives are underutilised in Australia, and provide an opportunity for community members to work together on job customisation and job carving to develop jobs that match their skills and



capacity. Cooperatives provide workplace flexibility and autonomy in a supportive environment, which are particularly beneficial for disabled people and carers. These benefits cannot be gained through the current variety of programs pushing people towards individual self-employment.

Please refer to the Antipoverty Centre and People with Disability Australia joint submission to the Department of Social Services review of Disability Employment Services (enclosed below) and its recommendations related to the design of a supportive employment services system. Many of the recommendations in this submission are applicable to mainstream employment services.

Stop punishing people for study

Students are the workforce of the future, but studying has become a luxury many cannot afford, and opportunities for advancement or reskilling are increasingly inaccessible.

Students need agency, independence, and the ability to focus on the work they are doing to develop their skills and lay the foundations of a career. The low rate of student payments forces students to choose between poverty or dependency, or prevents them from pursuing study at all. Students must be supported and not forced to take on employment for survival while studying.

Please refer to the National Union of Students and Foundation for Young Australians report *Locked out of Youth Allowance: Student poverty and Centrelink in Australia*.⁴

Poverty: creating and entrenching barriers to work

Capable and motivated people are trapped in poverty and struggle to find and maintain employment because of our failing welfare system. Below are three contributions that demonstrate the severity of impediments created by lack of access to secure housing, free healthcare and unliveable social security payments.

Mel Powersmith

I'm 32 years old. I'm flat out doing my PhD in sociology as well as working as a casual research assistant. My PhD looks at people's experiences of home and home making living in residualised social housing. I'm also on the DSP. I have lived on what is now called JobSeeker as well as Youth Allowance. My life was merely about survival and I felt as if I had no future until I received a payment closer to the poverty line.

⁴ Access via: changetheage.asn.au/research



Over my life, I've made it from living on Newstart and Youth Allowance to living on the minimum wage, which is better than what some people get, but it was hard to get here. Due to income testing on the pension, I only end up slightly better off [as a result of working]. People with disabilities are underemployed and this policy punishes us for working. This policy hurts people on low wages the most. Even more important would be to make sure that people who cannot work, or can only can work for a limited amount of time, have enough money to live.

I have lived in community housing. I moved into private rental accommodation as soon as I was awarded a PhD stipend.

Unstable housing has impeded my progress in life. During the COVID lockdowns the landlord where I was living as a lodger gained my trust and sexually assaulted me. I ended up having to take 2 years off my PhD due to the deterioration in my mental health. I had to take time off after getting sexually assaulted by my negatively geared, multi property owning landlord.

Australia spends \$13 billion a year on negative gearing but in the latest budget they only offered a paltry A\$124.7 million for social housing.

Secure housing gives people better life chances, and underinvestment in public housing has negative consequences elsewhere, such as reduced productivity and increased public health costs.

I am not to blame for my situation. Politicians are worried about so-called welfare dependency but when we try to do something, the system crushes us. But I'm in the unique position of having lived experience while also trying to look at solutions, and I'm determined to finish this damn PhD.

David Wakeham

I was born into a family that awkwardly straddled the line of being lower middle class and poverty stricken. I was eventually put into foster care. When I was released from foster care, I ended up having my first suicide attempts. Due to the embarrassment and my parents being unable or unwilling to continue paying my education, I left home and found myself work.

After years in hospitality, I found myself a role as a retail store manager. Things were starting to improve immensely. I was being headhunted by a few other companies including high salary FMCG position and a career change option as an electrical engineer. Financially I was doing well, having recently purchased a new car and I was able to apply for a mortgage. However, in November 2003 that all changed. Driving home from the city after a night out a man ran a red light and crashed into my car. I had over 43 fractures and an acquired brain injury. I was in rehabilitation for eight years both as an in/outpatient. My work at the time made me sign a new contract which took away 80% of my previous salary, which my occupational therapist convinced me was my best (and only) move. When I sought advice and support for job training, I was constantly denied.



Eventually, I was permitted to seek assistance with the CRS Commonwealth Rehabilitation Service. They told me as I was in a wheelchair the only position I was suited to was a cabinet maker. I rejected this premise and using the little money I had went back to adult education to secure my VCE. I accomplished that, ending up getting a 1st class honours in a BSc Science (Animal Science). I then moved to Queensland to undertake my PhD in Veterinary Microbiology researching antimicrobial resistance. As is often the case my PhD journey took much longer than the three years of the scholarship. I picked up slack doing tutoring. These were only ever casual contracts and eventually mine was not renewed when universities and schools started tightening purse strings.

My GP recommended I go on the DSP. I needed to get my body and my health right. It was their hope that I might also be granted help from NDIS. The entire lengthy process was dehumanising, difficult, embarrassing, and painful. In the meantime, on JobSeeker with mutual obligations I was sent to useless and demeaning employment providers.

I have withdrawn four times in the past two years from my masters due to poverty. I eventually started my own tutoring business to make ends meet. I am actually worse off with the reduction in my DSP. After the floods in late February, my real estate increased my rent twice in a matter of months. I tried desperately to find alternative accommodation. Despite my 5 star rental rating, I was unsuccessful. So now, on my DSP alone I am left with \$177 for the fortnight after I pay rent. I am currently around 5 weeks in arrears. I am just waiting for my eviction notice.

I finally swallowed my pride and sought assistance at Housing Queensland. The first time I tried I was turned away due to number of people requiring help. When I did get an appointment, I was given a very erudite observation. I don't earn enough money. They said I needed to get more clients and then get back to them so they could potentially provide aid.

I have been working 6 days a week as a tutor with one morning per week I volunteer at the wildlife hospital at RSPCA. If I am not working, I am in bed. I am exhausted. Not only because I am doing more than I should, because of the stress of everything else most take for granted. I am making the hard decisions between buying food or medicine. I have not had a pain free day in almost 20 years. I can't afford the treatment so I'll never know if it would work. I no longer go out, I don't date, I don't socialise. I can't afford to. Also, I can't afford not to.

Isabelle Moreton

I have a congenital heart defect, aneurysm of sinus of Valsalva. I got referred to public cardiology in May, then again in July. Both times I was supposed to be seen within one month. I got seen in November, so it took six. If I could have gone private, it would have taken one. The July referral was because I had to be sent to hospital because I had an abnormal electrical pattern that can suddenly become cardiac arrest. I had multiple occasions where my friends were screaming at me to go to



hospital and I just didn't because I knew that the only outcome I was gonna get was another referral, and I couldn't push the public system, and I couldn't afford to go private, so I just figured if God was gonna reach out and stop my heart, He better hurry Himself up.

My degree's useless. I'd like to reskill in something more useful but then I'd be on Austudy. JobSeeker is functionally nothing, Austudy is about 30 bucks a fortnight lower than functionally nothing, placing it at about 51% of the University of Melbourne's poverty line.

I'm trans. Every medication I take is a hormone that cis people get from their bodies for free. On Medi-Cal, which is the public health insurance system of California, where my partner is from, it would also be free.

I want a job. A pretty decent chunk of jobs I'm qualified for demand "own transport". As it happens I do have own transport. It's got some wear and tear and needs fixing, not safe to drive otherwise. On the 2020 rate of JobSeeker I could have fixed it. On the current rate, the chance of that is approximately Buckley's, so it's sitting around collecting leaves and spiderwebs.

But let's say I make it to interview. As a woman, I experience a little thing called appearance-based employment discrimination. Basically, for a woman looking for a job, beauty is mandatory, from man-date, meaning if the interviewer's a man and he reckons he wouldn't want to date me, I can kiss that job goodbye. Cis people have no idea. What most people consciously know about transition still boils down to "the operation," cos they never need to know anything else, but there's this whole swath of pretty foundational transition interventions. This is a problem cos I walk in looking trans and, sure, yeah, maybe. But walk in looking trans and poor, and their first impression is gonna be "There's a tranny who's not trying," and nobody wants a worker who won't try.

Is that ignorant? Transphobic? Unfair? Arguably, all of those things, yeah, but I'm asking them to give me money, so, like it or not, it's my problem. But I'm a long-term beneficiary of social security transfer payments from the Commonwealth, so that also makes it your problem.

Did I mention I've actually got ADHD, so I'm on a Schedule 8 drug for that? That's a drug of dependence. Some GPs will co-prescribe those scripts, plenty won't. Either way you need to get that regularly reviewed by a psychiatrist. Out of pocket that's a couple of hundred bucks.

I haven't made an actual plan to kill myself since I came out and started transitioning two and a half years ago. But, I have seen how this country treats poor people, I've been on the receiving end of it long enough to have had a gutful, and it regularly makes me think death might not be such a bad idea. The policy of the Government, every government in my lifetime, has been to break us down, and then pay someone a hell of a lot of taxpayer money to do nothing except tell us that you're gonna starve us if we don't drag ourselves back up by our bootstraps.



Here are some policy suggestions. You could raise income support payments to the poverty line. We know this is possible because in 2020 we saw you do it. You could replace the existing Centrelink mutual obligations system with high-quality self-guided support, because unlike the existing system, that might actually work. You could undertake to expand the PBS and reduce patient co-pays. Bulk billing's just about dead, but you could resurrect that too. If you wanted.

Cos that's the thing isn't it? "If you wanted". Cos actually it doesn't seem like you do. Parliament could double income support, and the expenditure would be chump change, and it would most likely pay for itself off the first-order economic effects alone. But you don't. And frankly? That's a joke. And it's a cruel one.