

radical proposals for "welfare reform"

The Reference Group on Welfare Reform has released its Interim Report and is proposing a radical shift in the role of the Social Security system.

Under the proposals, most Social Security payments would be activity tested, and the activities required could range from "economic participation" to "social participation".

A person's continued receipt of their "participation support payment" would be conditional on compliance with an agreement negotiated with Centrelink. These proposals are presented as responding to a need to promote self-reliance in the community.

sanctions

The case studies presented in the Interim Report give cause for grave concern. The case studies include a number of people with severe disabilities: for example, a teenager suffering from schizophrenia; another person has an acquired brain injury; and another is a chronic alcoholic. Yet it appears that their continuing eligibility for Social Security in the system proposed by the Reference Group is dependent on their "social participation". For example, in the case of the teenager with schizophrenia, Centrelink continually checks on his attendance at school to see if he is still eligible. The chronic alcoholic, in his first meeting with the Centrelink officer, is persuaded that he should "participate" in a program to fix his drinking problem (if only it was that easy!).

Tucked away towards the end of the report is reference to "sanctions" being imposed if people failed to "socially participate". The "sanctions" aren't defined; nor does the report detail the circumstances in which they would be imposed. However, implicit in the Interim Report is that "sanctions" would be imposed should people fail in their requirements.

The reality is that the vulnerability of the people mentioned in the Interim Report's case studies cannot be over-stated. For the provision of income support to be conditional upon any form of activity for any of these individuals would be risky at best; at worst they would not continue to qualify for a payment and their social problems would be exacerbated by the lack of income support.

social security fundamentals

The Welfare Rights Centre strongly opposes the concept of requiring such "participation" for sole parents and people with disabilities, and cannot accept that the promotion of self-reliance is in any way a function of either the Social Security system or of Centrelink. The fundamental goal of the Social Security system must continue to be the provision of an adequate and accessible income support system.

extending "mutual obligations" – the risks

Our major concern regarding any extension of activity testing and "mutual obligation" requirements is that this would widen the pool of Social Security recipients subject to penalty provisions if requirements are not met.

Both the Government and the Reference Group have stated that people with severe disabilities would not be subject to "mutual obligations" under any new system.

It is a major strength of the current system that people with disabilities and care responsibilities can secure a payment which is not activity tested. Making people with such barriers sign up to

agreements which effectively make income support conditional upon meeting obligations arbitrarily arrived at by Centrelink is untenable, as is the prospect of imposing penalties on such people for non-compliance.

Under the proposals most Social Security payments would be activity tested, and the activities required could range from "economic participation" to "social participation".

review time-frame

We have conveyed our views to the Reference Group and look forward to its final report, due for release in June 2000. We are concerned, however, that the review time-frame is far too short for adequate consideration of the issues.

We are also concerned that the Government has recently announced measures in the Budget which would appear to pre-empt the finalisation of this review, particularly with regard to measures enhancing "mutual obligation". We are disappointed that such measures have been initiated on the basis of the Reference Group's Interim Report, rather than on the basis of a considered analysis of recommendations to be made in its final report. ▲