

Key Policy in discussion	Welfare Reform: A social compact
Portfolio and or agency	Social Services, Services Australia, Employment
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Executive Summary

Women are over half of welfare recipients in Australia. Since the 1980's there have been many attempts at welfare reform and small-scale changes, however the system is designed to disincentivise people from applying for income support. The net effect has generally been to condemn women of all ages on income support to poverty – older unemployed women, homeless women, sole parents and their children, young women in precarious employment, female renters, women leaving domestic violence, and women with disabilities who can't access alternative payments.

Working-age women also face an ineffective and punitive employment service which encourages short-term employment solutions instead of creating viable career pathways. Gender bias in social security obscures the different ways women experience inequality. It does not recognise the value of unpaid care work but rather is based on a conventional view of 'productivity' as paid employment. Women's contributions in the unpaid care economy are not recognised or valued and full social participation is constrained.

Hostile welfare policies are driven by an ideology which sees supporting vulnerable populations as a liability to the bottom line, rather than a way to reduce poverty and uphold human rights. COVID disproportionately affected women negatively. However, the introduction of the Coronavirus Supplement shows the effect that adequate payments can have on the poverty rate, which effectively reduced poverty in Australia by an astounding 33%.

The key lesson for Australia from the pandemic is that the structural changes needed for genuine welfare reform are readily achievable, but will only be supported when the government embraces a gender-driven approach that maximises women's agency and safety.

The National Foundation for Australian Women is dedicated to promoting and protecting the interests of Australian women, including intellectual, cultural, political, social, economic, legal, industrial and domestic spheres, and ensuring that the aims and ideals of the women's movement and its collective wisdom are handed on to new generations of women. NFAW is a feminist organisation, independent of party politics and working in partnership with other women's organisations.

Authorised by the National Foundation for Australian Women, Canberra: President Ms Jane Madden.

Key Questions of concern that need to be addressed

1. If elected, will your Government support an increase in the JobSeeker rate, by how much, and how will you ensure that the rate is regularly reviewed to reflect increases in the cost of living?
2. If elected, what steps will your Government take to address the lack of social housing for people on welfare and affordable housing for other low income households?
3. What steps will your Government take to improve jobseeker services, which are currently provided by disconnected and outsourced services? Will you change the model to incentivise outcomes that meet client needs instead of compliance activities?
4. There is a wealth of data on how women are disadvantaged under the current system. What steps will your Government take to apply a gender responsive and needs based approach to welfare reform?

Details about this policy

Little attention has been paid to how social security and welfare systems and structures are embedded with gender inequalities, exacerbating poverty for women. Structural gender bias is currently hidden by 'neutral' social security and welfare policy. It obscures the different ways women experience inequality, including on the basis of race, disability, class, age, sexuality and/or geographic location. It fails to acknowledge the social and economic contributions of unpaid work, particularly caring work, [which is predominantly done by women](#).

Women are more likely to live in poverty than men, [with 20 per cent of all women living in poverty compared to 17 per cent of men](#). Women also spend more years living in poverty compared to men. It is therefore perhaps not surprising that the [latest data released by the Department of Social Services \(June 2021\)](#) shows that women make up 58% of all payment recipients in Australia.

Single parent families, [83 per cent of whom are female-headed](#), remain the family type who are most impoverished. With the transfer of thousands of single parents to the Newstart Allowance annually since 2007, [poverty has risen for sole parent families from 47 per cent to 66 per cent](#) between 2009 and 2014.

Many single parents have left domestic and family violence, which remains a key driver of poverty. At least [one in six women have experienced intimate partner violence](#). Of these, [over half have left their partner](#) and are often reliant on welfare while rebuilding their life. Women experiencing abuse also often experience – unsurprisingly – [financial stress, disability, unemployment, poor physical and mental health, and low quality of life](#). Experiences of domestic and family violence often continue long after separation, and can disrupt [financial security, employment](#) and [secure housing](#). Many women and children leaving violence are reliant on the JobSeeker Allowance, [which fails to provide the financial support and independence necessary to achieve economic security post-separation](#).

There has been an [alarming increase in older women's experience of poverty](#). After single parent households, older women are both the poorest household type and the most likely to be dependent on income support. For older women, a lifetime of reduced financial security due to

the gender pay gap, interrupted employment, little or no Superannuation and relationship breakdown is being [worsened by the change in the Age Pension eligibility from 60 to 65 years](#) and the increasing number who are reliant on JobSeeker. People aged 55 – 64 are [the age group most reliant on JobSeeker](#), and the age group that remains on the payment longest.

Women comprise the largest providers of [unpaid care](#) in Australia. The [unpaid care economy](#) is largely [hidden](#) due to the lack of recognition and economic valuation. Care for the elderly, people with a disability, and children overwhelmingly falls to women by default, with women often juggling [multiple unpaid caring roles](#). Unpaid caring roles can hinder formal economic recognition, particularly among [First Nations Australians](#).

When gender is overlaid with other identities, disadvantage and marginalisation for women is magnified. This is particularly true for Aboriginal and Torres Strait Islander women, with [approximately 80 per cent of households earning below the national average](#); women from culturally and linguistically diverse communities (CALD) or recently arrived in Australia, who [have difficulty accessing services](#) and are [often banned from accessing welfare for up to 4 years](#); women with disabilities, who experience [higher rates of poverty and lower rates of employment](#) and with [reduced participation in the NDIS](#); and women who identify as LGBTIQ+, who experience [higher levels of disadvantage](#) and may be [discriminated against in employment opportunities](#). Highly vulnerable women are also more likely to be placed on compulsory programs that limit agency, such as the Cashless Debit Card (CDC) or ParentsNext. Both [ParentsNext](#) and [the CDC](#) have been flagged as potentially in breach of human rights.

In Australia, welfare is a legislated entitlement. However, the focus of addressing the needs of vulnerable people as a societal value and human rights obligation has shifted to a narrow focus on fiscal savings through the provision of one size fits all services, often through outsourcing or privatisation. [Australia is the only OECD country to outsource the entire delivery of publicly funded employment services](#), through private jobactive providers.

The Senate's Education and Employment References Committee's report, [Jobactive: failing those it is intended to serve](#) found that the current jobactive program was failing multiple constituent groups such as people with a disability, those with tertiary qualifications, women, and those over the age of 50. These are the same groups that have been hit the hardest by the pandemic's effect on the job market, and therefore are more likely to be engaging with jobactive providers.

Employment services need a major conceptual and structural shift to a whole of person care model. In addition, the program must be taken out of the hands of private companies. Current incentive schemes do not prioritise the job seeker's wellbeing or long-term employment goals, and this is exacerbated when nestled in a for-profit business model [with a focus on compliance and low-paid employment](#) over creating a viable career trajectory. Compliance systems should be based on re-engagement, not penalties that cause severe financial difficulties or limit access to services as occurs in ParentsNext or income management. In fact, [the compliance framework has been shown to be so counter-productive for those most marginalised from the employment market](#) that it should be removed completely, or limited only to those people who are truly 'job ready.'

All income support payments should be adequate to pay for life's essentials. [These payments should be adjusted for inflation using a viable metric](#), rather than utilising two distinct adjustment systems – one for pensions, which maintains its value, and another for allowances, which does not – which has resulted in unemployment-related payments falling below the poverty line. People with extra costs, including the costs of a disability, the costs of care, and the extra costs of caring for a child alone, should receive supplementary payments in addition to any entitlement they may have to the common income support payment.

The adequacy of allowance payments needs to be addressed urgently. It should be followed by formal welfare reform to overhaul our social security system to make it fit for purpose. The reforms must support women who are performing unpaid work that contributes to the social good by [supporting a healthy economy](#), as well as health, wellbeing, and community engagement. Family violence victim-survivors [require adequate and secure financial support](#) to rebuild their lives and care for their children, [without a punitive compliance framework that reproduces or facilitates abuse tactics](#). An appropriate family violence payment must be part of the government's family violence plan.

A Research report from the Brotherhood of St Lawrence states the case well:

"The crisis triggered by COVID-19 has severely tested the effectiveness of our social security system. The raft of temporary emergency measures introduced since March illustrates the need for ongoing reinvestment and renovation, both to improve the resilience of the system and to build its capacity to provide protection against new economic risks and system-wide shocks, such as those predicted as climate change accelerates" ([Thornton et al, 2020, p. 5](#)).

Australia needs a new social compact. NFAW proposes the establishment of an independent social security commission, reporting to Parliament, with a legislated requirement to undertake gender analysis. Such a commission should be advised by a panel of people with lived experience of the system, and embrace a human rights approach to the social safety net.