

# Budget 2019 – Job seeker and income support

## Job Seeker and Income Support Budget Overview

Measured against the job seeker and income support priorities for women that we have identified, the 2019 budget measures are negative. **Individual Budget measures are examined in the Budget Measures table below**, but overall nothing has changed in government policies despite strong Senate Inquiry reports on both Jobactive and ParentsNext which question their efficacy.

## WHY IS THIS AN ISSUE FOR WOMEN?

- The Federal government has a strong focus on supporting women into the workforce, particularly single mothers. Their primary method for doing so has been to keep the Newstart payment artificially low (currently below the poverty line), increase compliance requirements for receiving income support, and take a punitive approach to people who receive income support payments.
- Single mothers who are in receipt of income support payments are required to engage with Jobactive, the job placement providers which are contracted (outsourced) by the Federal government. Many single parents with children under the age of 6 years are now required to engage with ParentsNext, a ‘pre-employment’ program which primarily targets single mothers, early school leavers and Aboriginal and Torres Strait Islanders. The combined strategies of impoverishing single parent households, controlling and oppressing single mothers through high compliance hurdles, and enabling contractors to cut payments to single parent-headed households for non-compliance is leading to
  - ❖ increased poverty levels for these households (including a marked increase in child poverty levels and an increase in homelessness rates),
  - ❖ an increase in single mothers being forced into precarious, part-time or low-paid positions rather than preparing for and entering into positions that offer a viable career pathway and improved financial security for their households, and
  - ❖ eroded wellbeing, increased stress and other health-related negative impacts.
- These negative impacts are particularly harmful for women who have experienced forms of domestic violence, who have a disability, who experience poor physical or mental health, who have onerous caring duties, who are Aboriginal or Torres Strait Islander, and/or who have recently arrived in Australia.

## BUDGET MEASURES

The following table sets out the priorities identified by NFAW and the relevant 2019 budget commitments.

NFAW priorities	In 2019 budget?	Comment (if any)
<b>Government respond positively to the <a href="#">Raise the Rate campaign</a> spearheaded by ACOSS, which has wide support and proposes a \$75 per week increase in the Newstart Allowance.</b>	No	
<b>Government Welfare to Work policies should not be punitive, and that people who are not well situated to engage with paid employment should not be required to engage with them.</b>	Partial	Overall there has been no movement on the Government's position on the punitive nature of Welfare to Work policies. However, they have provided an extension for newly-arrived people, from 6 months to 12 months, before they are required to engage with jobactive in order to maintain their income support payment. This is a small win.
<b>Engaging with both jobactive and ParentsNext should be voluntary.</b>	No	
<b>Government should not contract service providers who engage with highly vulnerable populations without proper training or resources.</b>	Partial	There is no commitment to overhaul the contracting process. However, the Government has acknowledged that some providers may not be implementing the program properly, and has provided further clarity and direction to providers on some points. Further, Government committee members have signed on to the ParentsNext inquiry report recommendation that providers need proper training to work with vulnerable people or, failing that, refer them to a specialist.
<b>A stronger focus on taking a client-centred approach to supporting people into paid employment, including facilitating and assisting with the cost of furthering education or training, and ensuring a wider scope of employment contacts that are not precarious in nature.</b>	No	
<b>The social safety net should prioritise keeping women and children who have left violence and abuse safe. Current policies often put them at risk.</b>	No	While addressing various forms of domestic and family violence are a key platform of the budget, the initiatives are siloed from other policy areas which place women at risk, including compliance requirements and sub-poverty income levels.
<b>Recently-arrived women and children need full access to the social safety net.</b>	Partial	There is no mention of lifting the 4-year waiting period for recently-arrived people to access income support. However, extending the amount of time that newly-arrived people can access income support without engaging with jobactive, from 6 months to 12 months, is a welcome change.

**Indigenous women and children should not be specifically targeted for highly punitive approaches to income support. Rather, Indigenous populations should be facilitated to create their own support pathways.**

No

**Other budget measures**

Measure	Comment
<p><b>The budget includes \$249.8m over 5 years to pilot a new employment services model. This is a digital reporting process for people who are on income support to report their fortnightly earning.</b></p>	<p>It is difficult to assess the pilot with little information. However, there is a danger that it will increase jobactive clients' need for self-vigilance and self-reporting, at a detriment to their mental health and increased risk of being non-compliant.</p> <p>Because this system acknowledges that many people on income support are also wage earners, it raises the concern that the Newstart Allowance, as an unemployment payment, is not fit for purpose for many people. As such, there ought to be a review to determine better methods for supplementing underemployment and casual employment.</p>