

3 August 2017

Committee Secretary  
Senate Standing Committee on Community Affairs  
PO Box 6100  
Parliament House  
Canberra ACT 2600

**Re: Social Services Legislation Amendment (Welfare Reform) Bill 2017**

Dear Secretary

Mission Australia is a national non-denominational Christian charity that delivers evidence-based, client-centred community services. Our goal is to reduce homelessness and strengthen communities across Australia. In the 2015-16 financial year we supported over 130,000 Australians through 452 programs and services. We work with families and children, young people and people experiencing homelessness and also provide specialist services for mental health, disability and alcohol and drug issues. We stand together with people in need until they can stand for themselves.

I am writing to the committee today to register Mission Australia's opposition to many of the measures in the Social Services Legislation (Welfare Reform) Bill (the Bill) that cut \$.478 million from social security payments over the forward estimates. While the Bill simplifies some payments, it also makes it more difficult for people to access payments and tightens compliance arrangements which could push people who are already struggling into further poverty.

In addition, the proposed legislation puts unwarranted pressure on people struggling with addiction by introducing drug testing trials and limiting mutual obligation exemptions, despite the lack of treatment availability and absence of evidence that such a punitive approach will assist people to recover or to gain employment.

In particular we are opposed to:

- The proposed changes in Schedule 10 that delay the start date for some participation payments which could impose substantial waiting times for people who are otherwise eligible for payments. This has the potential to leave people in vulnerable positions and at risk of homelessness while waiting for their income support payment;
- The proposed changes in Schedule 11 that remove the 'intent to claim' provisions that currently make allowances for people who are not in a position to complete all the required paperwork in a timely fashion. These are vital protections for people experiencing homelessness; in hospital,

undergoing treatment; with a serious health condition, having acquired a disability; or going through a separation or divorce - all of which make gathering relevant documentation particularly difficult;

- The establishment of a drug testing trial under Schedule 12 which is deeply stigmatising for people accessing income supports and is not an effective avenue to treatment and recovery. Drug addiction is a health issue and should be treated as such by providing effective supports for rehabilitation rather than a punitive approach through social security;
- Removal of exemptions to mutual obligation and limiting reasonable excuse provisions for people with drug and alcohol dependence under Schedules 13 and 14. Mutual obligation requirements should be appropriate to the person's circumstances and as stated above alcohol and drug addiction should be addressed as a health issue, not a compliance issue. There is a real risk that removing exemptions and changing reasonable excuse provisions will result in people with substance misuse issues breaching their compliance requirements and facing harsh and inappropriate penalties; and
- The introduction of a targeted compliance framework under Schedule 15 which removes the ability to avoid a payment penalty and removes discretion from employment service providers to determine breaches. We are deeply concerned by predictions that up to 80,000 people will lose at least one week's payment and that some people will lose up to seven weeks' payment, saving \$204 million overall. This will have a significant impact on people and families experiencing vulnerabilities including homelessness and risk of homelessness. We know from experience that many vulnerabilities go unreported in the system and that the compliance framework is likely to have a negative impact on people facing complex issues. Strict sanctions can increase the risks of people becoming homeless and have negative outcomes for their physical and mental health, self-esteem, relationships and engagement with the labour market.

The government should be focussed on supporting people out of poverty, including through the provision of adequate social security payments, not making people wait longer for essential payments or excluding them from income support for long periods through the compliance framework. Further, substance misuse should be addressed as a health issue and not through the social security system as proposed. Ensuring treatment is available when sought would be a much more effective approach to supporting people on their journey to recovery than penalising them through the social security system.

We recommend that the above measures contained in the Bill be rejected.

Yours sincerely



Catherine Yeomans

Chief Executive Officer, Mission Australia