



Homelessness Australia

Creating a framework for ending homelessness

Briefing note on Welfare Reform Bill – February 2018

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Key message

The Federal Government's Welfare Reform Bill proposes to change the way Centrelink operates for many Australians. In the Government's [own words](#) these changes will apply penalties to more income support recipients, whose payments will be more conditional.

The proposed changes are sweeping, and ACOSS estimate that tens of thousands of people will lose income support payments if the changes are adopted. Worryingly, the changes will discontinue important provisions that are regularly used by the people who are most vulnerable.

Homelessness Australia is concerned that the Welfare Reform Bill will lead to a large number of people experiencing homelessness who otherwise would not, leading to a drastic increase in homelessness. For those who are already experiencing homelessness, the system will become yet again more difficult to navigate, and we anticipate a larger number of people experiencing homelessness will lose access to income support.

This increase in homelessness, and the increase in the hardship of people experiencing homelessness is likely to reverberate throughout homelessness services, who will have more clients, deal with more complexity, and unfortunately, will be forced to turn more people away.

Domestic and family violence organisations are concerned that these proposed changes will likely result in some victims not leaving violence or returning shortly after as they cannot secure immediate access to funds. Access to finances and financial security are a major barrier to women leaving domestic violence (DV).

The removal of the safeguards will have a real and tangible impact on safe outcomes for women and children escaping DV in Australia.

Not all victims of violence access refuges or dv support for assistance and many could face the prospect of negotiating this complex system alone. With the national focus on DV, government should be reducing not increasing the complexity of leaving DV.

Below we outline our major concerns with specific measures.

Schedule 10 - Start day for some participation payments (cuts \$198m).

The second biggest cut in the Welfare Reform Bill, Schedule 10 adds to people's waiting time before they can receive a payment. While the change sounds highly administrative (changing the start day for payments from when the claim is made to when the recipient has their first meeting with an employment service provider) it has serious ramifications.

That's because weeks can (and regularly do) elapse while a person's claim is being assessed by the Department of Human Services.

Whereas currently, once the claimant has attended the employment service provider the period since the claim is backpaid, this clause would change that. Remembering that there are already waiting periods based on a claimant's liquid financial assets, this change fails to reflect whether a person has the money to support themselves through this additional period, and instead adds an indeterminate wait based on DHS' ability to process the claim quickly.

Schedule 11 - Removal of intent to claim provisions (cuts \$68m)

This schedule removes legislated protection for people, many of whom are in difficult circumstances, which prevent them from lodging a completed claim. The current Intent to Claim protections ensure that eligible claimants can access a payment quickly even when they face difficult circumstances, including: escaping domestic or family violence, homeless or at risk of becoming homeless, being in hospital, going through separation or divorce, or recovering from natural disaster or fire.

While the Government says that safeguards will still exist for vulnerable people in the form of discretion that DHS staff can apply when considering the circumstances of individual claimants, the removal of intent to claim provisions in legislation means that the safeguard can be removed in policy without parliamentary oversight and is subject to the discretion of individual Centrelink staff. This is a huge reduction in the level of protection.

Homelessness

This important provision is heavily relied on by specialist homelessness services who are assisting clients to lodge their income support claims while in the midst of a crisis.

If adopted, this change will significantly alter the workload of homelessness services. Whereas currently a service is able to prioritise work with a consumer based on their most pressing needs, helping them to stabilise or resolve their crisis, the removal of this provision will mean that the first priority in a service period will almost inevitably be to get documentation to Centrelink.

This will inevitably result in staff having to delay or not attend to assisting with other pressing concerns for a person experiencing homelessness and trauma.

Domestic and family violence

Instead of supporting a women escaping violence to obtain a personal safety order, or to avoid an eviction, or to find safe temporary accommodation, homeless sector workers will need to focus on assisting a client complete the complex paperwork involved in Centrelink processes. This will particularly disadvantage women who cannot safely return to their home to obtain all the necessary documentation.

Schedules 13 & 14 - Removal of exemptions for drug and alcohol dependence and changes to reasonable excuse (costs \$33m)

This provision removes exemptions and reasonable excuse provisions on the basis of drug or alcohol dependency unless the person undergoes treatment as directed by an employment service provider or Centrelink.

This will see employment service providers and Centrelink making decisions as to whether someone needs treatment for addiction. Homelessness Australia believes that decisions about a person's

treatment for drug and alcohol dependency should sit with a medical professional, and not with an employment service provider.

The changes go further than this however. Where a person *has* a recognised reasonable excuse under those that will remain in the Act, it will not be recognised if drug or alcohol use has contributed to this. For example, if a person has been evicted due to drug or alcohol use, their homelessness will no longer exempt them from having work requirements. This measure will result in increased non-compliance and loss of payments.

That drug or alcohol use may be linked to other traumas, traumas which remain exempt from mutual obligation requirements does not seem to have been considered. It appears that this provision will treat drug and alcohol use as a precursor to crisis, rather than as an element of that crisis.

Homelessness Australia advises that if somebody does have a dependency problem, removing their financial support will only deepen the crisis in their lives, not ameliorate it.

Schedule 15 (Targeted compliance framework) (cuts \$204m).

The largest cut in the Welfare Reform Bill, this proposal gives employment services the ability to apply demerits, leading to suspension of payments to recipients without the current oversight from DHS, or the ability to appeal the application of the demerits.

At the moment, job service providers only recommend to DHS whether or not a penalty should apply. They have a high error rate of 40-50%, normally because they have failed to accept a reasonable excuse. It is therefore hugely risky to grant them power to decide whether someone has failed to meet requirements without a reasonable excuse, but this is the power being provided.

Reasonable excuses that might go ignored by employment services providers include where a person is trying to save their tenancy at a hearing, or is trying to secure safe accommodation, or has urgently had to take their child to a doctor. Actions such as these should not see people lose their incomes.

The reality is that most people seeking work fail to comply with their requirements at some stage. People's lives are complicated and mistakes happen. Employment services often fail to pass on information, and it is difficult to get through to Centrelink on the phone to report a reasonable excuse. For people experiencing homelessness or trauma, who may be struggling to cope with everyday life, these factors represent enormous barriers to engaging with the system. This group also face additional hurdles to successfully negotiating bureaucracy, as experiences of trauma often manifest in challenges communicating persuasively and with diplomacy.

If this schedule goes through, the Government estimate that 80,000 people will lose payments in the first 12 months. People who repeatedly fail to comply often have underlying issues that go undisclosed to Centrelink or their job service provider. These people will likely lose their payments.

Further to this, there are no waiver provisions, meaning that people will lose payment regardless of their circumstances, including if they have children, or if losing their income will result in homelessness. Imposing a system whereby tens of thousands of highly vulnerable people lose their payments for up to four weeks (almost arbitrarily) will have a significant impact on the ability of these people to maintain their housing costs, and will inevitably lead to an increase in homelessness and women being driven back to situations of violence.

As with other measures, it will also require a significant refocusing of the work of specialist homelessness services to ensure that meeting mutual obligation requirements is a far greater priority in addressing a person's homelessness than it is currently. This will require more intensive supports for consumers, but with no additional support capacity being funded, support will either not be able to be provided or less consumers will receive support, ultimately resulting in more people turned away from our underfunded services.