



Response to the Interim Report on Welfare Reform

This is a joint response of UnitingCare Australia and National Social Responsibility and Justice, which drew on the work of various agencies, including UnitingCare NSW.ACT.

Mr Patrick McClure
Chair
Reference Group on Welfare Reform
C/- Department of Family and Community Services
PO Box 7788
CANBERRA MAIL CENTRE ACT 2601

Dear Mr McClure

Participation Support for a More Equitable Society: The Interim Report of the Reference Group on Welfare Reform

UnitingCare Australia and National Social Responsibility and Justice (Uniting Church) commend the Reference Group on the publication of the Report, acknowledging the time constraints and the need to address a range of community and government concerns.

The Uniting Church in Australia bases its response to the above Report on its theological foundations. These are expressed in various documents, such as the *Basis of Union*, the *Statement to the Nation 1977*, *Statement to the Nation 1988*, and *Invitation to the Nation 1997*. They can also be found in other documentation published by the church.¹

As part of our response, we express concern that democratic processes have been seriously undermined by the very short timeframe allowed for consultation. This is a very important area for consideration and debate, warranting greater time.

This submission is supported by the many submissions you will have received from other UnitingCare agencies.²

Uniting Church principles for welfare reform

The Uniting Church understands that all human beings are created by God and are intrinsically valuable - not valuable only because of what they do. That is, people are not valuable because they participate in the economy or society - people have intrinsic value. People do not earn their value through social participation. We are social beings, living out our lives within the social constructs of community.

Our Christian theology affirms that we are all capable of doing good, of being responsible, and of contributing to the lives of others. Any nation must be wary of any policy in which it is assumed that those who receive income support or other help are morally deficient compared to others, or that they are responsible for their own situation. Mass unemployment is evidence not of personal moral weakness, but of the moral failure of society, business and government. Therefore an approach to "welfare dependency" which focuses on working only with the individual income support recipient is inadequate - **the causes of unemployment and other disadvantage must also be addressed.**

The Uniting Church theological foundations which identify that we all live by the grace of God, assert there are no "deserving" and "undeserving" poor, or rich. We cannot and do not earn our right to live. Our Christian theology affirms that all human beings are equally valuable, and everyone has the right to the basic necessities of life. In human rights terms, people have a right to basic income support. Current income support payments for students, unemployed

people and sole parents are unacceptably below the poverty line. There are also serious moral problems with imposing financial sanctions on people whose income support payment is already at or below the poverty line.

Having wealth, success and power is not a sign of moral worth, and being unemployed or poor or disadvantaged is not a sign of lack of moral worth. A person's need for income support does not mean they are less morally responsible, or less worthy, than other people. When people are not the cause of their own suffering or disadvantage, then case-managing them is not the solution - the only solution is to deal with the causes, and to place the responsibility on those with power to address **structural causes of disadvantage**.

We value families, children and the parenting role. Caring for children is a valuable contribution to society in its own right and a sole parent who cares for children is an active participant in society. To put conditions on sole parent benefit, or to require a sole parent on benefit to enter into some sort of contract with Centrelink, is to devalue parenting. We believe that in this case the weight of mutual obligation should be on government - it has the obligation to provide an adequately funded JET scheme for sole parents who want to re-enter the work force (an obligation that it has not fully met - JET has not been adequately funded), but single parents do not have an obligation to utilise its provisions until they choose to do so or until their children reach the age of 16 years.

People need to perform worthwhile work as one important way of contributing to society, as well as gaining an income. However, not all paid jobs are worthwhile, and it is inappropriate to expect people to take absolutely any job that is offered to them. There are jobs that cause ill-health or damage the environment, for example. **Paid employment is not an absolute, unalloyed good.** In terms of Uniting Church policy documents, valuable work is that work which contributes to the well-being of humankind, which is "genuine wealth".³ We do not accept the philosophy that any job is better than none. **Some jobs would be better left undone.** Genuine wealth includes material wealth that satisfies basic human needs for housing, sanitation, education, health, etc; technological knowledge; intellectual and artistic wealth of the academy and the community; the biosphere and its web of life; social and political relationships, institutions, customs and traditions; diversity; creativity; time; and individuality. Some forms of paid employment actually destroy these things.

Community is about **interdependence**. It involves reciprocal relationships which are based on **respect and equality of power**. Being part of a community carries responsibilities, but it is inconsistent with a sense of community for a group with power to impose obligations on people without power, as appears to be the case with "mutual obligation". Government can impose sanctions on people who are unemployed, but it is not itself equally subject to sanctions e.g. for failing to ensure there are enough worthwhile jobs. **Forcing people to make contributions that they would have made willingly, given the opportunity, potentially destroys community and individual moral autonomy.** Many unemployed people are willing to work - and individual case-management will not work if there is no job. Many people with disabilities are far more willing to work than employers are willing to employ them. Individual case-management is not an answer in itself, they need the government to case-manage employers who don't understand that people with disabilities also have skills, knowledge and the capacity for work.

Governments have an important and positive role to play in human life, but governments also fail. That is why human rights are so important. It is why governments need to be very careful of paternalistic and coercive policies. It is intrinsic to the role of being in government that one has power, and is "successful". Governments need therefore to be wary of their use of power over those who have little or no political or economic power, and who are marginalised and disadvantaged.

Our vision is one in which all humankind are in community, where all feel equally included, all are respected, all are equally valued, all are equally able to participate, all equally enjoy the fruits of their labours. The wide range of services (many in different portfolios) referred to in the *Interim Report* require adequate funding, and seamless

coordination, not just a policy paper, a Ministerial decree, or minor changes in the income support system or improved staff training.

It is intrinsic to many people's situations that they need a longer, slower journey to health, or need their health to be understood with concepts other than "welfare dependency" versus "paid employment". Some of the scenarios suggest quite unrealistic time frames for people to overcome problems such as divorce and family court issues, mental health problems, addictions or recovery from serious physical injury. Problems such as family violence or sexual abuse are not mentioned. When people face such crises, they often face a number of associated life issues that take time to work through.

A nation will only function well when it is based on both **human rights**, and the responsibility of all to respect those human rights. The international human rights instruments are not perfect, but they are the closest thing the world has to natural law, i.e. an understanding that is common to people regardless of nation, race, culture or religion. Human rights are the minimum standards a nation is entitled to expect of its government. The human right to social security means that basic income support should be based on legislative entitlements, not be dependent on negotiating an agreement with an individual Centrelink worker. **Income support payments below the poverty line are a violation of human rights.**

All professionals who have access to the private details of other people, have an **ethical responsibility to respect the privacy of the individual and the confidentiality of their information**. Income support payments that are conditional on the recipient giving up their right to confidentiality about physical and mental health issues, family problems, legal issues, etc and allowing this to be shared with people who are not chosen by the recipient and who may not have the appropriate professional competence to deal with the particular information, constitute arbitrary interference in their lives and an abuse of human rights.

We see the role of the church and other community agencies is to offer **alternative discourse**, a critique of policy looking not from the viewpoint of those in power, but from those without power, those whose voice is not adequately heard by government. This means that policy must be rigorously evaluated for its impact on people who are poor, disadvantaged and marginalised. The *Interim Report* has appropriated the concepts from church and community lobbying, into a different discourse with different values and understandings of how the concepts work. The *Interim Report* has been written in a framework of the government's ideology and assumptions. Our concepts have been taken over by the dominant discourse, and been changed by it rather than effectively changing that discourse.

The Report

There are many aspects of the Interim Report that as Christians we affirm. The vision of cooperation between various sectors of society, the idea of encouraging participation based on a person's particular abilities, the vision of different services working together effectively for the sake of individuals who need their help, are all positive images. The paper talks about moving away from seeing people on income support as being in some way deficient, to seeing them in a more positive way. There are many aspects of this paper that resonate with what the community sector and the churches have been advocating for many years.

But there are serious problems with the Report. **It appears to be based on a number of assumptions that are not articulated, and that are not consistent with reality.** The scenarios are helpful in understanding the vision, but are dangerous when compared with the reality of how the Report will be implemented. The vision depends on matters that are often outside the scope of the proposed reform, because they involve other portfolio areas, particularly Treasury, finance, employment, education, and health. Questions of ethics in the sharing of information are also ignored. Changes to the Income Support System seem to be portrayed as a panacea that will cure all ills and ends the messiness of human life.

Case studies are clearly manipulated to give the desired outcome without regard to reality, as if case management can control adolescent schizophrenia, enable shorter family court cases, end employer discrimination against people with disabilities, and lead to job creation⁴. The

case studies seem to justify an enormous level of bureaucratic intrusion into people's lives, and to undervalue the role of parenting, especially, but not only, by sole parents. One can only wonder at the claims made in Case Study 1, where Thomas, the adolescent, apparently finds his One to One Centrelink worker (not one to one work with a psychiatrist, or better adjustment of his medication) who enables him to overcome behavioural problems caused by schizophrenia. The Interim Report places too much emphasis on the ability of the Centrelink worker to provide any solution and overcome all obstacles.

The paper seems based on the assumption that "the real problem" lies within the income support system, and that it has not done enough for/with/to **individuals**. In the end, this really assumes that the problem lies with individual income support recipients, who need to have serious coordinated case management.

The paper fails to examine the **causes** of unemployment, the inadequate number of places in many TAFE courses, the loss of large numbers of child care places because of the cuts to government subsidies (which the recently announced funding changes do not restore), or the shortage of adolescent mental health teams, school counsellors, family counsellors, drug and alcohol counsellors, and community mental health teams. The recently announced funding for early childhood intervention programs comes nowhere near what is required for adequate, appropriate services.

The paper does not treat all parties the same way within its concept of **mutual obligation**. Only those on income support have to enter into exacting contracts that control their life and their future. Only they have their livelihood affected by their performance. Only they face the possibility of direct sanctions. While income support recipients have to enter into contracts, government is described as having certain "roles", not obligations. There are two glaring omissions from its obligations - its obligation to be the employer of last resort (instead of work for the dole it could provide part-time jobs - for all) and its obligation to adequately fund the community services, housing, health, education, child care, and community groups that people need (and that are, indeed, their human rights). Business is described as having a role to play, but there is no suggestion of placing any sort of requirement on business to ensure it plays its part, or even of offering business incentives to encourage active participation. That is, "mutual obligation" quickly degenerates into the powerful, i.e. government, making demands on the powerless, but not on business which has both economic and political power.

Perhaps most worrying is the **role that community groups are expected to play**. The paper assumes a strong civil society, with a variety of well-functioning groups in every local community. But it does not address the issue of how community groups struggle to survive. It does not place on government the obligation to invest in social capital by investing in community groups. It does not address the question of why and how community groups function, and what might happen to the ethos, purpose and effectiveness of those groups if they become subsumed into a government system of mutual obligation which assumes the existence of a deserving and undeserving poor, and therefore puts at risk the whole concept of civil society and freedom of association.

In conclusion, we recommend that

The income support system must guarantee adequate levels of income for all Australians. This guarantee must be mandated in legislation. Income support must reflect the diverse, complex and rapidly changing life circumstances of recipients.

Recognition must be given to the numerous forms of social and economic participation people who receive income support are already engaged in.

Poverty traps which prevent people from engaging in employment must be removed, notably high marginal tax rates on casual and part-time employees.

Mutual obligation, as it is currently construed, is unfairly targeted and coercive; undermines the rights based framework of the social security safety net; and has little flexibility for supporting people who struggle to meet their "obligations". We urge the Reference Group to reject financial sanctions in the extension of individual mutual

obligations to access income support. Any extension of activity tests or mutual obligation cannot be supported while 'capacity' remains undefined.

The underlying causes of disadvantage must be addressed.

We believe it is critical that the Reference Group take seriously the concerns and experiences of community groups and individuals, and we look forward to continued discussion and debate over the next few months.

Yours sincerely,

Libby Davies
National Director
UnitingCare Australia

Christine Cargill
National Director
National Social Responsibility and Justice

5 May 2000

[1.](#) Such as the 1985 Assembly *Statement on poor people and the gospel* (See also the discussion book by Ann Wansbrough: *Give us this day our daily bread: economic justice*, which provides a detailed biblical background to the 1985 statement), 1988 Assembly report *Economic Justice - the equitable distribution of genuine wealth* and the 1994 Assembly resolution on unemployment. The NSW Synod 1988 resolution on social justice and *Family Ministry Policy* 1997 also articulate relevant principles; as do position papers published by Uniting Community Services Australia (now UnitingCare Australia): *Work and Unemployment: a Fair Future*, September 1997 and *Taxation Reform For a Fair and Equitable Society*, June 1998.

[2.](#) Notably Burnside, NSW; Adelaide Central Mission; Wesley Central Mission Melbourne; UnitingCare Victoria.

[3.](#) As defined in the 1988 Uniting Church Assembly document *Economic Justice - the equitable sitribution of genuine wealth*. See also *Work and Unemployment: a Fair Future*, UCSA, September 1997.

[4.](#) See the case studies provided by Burnside's response to the *Interim Report*, May 2000, which depict a quite different impact of "mutual obligation" on young people.
