

SUBMISSION TO COMMUNITY AFFAIRS REFERENCES COMMITTEE ON
THE ADEQUACY OF NEWSTART AND RELATED PAYMENTS AND
ALTERNATIVE MECHANISMS TO DETERMINE THE LEVEL OF INCOME
SUPPORT PAYMENTS IN AUSTRALIA

Prepared by the Australian Unemployed Workers' Union.



PREAMBLE

The Australian Unemployed Workers Union (AUWU) is a national, volunteer-run organisation dedicated to advocating for and protecting the rights of unemployed, underemployed, un-waged workers¹, and all recipients of Social Security payments. The AUWU currently has over 15,000 members across every state and has no political affiliations.

The AUWU is run entirely by volunteers. The AUWU has extensive experience assisting, not only unemployed, underemployed, and unwaged workers¹ within the jobactive system, but all the other categories of recipients of Social Security System payments. The AUWU has developed a national operating structure where we take pride in the altruism, qualifications and expertise of our committed volunteers.

Our membership has been steadily growing along with our social media presence, and we are the strong and recognised voice representing the interest of unemployed workers' in social policy and debate. Our empathy with the lived experience of the everyday suffering of unemployed workers makes us uniquely positioned to speak with authority on the matters relevant to this inquiry.

Since November 2015, the AUWU has been running its national advocacy service providing free advice to all recipients of social security payments, informing them of their rights both at Centrelink and at their Provider. Every day the AUWU hears stories of appalling suffering from unemployed workers. These stories are the reason why this Inquiry has been called and we thank the Senate for providing this forum to hear about this.

This submission begins with some general observations about the context of social policy and social security payments. It then provides some evidence-based responses to the Terms of Reference illustrated by case studies drawn from AUWU volunteers and members². The quotes we use in this submission are from individuals who have provided permission for the AUWU to draw on them in our case studies. The AUWU wishes to thank the unemployed workers who shared their submissions and who gave us permission to quote from them in this submission.

¹ The AUWU uses the expression unemployed workers because the term 'job seeker' reinforces a deficit stereotype that devalues caring responsibilities, unpaid labour, and does not recognise structural unemployment.

² With permission and anonymised for confidentiality.

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1. Introduction

All I want is the same opportunities to do that as everybody else. All I want is to be able to afford something resembling adequate healthcare. I want to be able to control the direction of how I make meaning in my life again. I want the vulnerable people of our society to be lifted up with everyone else.
Newstart is killing people, I need you to know that.

- Young man under 30

Egalitarianism was one of the founding principles of Australia after Federation. We used to be proud of our inclusiveness, when the welfare state post-reconstruction recognised the productive potential of all citizens and the duty of government to ensure this (as outlined in the 1945 White Paper 'Full Employment in Australia'). In times of difficulty, our welfare system provided an important safety-net that provided for the basics.

But over the last 25 years this dramatically changed, and there is no question that Newstart has become unacceptably low. Successive Governments have argued that this is the best inducement to get a job. Yet as many more unemployed workers are facing structural barriers to employment, this claim does not stack up. The groundswell of advocacy groups and experts agree that keeping Newstart this low creates barriers to getting a job. It disrespects those who have contributed their taxes when they have been employed.

Australia is cruel to people experiencing poverty and this is reflected in the suicide rate amongst young men. Young people currently experiencing a high rate of despair because they face unattainable housing costs, debt from study, increasingly restricted access to healthcare, and poor job outlooks. These facts are undermining the potential of young Australians. Mature adults are now without adequate income after contributing to the tax system their whole working lives. People with disabilities are suffering because eligibility requirements for Disability Support Pension (DSP) have been continuously tightened to become inaccessible to many who need it.

Because of these social policies, this government will be remembered for its cruelty. Future citizens will look back on the neglect and contempt with which the government has treated the poor and wonder how this happened in an advanced economy and a democracy.

We do not understand why welfare is not treated like other services like health. With an aging population, where the effects of long-term poverty become a strain on health service resources, welfare should be regarded as a preventative measure. The long-term investment approach has informed the welfare systems of some of the most advanced democracies.

Contrary to the stereotypes, unemployed workers are politically aware and educated about what the government has been doing. They have told us that proposals to introduce drug testing, expand the cashless welfare card, and employment services conditionality are all further measures to punish the unemployed for being poor and for structural unemployment. They also told us the reason they are unemployed is not because they are unwilling to work. They are unemployed because of the lack of available jobs, the inadequacy of the local labour market, their caring responsibilities, or if they have disabilities or significant barriers to work (such as injuries).

There is an urgent need to restore and reconstruct the social safety-net so that unemployed workers are provided with a socially acceptable minimum quality of life, such as decent food and safe accommodation. However, this is only part of the solution - alongside other factors like public sector job creation (see reference J) - that will enable unemployed workers to participate in productive job search and obtain jobs that provide dignity.

Raising Newstart is a fundamental step towards restoring some degree of fairness and dignity for unemployed workers' in Australia.

2. Summary of Recommendations

1. Immediately raise the base-rate by \$75 per week.
2. Introduce a Social Security Commissioner to review payment rate and welfare conditionality at regular intervals.
3. Increase Newstart to meet the cost of living using an Independent Social Security Commissioner to assess viability of multiple allowances such as for example:
 - participation allowance, to enable participation (in line with metro/rural public transport and petrol costs.
 - rent assistance linked to real rent costs (eg. shared accommodation \$200) in capital cities and regional towns.
4. Increase energy supplement to reflect real costs of utilities.
5. Introduce a digital access allowance to resource unemployed workers with devices and plans to enable job search, and reporting against Mutual Obligation requirements.
6. Index all allowances to the MAETWE.
7. Reduce taper rates and taper rate cut in points to improve income incentives to work.
8. Restore DSP eligibility to former multiple impairment table and scrap Mutual Obligation and the program of work for people applying for DSP.
9. A Government commitment to Full Employment and the enactment of policies to achieve this.
10. The introduction of a Federal Job Guarantee scheme to secure Full Employment.
11. Undertake a fundamental review of Mutual Obligation and welfare conditionality in Australia that includes the perspectives of people experiencing poverty and unemployment.
12. Scrap plans to extend welfare quarantining and income management because they reduce self-efficacy.

3. Term of reference h.

(the adequacy of income support payments in Australia and whether they allow people to maintain an acceptable standard of living in line with community expectations and fulfil job search activities (where relevant) and secure employment and training)

Newstart has been set at rates far lower than the minimum wage and the Henderson poverty line for at least 20 years. This low rate of Newstart has been attempted to be justified as being a result of its intended function as a transitional payment for those in between jobs. However, the state of the labour market means Newstart is not functioning as a transitional payment. According to the latest

Department of Social Services figures³, 76.5% of Newstart recipients are on Newstart for more than a year. The overwhelming reason for this is the simple lack of job vacancies. When surveyed by the ABS to provide their 'main difficulty in finding work', almost 20% of newstart participants cited 'too many applicants for available jobs' as the chief reason, followed by structural issues such as 'insufficient work experience' and 'no vacancies in line of work'⁴. This is compounded by the fact that there is an increasingly diminishing pool of unskilled jobs⁵ in an increasingly tertiary sector economy. If we factor in unemployment, underemployment, and the 'hidden unemployed', there are approximately 15.71 unemployed workers' competing for everyone 1 job vacancy⁶.

The New Budget Standards developed in 2017 by the SPRC⁷ indicated that a single unemployed person requires a minimum of \$200 per week after rent to live at a very basic healthy level. The budget standards report acknowledged that rent variability made determining overall healthy base level incomes difficult, but it was clear that Newstart and Rent Assistance was woefully inadequate, even when modest rents are accounted for. Newstart is recognised as insufficient to meet basic needs and the costs associated with job searching (for example, attending interviews on public transport⁸, and the payment is ranked as one of the worst in the OECD⁹.

New analysis provided to the AUWU, shows just how unaffordable renting in Australian cities has become. For example, the data for Victoria (which is the third most expensive state and broadly representative of the nation) shows that in Melbourne, rent in a share house averages 70% of income for a single person receiving Newstart (A\$277.50pw) and Commonwealth Rent Assistance (A\$45.74pw). This leaves people with \$98 a week to live on. That's less than half the \$216 a week that experts calculate is a healthy base level of income for a single unemployed person. After paying rent, people on Newstart have just \$14 a day to cover food, utilities, the costs of job seeking, such as mobile phone plans and travel cards (which in Melbourne are \$4.40 a day).

The data suggests that high rents are compelling people on Newstart payments to relocate from inner cities to the outer suburbs and satellite towns with worse labour markets and higher transport costs. And even in these towns, the data paints a bleak

³ <https://data.gov.au/dataset/ds-dga-4ccff587-4a46-4ab9-8833-76dadaa10ebe/details?q>

⁴ <https://www.abs.gov.au/ausstats/abs@.nsf/mf/6226.0>

⁵ Anglicare's 2018 "Job Availability Snapshot" found in their sample month of May 2018, that "there were 110,735 jobseekers with [structural/skill] barriers to work", (i.e. those who traditionally would be most suited to entry-level unskilled jobs), but "entry-level jobs (or ANZSCO Level 5 jobs) comprised just 14% of the jobs advertised". This is compounded by the "work first" approach of the jobactive system, where unemployed workers' are required to undertake a 20-job-a-month job search requirement and agree to apply for any jobs, not just jobs they are suited for. This results in further competition among job-seekers for these entry-level unskilled jobs, and further diminishes the chances for jobseekers with barriers to work.

<https://www.anglicare.asn.au/docs/default-source/default-document-library/jobs-availability-snapshot-2018.pdf?sfvrsn=2>

⁶ <https://unemployedworkersunion.com/job-seekers-v-job-vacancy-data/>

⁷ Saunders, P.G. and M. Bedford, New Minimum Income for Healthy Living Budget Standards for Low-Paid and Unemployed Australians. 2017, Social Policy Research Centre, UNSW Sydney: Sydney.

⁸ ACOSS, Poverty and its Causes. 2011: ACOSS.

⁹

<https://www.theguardian.com/australia-news/2019/jul/23/one-of-the-worst-how-newstart-compares-o-unemployment-payments-in-rest-of-the-world>

picture. In Victorian regional cities like Bendigo and Ballarat, the rent for sharers exceeds the commonly accepted 30% benchmark for housing stress. Here average rent for sharers uses up half their Newstart payments, and they would be paying \$130 a week. That would leave them with \$192 – still \$24 less than the healthy benchmark. There are only two regions in all of Australia where single unemployed people would have any hope of meeting rents. These are northern Tasmania and outer Hobart, where the youth unemployment rate is 16%. You can add about another 10 points to the unemployment rate to get a real sense of the challenges of getting jobs in these places.

For single people receiving \$277.85 a week on Newstart and \$45.74 in Rent Assistance, share-house rents would have to be \$87. This points to the need for Rent Assistance to kick in at a lower income point. It also needs to be increased to avoid housing stress.

The low rate of Newstart has many counterproductive effects on the likelihood of unemployed people being able to leave unemployment. Keeping Newstart this low is counterproductive because it has led to unemployed workers experiencing trauma while they subsist on very low incomes well below the official poverty line¹⁰¹¹. The existing research how poverty is an impediment to social and economic participation. The effects have been documented¹² in many Australian studies into the experiences of people living on low incomes¹³. Recently there has been even more evidence of the suffering of the unemployed, such as a recent ACOSS survey which provided convincing statistical evidence of the extent to which unemployed workers are suffering¹³.

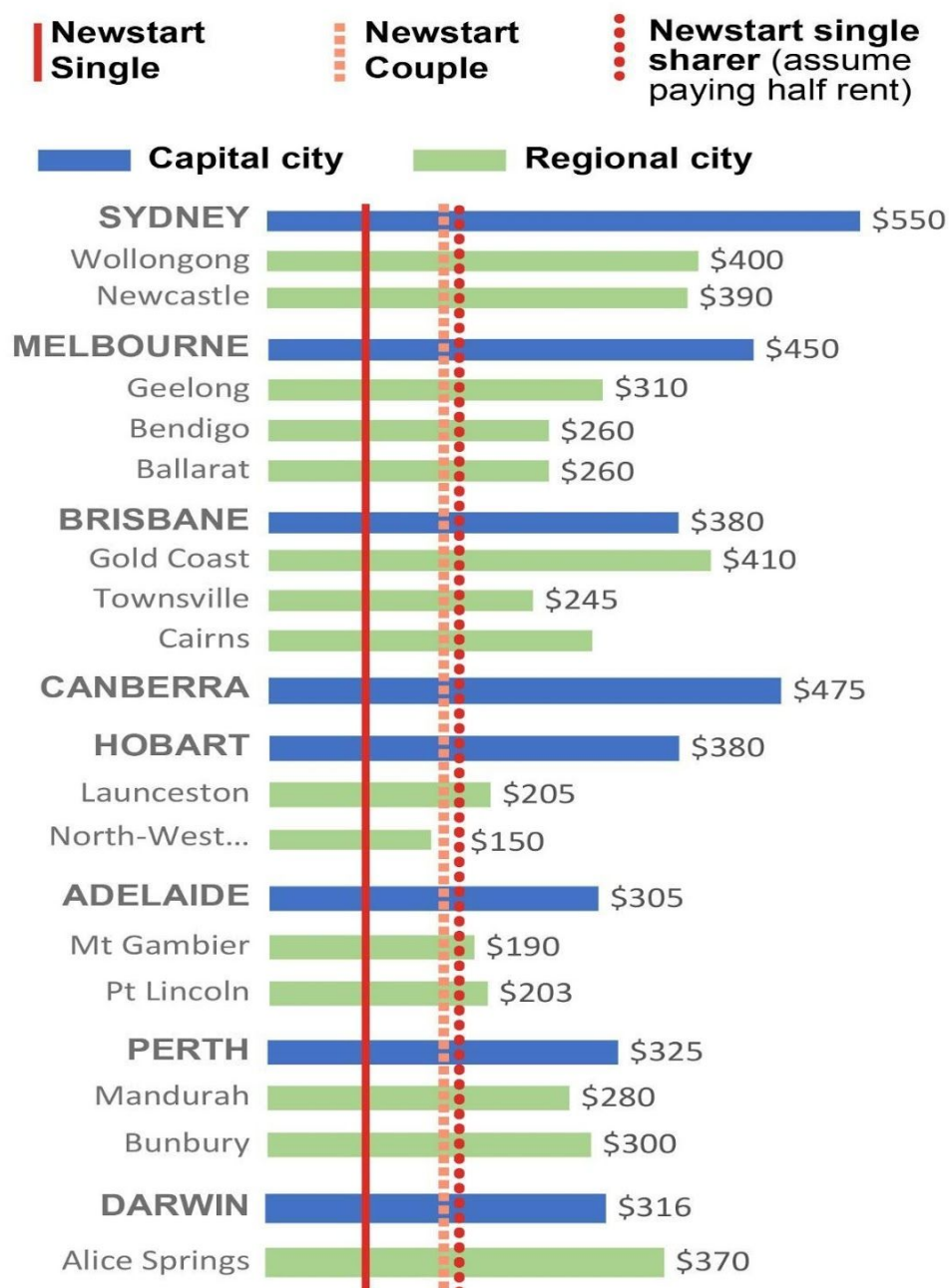
¹⁰ ACOSS, Beyond stereotype: Myths and facts about people of working age who receive social security, in ACOSS Paper 175. 2011.

¹¹ Morris, A. and S. Wilson, Struggling on the Newstart unemployment benefit in Australia: The experience of a neoliberal form of employment assistance. *The Economic and Labour Relations Review*, 2014. 25(2): p. 202-221.

¹² Murphy, J., et al., *Half a citizen: Life on welfare in Australia*. 2011: Allen and Unwin.

¹³ ACOSS Survey July 2019: Available at <https://www.acoss.org.au/wp-content/uploads/2019/07/190729-Survey-of-people-on-Newstart-and-Youth-Allowance.pdf>

Affordable rent point at 30% benchmark



The low rate of Newstart has many counterproductive effects on the likelihood of unemployed people being able to leave unemployment. Keeping Newstart this low is counterproductive because it has led to unemployed workers experiencing scarring while they subsist on very low incomes well below the official poverty line¹⁴. The existing

¹⁴ ACOSS, Beyond stereotype: Myths and facts about people of working age who receive social security, in ACOSS Paper 175. 2011.

research how poverty is an impediment to social and economic participation. The effects have been documented in many Australian studies into the experiences of people living on low incomes¹⁶. Recently there has been even more evidence of the suffering of the unemployed, such as a recent ACOSS survey which provided convincing statistical evidence of the extent to which unemployed workers are suffering¹⁷.

ACOSS findings

- 84% skip meals to save money
- 44% skip more than 5 meals a week
- 66% don't use heating in winter
- 64% don't use cooling in summer
- 63% don't eat meat
- 54% don't buy fresh produce
- 68% only buy second-hand clothes
- More than half have less than \$100 left per week after housing costs.

The evidence of the inadequacy of Newstart and related payments is already overwhelming. The AUWU has been an active partner in the Raise the Rate Campaign and has encouraged AUWU members to make individual submissions to the inquiry. We asked them for permission to use excerpts from their submissions to reinforce the argument that Newstart (and related payments) are woefully inadequate.

3.1 Case studies

The following case studies illustrate the inadequacy of Newstart for a range of different unemployed workers. The first case study demonstrates how difficult it is to meet everyday costs of living, the impact of fear of debt and being able to meet dental costs.

¹⁵ Morris, A. and S. Wilson, Struggling on the Newstart unemployment benefit in Australia: The experience of a neoliberal form of employment assistance. *The Economic and Labour Relations Review*, 2014. 25(2): p. 202-221.

¹⁶ Murphy, J., et al., *Half a citizen: Life on welfare in Australia*. 2011: Allen and Unwin.

¹⁷ ACOSS Survey July 2019: Available at <https://www.acoss.org.au/wp-content/uploads/2019/07/190729-Survey-of-people-on-Newstart-and-Youth-Allowance.pdf>

So, this is what it's like on Newstart. You can't afford the things most people take for granted, little things like take away food, new clothes to replace you old ones that have broken because you could only buy the cheap ones at Kmart. You know that some big expense (an unexpected bill, broken down car, medical expense etc) will come up, but you can't even stop your finances going backward, let alone save for a rainy day. When that big expense comes up, you either ask for a loan from someone you know (even though you know you can't afford to pay it back) - and i'm not stupid enough to get myself into debt in other ways when I can't even afford to pay back principal, let alone interest - or you have to figure a way around it. Can't afford \$300 for the dentist to give you a check up? Maybe you don't need a check up then. Insurance premiums went up? Maybe you can do without, just until you find the work you've given up hope of finding. Need new car tyres because yours are so bald they're a safety problem? Maybe you can find someone who will give you their old tyres on the cheap?

- Man under 30

The second case study highlights the constant worry and stress of not having money. Being afraid of what the future holds was a common theme in the submissions we reviewed.

There are days when we can barely scrape by, money is always a worry for us and we cannot go out and socialise like we used to due to lack of money. Our lives are being negatively impacted by the lack of a sustainable and livable benefits and we fear for our future. Quite often we have to go without the basics because we need to buy our medications. If it were not for the fact that we live in socialised housing, we would probably be homeless.

- Mature aged woman

Newstart does not meet the cost of bills, and people reported they were unable to heat their homes in winter.

I have a mortgage which I was paying prior to starting on Newstart and after paying this and some of my bill payments I'm lucky to be able to afford fuel and food. I am struggling with my phone bill which is my only contact with others and living on my own I really need that in case I need help for any reason. I have just received a new power bill which is \$300. I already owe them money from previous bills and I just don't see any way of paying them.

I struggle to make my mortgage payments and am also behind on the rates payments. If something doesn't change I'll lose my home and I really don't want to become one of the homeless statistics of this country.

- Woman over 60

They also told us the reason they are unemployed is not because they are unwilling to work. They are unemployed because of the lack of available jobs, the inadequacy of the local labour market, their caring responsibilities, or if they have disabilities or significant barriers to work (such as injuries).

I have health issues which I have been submitting medical certificates for and am exempt from looking for work. I wish I was capable of working as I desperately need to increase my income just to survive. There are often times where I can't afford fuel to go to the doctors or for my medications. I am in need of reading glasses but can't afford those either.

- Mature aged woman

Many unemployed workers described how hard it was for them to find paid work. Being poor because of the inadequacy of Newstart has made them vulnerable and unable to assert their housing rights for fear of rent increases.

On a meagre income, and exposed to a hostile rental market, I ended up moving about 12 times in two years. You have to deal with short leases, capricious landlords and sometimes housemates who want to rule the roost. Each move, I was at risk of homelessness and had to spend money I didn't have - for transportation, temporary accommodation, replacing items I couldn't hold onto, paying a bond for each new property. To cover the gap, I relied on my support network; and every time I held out the hat for funds, I fractured my relationship with this support network. Without their help, I would be sleeping on the streets, a situation which I nearly ended up in two times.

- Young man under 30

High rents were a significant concern for many unemployed workers. Fear of losing precarious housing and becoming homeless was a major concern for many of the Newstart recipients.

Although not presently homeless, my accommodation is a single car garage at my parent's house (for which I pay one third of the upkeep), and this is temporary as when my parents die of old age, homelessness is the likely outcome since the upkeep costs of this 2 bedroom home are greater than my current Newstart payment. As Newstart does not currently get paid to homeless people with a PO box postage address, death by starvation is a likely outcome.

- Man under 30

The extremes of poverty were reflected in the way unemployed workers were self-conscious about their physical appearance and how this would impact on their prospects in job interviews.

For a while I didn't have shoes for so long my feet would bleed when I would walk felt like walking on knives my feet were hard, dry and cracked and sold my stuff for food. I had an accident and had my teeth broken I can't afford a dentist so they are rotting away badly the pain is unbearable and I feel embarrassed to smile or go anywhere it's hard to eat. My clothes are worn out so even if I do get a job interview I won't look like I tried very hard even though it's the best I got.

- Single mother

Newstart clearly does not meet community expectations about an adequate standard of living in contemporary Australia.

I've seen single mothers with their kids in tow, some in bare feet with snotty noses coz shoes and cold medication costs, and they don't have the money after paying rent and utilities bills.

- Mature aged man

3.2 Case study: not being supported after lifetime of working – mature age

Many unemployed workers are mature aged and have expressed that the rate of Newstart to be deeply unfair given they have already contributed - through the tax

system - for most of their lives. This case study illustrates this and the indignation mature unemployed workers about the way they are treated by the welfare system.

In summary the employment market has changed, especially for older workers, but Newstart is stuck back in the days where if you were able to work you could get work. Any savings you had are quickly exhausted after a few weeks of unemployment. For example there is no way Newstart is adequate to cover a large energy or medical bill. Making new claimants use up all their liquid assets is cruel and counter-productive.

- Mature aged man

As a citizen who has paid hundreds of thousands of tax over the years I am offended when people often say I am not entitled to a reasonable payment to permit me and my family to live in a decent manner in the community when through no fault of my own I am unable to get work.

- Mature aged man

3.3 Case study youth allowance and students

This case study is about a young man who has resorted to dumpster diving with other students in order to eat. Dumpster diving is one way that can get food after they meet the exorbitant rents in metro areas while they complete their studies.

I chose to move cities and universities so that I could live comfortably with savings while educating myself. I did receive a boost in income, a generous \$160.40 a fortnight. Rental prices in x are astronomically higher than this. Luckily my work ... and selling a few belongings gave me enough savings to live off until I become independent, I've been able to find a small unit with a flatmate where I can make do until I turn 22. I've also found support in other students who are struggling on youth allowance. Together every week we go out to different grocery store bins to prop up the food we have over the week. It's a shame that our means of surviving involves avoiding clashes with night security, we clean up after ourselves and make sure to be respectful of the stores.

There are many others I have met who struggle to find a couch on a given night. Hopefully someday I will be able to go to a doctor without stress or get more food from grocers before it reaches the bin, and my friends will be able to find a stable shelter and dignity.

- Young man (youth allowance)

3.4 The low rate of Newstart leads to the deterioration of mental health

Unemployed workers experience social stigmatisation and shame. The psychological effects of unemployment include anxiety and depression, which contribute to long-term mental illnesses. The literature on the psychological impact of unemployment is extensive¹⁸. Long-term unemployment has a number of known detrimental effects on employability, including loss of confidence, self-esteem and motivation; loss of self-efficacy; poor physical and mental health; the decay of social capital and deterioration of skills; and economic and social isolation¹⁹. All of these factors are counterproductive to being able to get a job.

3.4.1 Case studies: mental health

The following case studies illustrate how being poor leads to the deterioration of mental health.

Daily existential terror due to the situation of existing 'week to week' on the current low rate of Newstart is a drain on mental health. Even a single interruption to the current payment effectively leaves me homeless and starving to death. Relationship difficulties (rows over how to survive with increasing prices and insufficient payments) occur every few weeks due to increasing financial stress within the family.

- Man under 50

Unemployed workers feel the stigma of unemployment keenly, and this takes a toll on their mental health.

¹⁸ Murphy, G.C. and J.A. Athanasou, The effect of unemployment on mental health. *Journal of Occupational and Organizational Psychology*, 1999. 72(1): p. 83-99.

¹⁹ Cole, K. Wellbeing, psychological capital, and unemployment: An integrated theory. 2006. Peterie, M., et al., Social Isolation as Stigma-Management: Explaining Long-Term Unemployed People's 'Failure' to Network. *Sociology*. 0(0): p. 0038038519856813.

But, the worst bit of it all is not that you don't have any money to live on, it's the way you feel about yourself and the way everyone talks about Newstart and welfare recipients (who aren't pensioners, because that's meant to be a special case). You feel like a complete and utter failure as a person... You hear how everyone who is on Newstart must be a lazy dole bludger, just rorting the system, but you know that you are doing your best. You'd rather get enough to live on, from a crap job, than have to jump through hoops in order to get less than you need, but you have had so much rejection that you don't even bother hoping that something will change.

- Man under 30

Even knowing all this, I feel like some kind of monster for being a drain on the system, for not being able to pay my own way.

- Man under 30

I have a lot of anxiety being in public, while I make sure my sons' needs are met I can't keep living live with holes in my clothes no one will hire me.

I have had thoughts of self harm and ending it. I just think about tying myself up at the shopping center that has rejected me so many times for work in protest for work at the end of the rope and with my mental illnesses I will have trouble anyway bipolar and ptsd.

- Single Mother

3.5 The low rate of Newstart leads to the erosion of social networks and capital

Labour market disadvantage is correlated to duration of unemployment in a cycle known as unemployment duration dependence or hysteresis²⁰. Beyond 12 months of unemployment, the longer a person remains unemployed, the less likely they are to find a job. The theory of disengagement derived from social gerontology explains the withdrawal of some unemployed people from the labour market²¹. This theory focuses on the deterioration of social capital as a result of reduced activity levels generally. The deterioration of social capital during unemployment, and negative employer attitudes towards people who have no recent work experience, are detrimental to job search effectiveness²².

²⁰ Carroll, N., Explaining Unemployment Duration in Australia*. Economic Record, 2006. 82(258): p. 298-314.

²¹ Caddy, I., D. Mortimer, and K. Tannous, Linking long-term unemployment and the theory of disengagement: a preliminary investigation using Australian Bureau of Statistics labour force data. Employment Relations Record, 2010. 10(2): p. 1(19).

²² Quiggin, J., Active Labour Market Policy and Macroeconomic Stabilisation. The Drawing Board: An Australian Review of Public Affairs, 2001. 2.

3.5.1 Case studies erosion social networks and capital

I have noticed that due to the necessity of saving money I now tend to go out and meet with friends and associates less often. I cannot imagine how someone on the base rate of the Newstart Allowance can manage to stay engaged on a social level within the community. I cannot speak for other places but I know for certain, here where I live, much of what goes on regarding jobs and who gets them relies on social connection. It is my experience that such a social interaction can be a precursor to a job interview and I fear this opportunity might be denied many people on the Newstart allowance. Anyway those are my circumstances.

- Mature aged man

Come rent day, or the due date for utility bills, I saw my account empty to double digits or a single digit. I would fret over how I would get through the rest of the fortnight. Embarrassed by poverty, I had to turn down social invitations. I couldn't afford to keep up friendships; they're too expensive. Many days I fell into the hyper-stress of scarcity. It's next to impossible to plan ahead, let alone budget, when you're not even sure if you'll be ok for the next few days. Your horizons shrink to an ever-menacing present which you want to escape from through distractions. The future is dark and scary.

- Man under 30

Another unemployed worker spoke with distress about having to sell property that would have helped him in his future career. Being in poverty means people have to make choices like this and this is destructive to their long-term job prospects.

I found the hardest part for me was when I sold my camera gear to help make ends meet one month, photography/art was more than a hobby for me but something that was earning me money, through lessons and occasional freelance gigs, but the need to pay the rent outweighed my small earnings from keeping the camera at that point in time. Giving up photography was extremely brutal as I studied art for my undergraduate degree and being an artist was a strong part of my identity and one of the few meaningful things I had to do, I felt too embarrassed to even enter an art gallery or look through my photography books because the sense of loss was too strong.

I have had to borrow continuously from my parents and brother just to be able to afford rent and groceries which I have found endlessly shameful. I don't know when I will be able to pay them back but the desire to is one of the few things that keep me going through the slog of constant job applications and rejections.

- Man under 30

The AUWU has a number of recommendations to increase the adequacy of Newstart and Related payments:

1. Immediately raise the base-rate by \$75 per week
2. Establish a Social Security Commissioner to review payment rate and welfare conditionality at regular intervals
3. Increase Newstart to meet the cost of living using an Independent Social Security Commissioner to assess viability of multiple allowances such as for example
 - participation allowance, to enable participation (in line with metro/rural public transport and petrol costs)
 - rent assistance linked to real rent costs (eg. shared accommodation \$200) in capital cities and regional towns
4. Increase energy supplement to reflect real costs of utilities
5. Introduce a digital access allowance to resource unemployed workers with devices and plans to enable job search, and reporting against Mutual Obligation requirements

4. DSP accessibility

The accessibility of DSP for people with serious health conditions and disabilities was a major concern for unemployed workers. These difficulties have arisen because of the changes to disability eligibility and impairment table scores. They are made worse by the requirement to undertake a 'Program of Support'. People with severe illnesses and disabilities are not getting exemptions from mutual obligations and are being penalised when they literally cannot attend employment services agencies.

4.1 Case study 2 DSP accessibility

The change in DSP eligibility rules has led to an increasing number of people having their DSP revoked, even when they are extremely unwell. In this case study, the unemployed worker was not able to appeal against a decision because he was not well or empowered enough to obtain the information required for the application because of agoraphobia. Shifting the goalposts for entry to DSP means people who are too unwell to work and attend employment services are now desperate because they will not be able to work.

This was the time that DSP was under review, at the time i had severe agoraphobia and never left the house, i would get food delivery and was at the point where i could have spare money for food but not be able to use it, so i would sit at home and starve till my scheduled delivery. I was asked to "Go out and get more medical evidence" long story short, i never was able to get out and lost my pension. Tried to appeal many times, but it just feels like the chance to appeal is there, not to do anything but so people can fall back on and say "oh well you can appeal if you want".

Since then i have been yet another person with disabilities struggling on Newstart. My mental and physical health has exponentially gotten more dire over this time, i weigh about 52kg and only eat one meal a day, sometimes forgetting for up to five days because i simply don't feel the hunger as much as i used to (which on the positive note, more money for bills). I have recently gotten medical evidence and re-lodged my application for the DSP, but i am without hope, its simply my last act of desperation. It's ironic to me that i could first get the DSP without ever applying or knowing really what it was. But now when im worse off physically and mentally i stand little chance of getting it due to excessively harsh sanctions. I am a strong believer in quality of life over quantity, but at this point, its not quality it never was, its not even surviving, its simple degradation, it's torture, it's a slow inhumane death sentence.

- Man under 30

The change to DSP rules has affected a broad spectrum of Australians and in the submissions we reviewed it was particularly hard hitting for people who are mature aged.

I had a stroke. I was fortunate enough to be able to return to work after being off for several weeks, but due to the stroke, my overall health began to suffer so I was forced to leave and go onto the full Newstart payment. I had been previously getting a part payment due to the casual nature of my job.

Since I have been forced to give up work due to serious and debilitating health problems, I have found the Centrelink system to be difficult to navigate and downright punitive in its approach. My husband cannot find work because of his severe tremors that makes his hands and body shake, and he can barely walk because his knee needs to be replaced. I volunteer 15 hours per week to fulfill my 'obligations.'

- Mature aged woman

It is simply not acceptable to treat unemployed workers with such contempt and cruelty. The safety-net needs to help people who are sick and disabled throughout their lives.

Recommendation 5

Restore DSP eligibility to former multiple impairment table and scrap Mutual Obligation and the program of work for people applying for DSP

5. Employment Services Requirements

The AUWU believes welfare conditionality and financial sanctions need reform. The vast majority of those who are unemployed want to be treated fairly and work in jobs that are secure and which provide dignity. The AUWU believes that it is unfair to impose onerous conditionality on a benefit that does not meet the basic cost of survival. Example of this onerous conditionality include unreasonably high Mutual Obligation hours; 'work first' requirements, inflexibility in the rules; mandatory job search at rates that do not reflect labour market conditions, job availability or choice.

People are being driven to suicide or are experiencing mental illness and severe anxiety because of the low rate of Newstart and the punitive and aggressive attitudes of the job providers and Centrelink. Things have to change for the well-being of the most vulnerable citizens of this country.

- Mature aged woman

The submissions we reviewed suggested that the low rate of Newstart, combined with a compliance system administered under jobactive which is at the same time unqualified, underprepared, understaffed to properly assist people, driven by incentives to place people in the first job available and to punish people for a broad list of infractions, and usually anything from unhelpful and bureaucratic to deliberately malicious – drives people to accept insecure and inappropriate work, and either remain partly or wholly dependent on income support payments. Research and on-going surveys of employment service providers frontline staff supports this, with caseworkers burdened with caseloads of almost 150 unemployed workers' each, almost half receiving no formal training before their first shift, and spend 35% of their time simply on compliance and other administrative tasks²³.

Furthermore, employment services agencies use sanctions as threats to control unemployed people's behaviour. As with the low rate of Newstart, financial penalties are distressing for people experiencing poverty and make it harder for them to meet the costs of looking for work; and increase their dependency on kinship networks or crime²⁴. The OECD warned that sanctions can have detrimental effects on welfare if they are punitive and that they may produce a 'hazard effect'²⁵, which diverts claims to other less rigorously policed benefits, such as disability pensions²⁵.

²³ J. Lewis et al., "From Entitlement to Experiment : The new governance of welfare to work", Australian Report Back to Industry Partners", October 2016.

²⁴ Disney, P.J., Report of the Independent Review of the Job Seeker Compliance Framework. 2010.

²⁵ Carcillo, S. and D. Grubb, From inactivity to work: the role of active labour market policies. OECD Social, Employment and Migration Working Papers, 2006.

A sanction could cause me to miss a rent payment. I'm lucky not to have had one so far - except for a technical error that was quickly corrected so quickly that I hadn't even realised what went on.

- Young Man under 30

These concerns have been documented in the UK as well. Sanctions were identified as having other negative social impacts when conditions were too onerous. These effects, such as withdrawal from welfare claims, are of concern because they mean vulnerable people may not access services that could help them. Recent evaluation of welfare conditionality in the UK has reinforced evidence that it has unintended consequences, such as 'distancing people from support; causing hardship and even destitution; displacing rather than resolving issues such as street homelessness and anti-social behaviour; and negative impacts on "third parties," particularly children'²⁶.

Behavioural conditionality does not solve structural unemployment; meaning that jobs that match the health, capabilities and availability of unemployed workers are simply not available. In fact the onerous conditionality associated with all the employment services models to date have been viewed by job seekers as a waste of time with no relevance to individual goals and preferences²⁷. While the 'I Want to Work' reforms may address some of these issues there is a need for fundamental review of Mutual Obligation and welfare conditionality in Australia.

5.1 Case studies linking employment services requirements to the hardships of Newstart

The following case studies illustrate how the unfair conditionality of the employment services system exacerbates the harm caused by the low rate of Newstart. Unemployed workers feel like they are being abused by employment services because they do not have agency about what they are made to do and do not get useful services in return. They are threatened with sanctions and this heightens the sense of being punished for being unemployed. But is being on Newstart really a crime? Does it make sense to treat poverty with more poverty?

²⁶ Griggs, J. and M. Evans., Sanctions within conditional benefit systems: a review of evidence. 2010.

Dwyer, P. and J. Bright, Welfare Conditionality: Sanctions, support and behavioural change. University of Glasgow, 2016.

²⁷ Bennett, O., et al., Working it Out. 2018, Per Capita: Melbourne.

The employment agency does not offer you work, or help you find it! Sure, they have a few computers to access the internet and a jobs board to make it look fair dinkum. You just front up once a month, show them that you've applied for 'x' number of jobs, they tick a box and you're on your way. Not bad work if you can get it! After 6 months of not getting a job, they call you in. This is when they tell you that you're wasting their time coming in anymore, just volunteer 2 days a week, no need to apply for jobs anymore and come back in a year's time! Yep a real service to government these mobs? They need to cut out the bureaucracy money wasted on employment agencies.

- Mature Aged man

Every month I have to jump through hoops, I apply for 20 jobs, and at best get 2 or 3 negative responses and no positive outcomes, and at worst don't even get an acknowledgement that the effort I went to in order to make a suitable application even amounted to an application being received by the employer. I interact with people all around me and see them doing things that I could easily do without any training (or just a few days of training) and wonder, what's so wrong with me that nobody will even give me a chance to do something that is easy (for more than a few hours a week).

Attending job networks is humiliating and unpleasant. I get treated as a second class citizen and threatened to be cut off payments. This has triggered my depression and caused me to voluntarily withdraw from payments at one point, as I felt suicidal and had a doctor prescribe medication. This was also a burden to my family.

- Man under 30

5.2 Case study Work for the Dole

The following case studies illustrate how Work for the Dole deepens the suffering of the unemployed. Work for the Dole is a form of onerous conditionality, intended to have a tree-shaking effect so that people leave the benefit system. Since September 2018 all people on Newstart Aged under 50 have had to do WfD 50 hours a week for six months of the year. This is despite the fact that it offers little in terms of the stated goals of work-life experience and giving back to the community, because it is badly managed, motivated by the "work-test" ideology, and insufficiently resourced.

I had Spinal Cancer in 2003 this left me with major nerve damage in my back. I am currently in DES. I have been pushed around different Job Networks for they can't help me with the jobs I go for. In fact, they never did. I was with x in x. I was then sent to another one. X where horrid they were abusive they tried to bully me when I asked for a JCA. I was also told that would have to drop my postgrad study to do Work for the Dole.

I was forced into Work for the Dole when I went there they had no idea I was coming there. The next I had words with my Job Network. They abused me again and I walked out before my appointment was finished. The next day made an appointment for my JCA. Appointment was made for 3 days later I was put on to another provider.

– Mature aged woman

The second case study shows how work for the dole contributes to the deterioration of well-being and mental health.

The low rate of Newstart has been a constant cause of stress in my continued period of being un/under employed. I have struggled to maintain a healthy diet and my weight has bounced up and down since being on the payment.

I have always had relatively good mental health until I first became unemployed and especially when I started 'work for the dole'. After my first week of Wftd I had to seek mental health care that was thankfully provided to me by my university, I don't know what I would have done without it. Most of my mental health problems were associated with the sense of shame I developed for being in this situation, I've always taken pride in working hard, so being forced into meaningless, unpaid labour where I didn't feel I was learning, growing, or contributing to society just grew too much for me. Constant job rejections and the absolute lack of help I received from my provider also heavily contributed to my deteriorating mental health. My mental health only improved when I got involved with the AUWU and was able to create some meaning within all the imposed misery.

- Man under 30

I have no hope left, no one is hiring me.

- Single mother

5.3 Restore self-efficacy and dignity in the social security system

Unemployed people need empowerment and it is a fundamental of liberal democracies that citizens are recognised as equals. Unemployed workers need to be treated with respect and the ability to participate in decision-making processes that affect their lives. For these reasons the AUWU rejects all attempts to interfere with choice and self-efficacy particularly as applied to welfare conditionality such as Cashless Welfare Cards²⁸.

5.4 Case studies self-determination and welfare quarantining

This case study supports the findings of these studies and demonstrates how income quarantining interferes with the basic autonomy that individuals need to become self-sufficient.

The newstart payments are completely inadequate on their own and I work very hard to try to create my own wealth. I do not wish to stay on centrelink payments but the system itself is too restrictive to allow any growth of small business and in turn growth of society and the wellbeing of people in my position.

As an example, I have set up an art exhibition in x with a lady who paints on silk. She has put an ad in the paper and I must pay her half. Will the indue card allow that type of payment? NO I need to use my centrelink payment to sometimes pay for a market stall. Will the indue card allow that? NO I am very good at handling my money but the system is creating so many problems and there is not enough money to assist someone to get off the ground in any type of endeavor. The inadequacy of newstart and the problems associated with the indue card will create an environment where a person such as myself will not be able to proceed in any direction. To stifle someones ability to earn money in such a way is very shortsighted and the economy is suffering as a result. I fear for the future.

- Mature aged woman

As with the other forms of control and surveillance associated with welfare conditionality, unemployed workers understand cashless welfare cards will contribute further to the deterioration of mental health.

²⁸ The AUWU has advocated extensively for social security recipients forced onto compulsory income management, see the AUWU's "Ceduna Trip" report and submissions to relevant senate inquiries (<https://unemployedworkersunion.com/wp-content/uploads/2019/02/Ceduna-AUWU-Report-FINAL-VERSION-2019-1.pdf>) .

And with the welfare card hanging over everyone's shoulders i think all that is going to happen in this country is more suicides and more homelessness and the threat of being outcast by society due to the welfare card.

– Mature Aged Male

Recent announcements about proposals to drug test Newstart applicants were regarded as further insults to unemployed workers, already struggling to survive on extremely low incomes.

I've never even smoked a cigarette in my life, I have a medical condition, which means that I can't drink, so I've had less than 10 standard drinks in my life, and forget about anything illegal, yet I am facing the prospect of being drug tested in order to continue to get less money than I need. For similar reasons as the drug testing program (because all Newstart recipients are druggies who are rorting the system) I am also facing the possibility that this less-than-adequate payment is also going to be further controlled, so that I don't even get a choice where I spend the little money I have. It's humiliating, demeaning, depressing, and altogether a horrible experience, but I feel powerless to change any of it.

- Man under 30

It was quite clear that the government has been using these measures to deflect attention away from their cruelty to the unemployed.

They aren't drug addicts and gamblers that the government would have you believe, which is nothing but a smoke screen to deflect to the press away from the real plight of how the hell can anyone live existing on stuff all? IMHO the Government needs to accept that the vast majority of people on Newstart aren't there because they want to be! I can't see how anyone could afford to buy drugs, cigarettes or alcohol and still pay rent, bills and buy food and clothing on \$250 a week? I know because I'm one of those people. A worker for 45 years that simply can't do what he used to do anymore!

- Mature aged man

Recommendations

- Undertake a fundamental review of Mutual Obligation and welfare conditionality in Australia that includes the perspectives of people experiencing poverty and unemployment.
- Scrap plans to extend welfare quarantining and income management because they reduce self-efficacy

6. Term of reference c - the changing nature of work and insecure work in Australia;

The AUWU analysed the Select Committee on the Future of Work and Workers Report ('FoW Report') which described Australia's presently grim labour market and changing nature of work, and which made a number of recommendations to prevent further projected deterioration in these areas. We draw on those recommendations in the following analysis. The FoW Report describes the Australian labour market as highly competitive, due to a number of factors including economic downturn, changing technology, automation, and a previous focus on supply side solutions to under-/unemployment instead of demand side job creation. It has been noted previously and again in the FoW Report that the official unemployment rate can vastly misrepresent underemployment due to the very low bar of working one hour per week being considered 'employed'.

This state of existing from week to week is due to unemployment associated with improved reliability of technology as well as automation and robotics eliminating many previous jobs. This situation is forcing me to compete against four other people for each available job (according to the Australian Bureau of statistics).

- Man under 50

The FoW Report notes that these forces have led to the changing nature of work in Australia. This means increasingly insecure work, such as casual and contract work, including an increase in technology driven 'on demand' contracting jobs, a lack of skill appropriate jobs with many seemingly underqualified or overqualified and overskilled for available jobs. Further, the over supply of labour has led to stagnation of wages, decreases in workers rights (or few incentives to provide more than the minimum), decreases in balance of power between workers and employers, decreases in bargaining and union power. There is little incentive to offer more than the minimum requirements. There is also a feeling of anxiety surrounding job security, underemployment and the meaning and purpose felt from having traditional full-time work and associated rights.

The role of income support payments, particularly Newstart, should be that of a safety net for people who find themselves under-/unemployed as a result of factors including the labour market and its effect on the changing nature of work, and part of a social compact that our taxes should be used to support anyone in need when they find themselves unemployed. Further, income support payments do not generally support part time or non-recognized forms of education, or unpaid internships and volunteer work, which are recognised pathways to improving the chances of finding a job.

6.1 The Moral Argument

But most of all, unemployed workers are clear that the case to raise Newstart is overwhelming. The decision not to raise it is as one unemployed worker observed is a moral decision. A decision by which the current government will be judged harshly for the lack of compassion and cruelty it has shown while privileging the wealthy with tax cuts.

When considering the unemployed I notice that decision makers who hold differing views might say 'this' or 'that' about those who receive the Newstart Allowance or they may proffer solutions that claim to have these recipient's best interests, or even the national interest, at heart. However, it seems to me that this narrative is often just noise, noise mostly fuelled by politics and ideology. I notice this can make it difficult to have a sensible debate. It is my hope that this noise can be swept aside to favor a more evidence or fact based approach. Afterall, if you would take a brief moment to reflect on your own personal circumstances as I have attempted to do in this submission, and extrapolate how you, yourself would deal with the hardship caused by very, low levels of income; in this light it is hard for me to see how one could not conclude that a decision to raise the Newstart Allowance is primarily a moral one, perhaps the aforementioned political 'noise' can be put to one side thus revealing what are likely to be two relatively unambiguous facts:

That the Newstart Allowance is often not a short term, transitory payment for many people.

That the Newstart Allowance itself is not enough to cover basic living costs.

Without trying not to be too melodramatic it seems clear that under the conditions mentioned above somewhere, at some time, a person may have died or will be more likely to die. I have merely applied 1 and 2 above to reach a logical outcome, and while hopefully this may be a rare or perhaps non occurring scenario, I don't think it is beyond mentioning as a possibility. In any event, the moral case, not to mention the economic case, for an urgent and substantial increase in the rate of Newstart Allowance seems clear and overwhelming when considering all the facts that have become apparent. Therefore, I would implore all [parliamentary] members to come together and adopt a fact based approach, devoid of ideology, and recognise that there is an overwhelming case for an urgent and substantial increase to the rate of the Newstart Allowance.

- Mature aged man

7. Term of reference k.

(the relationship between income support payment levels, minimum wages and wage stagnation in Australia and other comparable economies;)

Low-rate unemployment payments is one way of administering conditional welfare, and forcing unemployed workers into taking insecure and low quality jobs. The AUWU is concerned about the extent to which unemployment is artificially maintained by neoliberal economic practices in which a residual pool of unemployed people restrains wage growth. This optimal rate is known as the Non-Accelerated Indexed Rate of Unemployment (NAIRU)²⁹. The NAIRU is criticised because it privileges economic priorities and is maintained at the expense of real human capital development for unemployed workers.

I'm an intelligent person, I've read up on economics, and the worst bit of it all is that economics tells you that there is a maximum, 'full' employment, a point where it would be counterproductive to have more people working. With that in mind, it makes very little sense that we should be making people feel bad because they don't have work, or that they have less than they need (as in my case).

- Young man

8. Term of reference J.

(the economic benefits – including job creation, locally and nationally – of increasing and improving income support payments and supports, and decreasing poverty and inequality;)

What we need are more jobs, that's why we recommend the introduction of a Federal Jobs Guarantee (JG) scheme. The JG is aimed at addressing the dual issue of securing full employment and managing inflation. The "guarantee" is twofold: a guaranteed job offer and a guaranteed income. The government, acting as an Employer of Last Resort, offers an unconditional public sector job offer to anyone who wants a job. However, this is not a Work for the Dole scheme. No unemployed worker is forced to take a job in the JG and these jobs are real, paid jobs at a socially acceptable minimum wage (necessary for workers' to enjoy an adequate social, material, and cultural existence). The JG functions as a "buffer stock" to ensure full employment and price stability. This "buffer stock" (i.e. the totality of the jobs/workforce in the JG) works is symbiotic with the flows of the Business Cycle. As Mitchell et al. put it, 'the buffer stock of jobs is designed to be a fluctuating workforce that expands when

²⁹ Mitchell, W.F. and W.B. Mosler, Fiscal policy and the job guarantee, in Discussion Paper no.441. 2001.

the level of private sector activity falls and contracts when private demand for labour rises'³⁰.

Much like the 1945 White Paper "Full Employment in Australia", a Federal Jobs Guarantee would be part of a deliberate Commonwealth commitment and strategy to secure Full Employment³¹. The JG exists to eliminate all involuntary unemployment, but the JG is not an emergency or stop gap measure. As Mitchell et. al puts it, a JG "is not "an emergency policy nor a substitute for private employment, but rather would become a permanent complement to private sector employment"³². It's important to remember that the JG never competes with the private sector for employment. However, the nature of the buffer stock of paid JG jobs effectively creates a pressure for the private sector for the private sector to at least match its offer of a socially acceptable minimum wage, with reasonable work conditions to encourage the JG workers' to leave their JG job for a private sector job. What this concretely translates to, is that the JG acts as a positive pressure on the private sector to ensure that working conditions are at least minimally better than in the JG.

For the purposes of submission, we refer the reader to the growing body of literature on what kinds of jobs would exist under a JG and what work that could be done right now under a JG³³. However, it is relevant to note four rules of thumb. Firstly, the jobs under a JG need to be either low-skilled or inclusive enough to those who would most benefit from aJG (e.g. unemployed youth and long-term unemployed, etc.). Secondly, they should not substitute for existing private or government employment. Thirdly, the work should be socially necessary, culturally appropriate, and meaningful to the community. Fourthly, the jobs should be 'green': either environmentally sustainable or carbon neutral.

The economic benefits of JG are significant. With at least 14% of the labour market being underutilised, we are missing out on utilising an enormous pool of willing workers'

³⁰ W. Mitchell, S. Cowling & M. Watts , (2003), 'A Community Development Job Guarantee', Centre for Full Employment and Equity, 10 [my emphasis]. Available at: <http://www.fullemployment.net/publications/reports/2003/CDJG.pdf>

³¹ See: HC Coombs, (1994) 'From Curtin to Keating: the 1945 and 1994 White Papers on Employment', North Australia Research Unit: Australian National University.

³² W. Mitchell, L. Randall Wray, and M. Watts, (2019), *Macroeconomics*, London: Red Globe Press. 295.

³³ FA good starting point are the research and working papers done by Centre for Full Employment and Equity at the University of Newcastle (<http://www.fullemployment.net/index.php>). See also: P. Gregg & R. Layard, (16 March 2009), 'A Job Guarantee', London School of Economics, 2; and CofFEE & JobsAustralia, (2008), 'Creating Effective Local Labour Markets: A New Framework for Regional Employment Policy', and W. Mitchell & T. Fazi (2017), 'Reclaiming the State: A Progressive Vision of Sovereignty for a Post-Neoliberal World', London: Pluto Press.

to contribute to our economy³⁴. Essentially, this means that our economy tolerates labour wastage accounting to billions of dollars in lost potential output (among other social and economic loss)³⁵. The economist Steven Hail, estimates that a JG offering 700,000 jobs at \$40,000 a year (plus super and benefits) "would start at 2% of GDP (or less) and fall over time, including capital and administrative costs"³⁶. Modelling of a regional JG by the Centre for Full Employment and Equity at the University of Newcastle found that

That to implement the CD-JG Proposal "at a national level would require an estimated net investment by the Commonwealth of \$3.27 billion per annum". The results of which, "national output would rise by \$7.71 billion; private sector consumption would rise by \$2.38 billion; and an additional 68.9 thousand jobs would be created in the private sector"³⁷.

A JG would reduce the inequality that results from involuntary unemployment; create an equitable floor for a socially acceptable minimum wage; greatly reduce poverty; create more equitable bargaining conditions between Labour and Capital; help reduce unemployment that disproportionately effects marginalised and vulnerable groups; reduce the inequalities experienced by those who have substantial barriers to work; address regional inequality; let alone the psychological and societal benefits correlated with employment.

It is much harder for people in regional areas to 'just get a job' the case study below illustrates the challenges for unemployed workers in regional areas where there is limited availability of jobs.

³⁴ AUWU & PerCapita, (2018), 'Working It Out: Employment Services in Australia', 41. (available at <https://percapita.org.au/wp-content/uploads/2018/09/Working-It-Out-FINAL.pdf>).

³⁵ See: CoffEE & Jobs Australia, (2008), 'Creating Effective Local Labour Markets: A New Framework for Regional Employment Policy', Centre for Full Employment and Equity 226; and W. Mitchell, S. Cowling & M. Watts, (2003), 'A Community Development Job Guarantee', Centre for Full Employment and Equity, 9.

³⁶ See Steven Hail's (2018) article for Independent Australia, available at: <https://independentaustralia.net/politics/politics-display/a-job-guarantee-a-better-cheaper-alternative-to-the-greens-ubi,11486>

³⁷ See: W. Mitchell, S. Cowling & M. Watts, (2003), 'A Community Development Job Guarantee', Centre for Full Employment and Equity, 11

I live in a small town which is about 40 minutes drive from the outskirts of a capital city and I apply for jobs that are around 1 to 1.5 hours away from where I live. I could hardly afford to move without a good income to support me. So, you can understand that I feel incredibly demoralised when a prospective employer says to me, "You just live too far away, I decided to go with someone who lives closer to the job". No local employers in my town are advertising any work and few have had anything for a long time. Everyone who lives nearby would rather work closer to home than have to drive into the city, so local jobs are quickly snapped up by people with more and better experience and training than I have. So i'm in this situation where nobody wants me, everybody hates me (because i'm a drug taking dole bludger who is rorting the system) and you could forgive me for wanting to give up. But all I can do is keep going through the motions in order for me to not be such an imposition on my parents by receiving the meagre Newstart and other income I have been getting. I can't imagine doing all this without my parents to support me and I don't see a way out for several years, at best.

- Man under 30

9. Conclusion

Thank you for the opportunity to submit to this important inquiry. We hope the voices of those suffering on Newstart will lead to the much-needed changes to make Australia a fairer place to live, and to really help unemployed workers get back on their feet after periods of hardship.

'Beneath the surface, however, unemployment had left scars that were deep and lasting. The attitude of those interviewed to their experiences left no doubt on this point. Almost all said that it had profoundly affected their lives. "It left a scar...It will always be there" was a typical comment...The resentment felt by the unemployed was further exacerbated by the ease and speed with which the country mobilized when war again broke out in 1939. Many people interviewed expressed very bitter feelings that the government was so quickly able to eliminate the unemployed which it previously had claimed it was powerless to control.'

- 'Unemployed Workers': A Social History of the Great Depression in Adelaide'

RAY BROOMHILL