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of St Laurence

Working for an Australia free of poverty

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Committee Secretary
Senate Standing Committees on Community Affairs
PO Box 6100
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Dear Committee members

Submission regarding Adequacy of Newstart and related payments and alternative mechanisms to determine the level of income support payments in Australia

This is one of many submissions that we have made in relation to income support over the years, including one in 2012 on exactly this topic.¹ The facts are not in dispute. There is widespread acknowledgement of the economic, social and individual harms caused by the extremely low rate of Newstart Allowance.²

Other submissions will expand on the facts and their impacts, which we briefly canvass in the attached document. These are important, but in this submission we make three key points:

- a principled approach to reform is required
- social security must be understood in relation to employment and other policies; and
- an independent commission should be established to review and set adequate rates of social security payments.

A principled approach to reform is required

How the system treats people is all important. Periods of unemployment can happen to anyone in our changing economy. Increased compliance and punitive rather than enabling approaches set everyone up to fail—workers and jobseekers navigating a precarious labour market, employers, families, communities and our nation. Our economy is changing and the future of work is uncertain. We face current and future challenges of climate change, environmental degradation, demographic, technological and geopolitical

¹ Brotherhood of St Laurence 2012, *Towards a fair and decent social security system: submission to the Senate inquiry into the adequacy of the allowance payment system for jobseekers and others*, BSL, Fitzroy, Vic.

² See, for example, the [Reserve Bank of Australia](#), [Australian Medical Association](#), [Country Women's Association](#), [Business Council of Australia](#), and former [Prime Minister John Howard](#). Academic [research](#) also concludes that NSA is so low that it prevents people from seeking work.

change: it cannot be business as usual. We urgently need to develop policies and programs to shape a just future and reclaim social security.

The social security system must shift away from the current approach that emphasises personal failings, and is characterised by disrespectful treatment which leaves people feeling belittled and stigmatised. Instead, we need an approach to social security that values the social safety net as an investment in our nation, advances human rights, builds capabilities and addresses systemic drivers of disadvantage.

Principles articulate how a nation understands the purpose of social security, what it wants the system to achieve. They shape system design and provide an agreed reference point to test future policies and practices. They ought to reflect our commitment to the Sustainable Development Goals—which include tackling poverty—and our obligations as signatory to international conventions that demand a better social protection system, one that is adequate, enabling and fair. To this end we have identified five indivisible principles to guide social security reform (see attached paper *Reclaiming social security for a just future*).

Social security is just one plank of a strong, social cohesive society

Critically, social security payments must not be divorced from other social policies and programs, such as employment services, and must be responsive to the changing labour market. Social security must be buttressed by mutually reinforcing initiatives such as workforce planning, training, economic development, inclusive employment and support services. We need to recognise and respond to complexity and create the enabling conditions for a just, fair and compassionate society.³

An independent body should be established to review and set payment rates

Elsewhere we have called for the establishment of an independent body to review the rates and structure of social security payments.⁴ This would enable a transparent non-partisan process based on a principled approach.

We welcome the opportunity to discuss this submission with the committee.

Yours sincerely

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³ Bowman, D & van Kooy, J 2016, *Inclusive work and economic security: a framework*, Brotherhood of St Laurence, Fitzroy, Vic., <http://library.bsl.org.au/jspui/bitstream/1/9350/3/Bowman_vanKooy_Inclusive_work_econ_security_framework_2016.pdf>.

⁴ Brotherhood of St Laurence 2012, *Towards a fair and decent social security system: submission to the Senate inquiry into the adequacy of the allowance payment system for jobseekers and others*, BSL, Fitzroy, Vic.

The facts and the impacts are well known but, unfortunately, need repeating.

Newstart Allowance is demonstrably inadequate, undermines people's ability to seek work and drives many into poverty⁵ and ill-health.⁶ Furthermore, the very low rate of Newstart not only affect the unemployed person, but also harms their children; and this harm can have lasting consequences.⁷

What was designed as a short-term payment has increasingly become a long-term payment⁸ because of:

- the changed labour market, with an increase in short-term, casual and own account work⁹, which means that many people are obliged to rely on NSA even if they are employed. Peter Whiteford and Alexandra Herron estimate that up to 12 per cent of part-time workers also receive NSA¹⁰
- the tightened eligibility requirements of the Disability Support Pension, with many unwell or people with disability stuck on Newstart Allowance with little hope of getting work, and with inadequate support.¹¹
- single parents of children aged 8–16 years being no longer eligible for Parenting Payment Single. Many women find it hard to get sustainable flexible employment that enables them to meet their family responsibilities, and cycle in and out of short-term or casual jobs¹²
- mature age unemployment. Some 50 per cent of people in receipt of NSA are aged over 45.¹³ They are stuck in a netherworld—considered too young to retire but too old to work, and condemned to years of impoverishment.¹⁴ With the eligibility age for the age pension rising to 67 years by 2023, this situation is likely to worsen.
- the employment services system that does not work well. As we have argued elsewhere¹⁵, jobactive is characterised by poor outcomes for disadvantaged jobseekers; short-termism and churn; little investment in the capabilities required for the current and future labour market; a focus on compliance

⁵ Davidson, P, Saunders, P, Bradbury, B & Wong, M 2018, *Poverty in Australia, 2018*, ACOSS & UNSW Poverty and Inequality Partnership Report No. 2, ACOSS, Sydney.

⁶ Collie, A, Sheehan, L & McAllister, A 2019, *The health of Disability Support Pension and Newstart Allowance Recipients: analysis of National Health Survey data*, Insurance Work and Health Group, School of Public Health and Preventive Medicine, Monash University.

⁷ Researchers at the London School of Economics have identified the long-lasting impacts of financial distress and economic insecurity. See <<http://cep.lse.ac.uk/pubs/download/dp1609.pdf>>

⁸ DSS 2019, *DSS demographics March 2019*, https://data.gov.au/data/dataset/dss-payment-demographic-data/resource/50429fc7-69ee-4e78-a624-d0d40e3eb888?view_id=83168596-ae92-41eb-9a44-47e88ca5c848

⁹ Heath, A 2018, *The evolving Australian labour market*, speech to Business Educators Australasia 2018 Biennial conference, Canberra <https://www.rba.gov.au/speeches/2018/pdf/sp-so-2018-10-05.pdf>

¹⁰ Whiteford, P & Heron, A 2018, 'Australia: providing social protection to non-standard workers with tax financing', in *The future of social protection: what works for non-standard workers?*, OECD Publishing, Paris, pp. 43–74.

¹¹ Hermant, N 2019, *Record number of people with a disability being forced onto Newstart*, ABC News, <<https://www.abc.net.au/news/2019-09-12/disability-support-pension-applicants-diverted-to-newstart/11486164>>.

¹² McLaren, J, Maury, S & Squire, S 2018, *Outside systems control my life: the experience of single mothers on welfare to work*, Women's Research, Advocacy and Policy Centre, Good Shepherd, Abbotsford, Vic., <https://goodshep.org.au/media/2188/outside-systems-control-my-life_single-mothers-stories-of-welfare-to-work.pdf>

¹³ DSS demographics March 2019.

¹⁴ McGann, M, Kimberley, H, Bowman, D & Biggs, S 2016, 'The netherworld between work and retirement', *Social Policy and Society*, vol. 5, no. 4, pp. 625–36.

¹⁵ Brotherhood of St Laurence 2019, *Submission to the Department of Jobs and Small Business regarding the next generation of employment services*, BSL, Fitzroy, Vic.

and punitive approaches at the expense of meaningful assistance¹⁶; with poorly trained staff struggling to manage high caseloads¹⁷; and very limited engagement with employers.¹⁸ The competitive market is eroding trust between providers, diminishing collaboration and sharing of learning about programs and practice, and discouraging innovation.¹⁹

The impacts of inadequate income support payment are also well known.

Here are just some of the many stories we hear:

- Yesterday all I had was toast. **It is really hard to eat properly on Newstart, but what is worse is knowing that taxpayers hate you, even if you're hungry.** ('Chris', correspondent to the BSL)
- I'm living in regional Victoria in a cheap old house with lots of maintenance issues. This is all I can afford, I pay \$240 per week for a really old house, the house has no insulation, when it rains the back part of the house leaks so I have towels everywhere to catch the drips. The house is freezing! I hate putting on the heater because I know that means no food. After I pay the rent I have approx. \$180 per fortnight to live on. Then I have a credit card debt, which is huge, and that takes half the money. Then I have a phone so I can be contacted for jobs etc and after that it is a competition to see what utility bills come in. **Will it be food or utilities?** But there's also the car. Sorry nothing left to service car. **No clothes, furniture for the house, no going to catch up with friends at the café. No going out, period. But then I've lost most of my friends because I haven't got money to spend.** They think I'm not looking for work. I broke my prescription glasses the other day and can't afford to replace them, I've been very short-sighted since I was a child. Luckily, I have a pair of prescription sunglasses to drive the car with. I won't be going very far now. **I'm starting to think that living in my car might be a cheaper option but not very safe.** This has been quite a journey. **Still hoping to find a decent job which will turn things around.** – ('Sandra', correspondent to the BSL)
- Over the years Newstart has helped get me through some tough jobless times in my life. I **have seen attitudes change in the delivery of the dole and more hoops to jump through to get a payment. Very sad.** – ('James', correspondent to the BSL)
- I'm a single mum who had to transfer from a parenting payment to Newstart or Austudy when my child turned 8. I was unpleasantly surprised to realise that you're no longer eligible for an electricity rebate on Newstart. It was another kick, when I was already going to be about \$150 worse off a fortnight – – ('Amanda', correspondent to the BSL)
- five years on Newstart. No help whatsoever from employment service provider. What they are good at is reporting me to Centrelink, when I don't apply for the required number of jobs. I'm 60. A school teacher. I had a run of illnesses. A marriage break-up. I have depression and anxiety. I live in rural Victoria ... **It's not just increasing the amount of the payments. It's about holding the employment**

¹⁶ Bowman, D, McGann, M, Kimberley, H & Biggs, S 2016 'Activation and active ageing? Mature-age jobseekers' experience of employment services', *Social Policy and Society*, vol. 15, no. 4, pp. 647–58. Also see Wickramasinghe, S & Bowman, D 2018, *Help, but not real help: mature age jobseeker perspectives on employment services in Australia*, Brotherhood of St Laurence, Fitzroy, Vic.

¹⁷ Survey of frontline employment services staff (SFESS) in Lewis, J, McGann, M, Considine, M, O'Sullivan, S & Nguyen, P 2016, *From entitlement to experiment: the new governance of welfare to work*, University of Melbourne, <http://arts.unimelb.edu.au/__data/assets/pdf_file/0010/2165878/2016-Australian-Industry-Report.pdf>.

¹⁸ KPMG 2016, *The Australian recruitment industry: a comparison of service delivery*, report for the Department of Employment, KPMG, p. 19.

¹⁹ Olney, S & Gallet, W 2016, *Issues in market-based reform of human services: lessons from employment services*, paper prepared for the Social Service Future Dialogue.

service providers to account and make sure they do their job. Please don't use my name. I'm ashamed, embarrassed and too distressed as it is. I also know what it is like to go hungry. That's something I never dreamed of. – ('Theresa', correspondent to the BSL)

- I am 57 years old, and this is the first time in 40 years that I have ever been unemployed. I send out over 50 emails a month to try and get a job; out of those 50 emails I never get a reply, not one. My Newstart is \$262 per week my rent is \$350 per week. How can I possibly pay for a motor vehicle or fuel to look for a job if there is nothing left after I pay my rent??? I cannot remember the last time in 2 years that I have bought meat or had any treats like maybe going to a movie or something simple like that. **It is impossible to get a job if you do not have the funds to get to a work place or even pay for a bus or train fare. How does the government expect anyone on Newstart to find a job if they cannot find the money to get to a job?** Surely you'd think the government would do the sums on the Newstart allowance and see they are the problem. **I can see myself ending up homeless sooner or later because of lack of funds. Why is our government so heartless to the unemployed or the pensioners?** I think sometimes it would better to just die. – ('Peter', correspondent to the BSL)



Reclaiming social security for a just future

A principled approach to reform

Dina Bowman, Danielle Thornton, Shelley Mallett

Summary

Australia's current social security system is ill equipped to respond to the technological, demographic, environmental and geopolitical challenges we face.

It is time to reclaim the right to social security. We propose five principles to guide and underpin our social security system so that it contributes to a just, fair and compassionate society.

Key points

A strong, fair and supportive system of social protection is the precondition for a just and compassionate society, and the foundation of every open, inclusive and stable democracy. A principled approach to social security is also a precondition for economic productivity and social mobility.

To tackle the intersecting issues of economic insecurity, the changing nature of work, technological change, environmental crisis and the loss of trust in institutions requires a principled approach.

Principles to guide social security

We propose five interrelated and indivisible principles:

- **Adequacy:** Economic security is a human right and a precondition for wellbeing (International Labour Organization 2012). There is extensive evidence that the rate of Newstart Allowance is inadequate, being well below various poverty lines (Davidson et al. 2018; Melbourne Institute 2019). To prevent poverty and enable economic and social participation, social security payments must be adequate for people to live with dignity.
- **Dignity and autonomy:** Individual dignity and autonomy are fundamental to human rights. As the UN collaborative platform Social Protection &

Human Rights (2015) points out, these are 'inextricably linked to the principles of equality and non-discrimination'. The principle of dignity and autonomy also respects the right to privacy.

- **Equity:** An equitable system is fair and impartial. An equitable assessment of the adequacy of social security recognises that people have different needs depending on their age, gender, health and circumstances.
- **Accountability:** Accountability is reciprocal. For too long, the concept of reciprocity has focused on the obligations of those receiving income support payments, rather than also recognising the obligations of government. If work is held to be the best form of welfare, government must ensure that decent, sustainable jobs exist (Smith 2017).

Accountability entails transparency: clear statements of eligibility, assessment and decision-making processes, so that individuals can understand their entitlements and if necessary challenge decisions.

- **Solidarity:** Social security provides a safety net for all of us. As part of a progressive tax and transfer system it socialises risk across the whole population. A social security system that recognises the value of investing in people enhances social cohesion.

A principled approach to reform

A principled approach enables a sharp focus on the purpose of social security, which is often obscured by technical or budgetary discussions.

In proposing these principles, we aim to start a wider conversation about how Australia can enable economic security for all, now and in the future.

Designing social security for a new era

Australia has one of the most technically efficient and progressive social security systems in the world. But the system we have inherited was designed for a different era: one of greater certainty, when a secure job and an affordable home were often taken for granted and it was assumed by many that rising prosperity would be evenly shared.

The challenges we face—technological, demographic, geopolitical and environmental—require considered policy responses to ensure economic security and social cohesion now and in the future.

Environmental change, climate crises and social security

Climate change will affect the future of work and economic security (ILO (International Labour Office) 2019) and is predicted to have wide-ranging financial impacts (Debelle 2019).

Extreme weather events such as drought, fire, flood and cyclones have uneven social, economic and psychological impacts on individuals, households and communities (Friel 2014; Hayes et al. 2018).

Alongside extreme weather events, other direct physical impacts of climate change (such as changing temperatures and rainfall), combined with the transition to a lower carbon economy, will lead to significant structural adjustments across the economy and society (CSIRO and the Bureau of Meteorology 2018; Department of Environment and Energy 2019). The impacts will be uneven, with workers in some industries (such as agriculture) and some regions (such as the La Trobe Valley in Victoria) more vulnerable.

Policies to achieve a just transition to a more sustainable economy are widely discussed, but political consensus has been hard to achieve in Australia (Briggs, Dominish & Mey 2019; Green 2019). A robust social security system needs to be part of an integrated response to the challenges of climate change, supporting the people and communities who are the hardest hit.

An uncertain future of work and social security

Technological changes and the shift from manufacturing to service and knowledge industries have also had unequal impacts (Allan & Bowman 2018; Bowman 2015). For example, young people now face an extended transition from school to sustainable employment (Allan & Bowman 2018; Bowman, Borlagdan & Bond 2015) and many older people can no longer look forward to a comfortable retirement (McGann et al. 2015). Work is unevenly distributed. Despite some progress, women are still more likely to work part-time, often in feminised sectors, which tend to be low-paid. As a result, the gender pay gap remains at 14% (WGEA 2019).

More Australians are in the labour force: the participation rate of 66.1% is the highest since 1978 (ABS 2019c). However, not everyone can get a job or enough work.

Jobs growth has been in part-time work rather than full-time jobs (Cassidy & Parsons 2017). And an increasing number of workers work in the gig economy, on their own account, with uncertain hours and without protections such as sick leave and annual leave.

The casualisation of the workforce has created unpredictable and inconsistent incomes for many workers. A recent OECD publication estimated that 12% of part-time workers were receiving an income support payment in June 2016 (Whiteford & Heron 2018).

Unemployment increased slightly to 5.3% in July 2019, while youth unemployment remained high at 12% (ABS 2019c). While unemployment is a short-term experience for many, the proportion of people who are unemployed for a long time has increased considerably over the past decade. In 2009, the long-term unemployment ratio¹ was 13.2% in February 2009; in 2019 it had risen to 23.5% (ABS 2019b).

Underemployment—having some work but wanting more hours—also remains high at 8.4% in July 2019 (ABS 2019c). Almost 46% of these workers had been underemployed for longer than a year. Just under a

¹ The long-term unemployment ratio expresses the number of people unemployed for 52 weeks or more as a proportion of all unemployed people.

half (49.6%) of underemployed part-time workers had actively sought more hours (ABS 2019d).

Economic insecurity and financial stress are increasing (Taylor 2019). Applications for early release of superannuation funds have increased rapidly, driven by high out-of-pocket medical costs and financial hardship (The Treasury 2018); and a growing number of older people live in private rental housing or still owe money on their mortgage (Ong Viforj & Wood 2019).

Australian households have high levels of debt (ABS 2018), which limits their discretionary spending (Price, Beckers & Cava 2019) and, if highly geared, increases risks in the event of an unforeseen crisis such as an accident or ill-health (Ong et al. 2019).

Demographic change

Policy concern about demographic change has centred on the ageing population, migration and regional issues. Policy responses have included encouraging older people to work longer by lifting the eligibility for the age pension to 67 years by 2023.

Immigration accounts for over half of Australia's net population growth (ABS 2019a). Yet, despite concern about a shrinking workforce, immigration is politically contentious (RMIT ABC fact check 2019). These concerns are variously driven by fears that about potential social, environment and fiscal impacts—including on social security expenditure (Productivity Commission 2016).

As demographer Liz Allen (2018) points out: 'It's not size or growth that matters, but the characteristics and distribution of the population'. She calls for a future-focused population strategy for Australia that would also address the shrinking populations of some regional areas.

The impacts of environmental, labour market and demographic changes need to be considered together as part of sound social policy for the nation's future.

Poverty traps rather than a safety net or springboard

Our social security system has not kept pace with the speed of change. Despite almost three decades of uninterrupted economic growth, the proportion of people living in poverty has not declined (Productivity

Commission 2018, p. 5). Rather than providing a safety net—or better, a springboard—the current social security system creates poverty traps for many people:

- Newstart Allowance (NSA) has become 'an entry point into deep disadvantage' (CEDA 2018). Nearly half of the people who became homeless in Sydney and Melbourne between 2011 and 2016 were receiving NSA (Pawson et al. 2018).
- An increasing proportion of people receive NSA for more than a year. The average duration on NSA is 156 weeks or three years. While 33% had received NSA for less than a year in December 2018, 17% had received it for one to two years, 28% for two to five years, 17% for five to ten years, and 4% for more than ten years (DSS 2018).
- People aged over 55 accounted for one-quarter of NSA recipients (DSS 2018).
- Some 56 per cent of households relying on income support payments are in poverty, the majority of them families with dependent children (Davidson et al. 2018).
- One in three women over 60 living on the Age Pension live in permanent poverty (Feldman & Radermacher 2016; Smith & Hetherington 2016).
- A quarter of people on NSA spend over 57% of their income on rent or energy costs (ACOSS & Brotherhood of St Laurence 2019).
- Among survey respondents from households seeking emergency assistance in 2017, 86% were relying on government income support payments (The Salvation Army 2017, p.5).
- Welfare-to-work measures are contributing to financial insecurity and harming the mental health of people receiving NSA (Bowman & Banks 2018), single parents (McLaren, Maury & Squire 2018) and people receiving the Disability Support Pension (Lam 2014).

If our system is struggling to cope now, it is also unprepared for accelerating changes in the decades ahead, particularly the impact of further technological innovation on the types of employment available (Balliester & Esheikhi 2018).

Leaving our safety net as it is means in effect abandoning a sizeable number of Australians to the

harmful effects of poverty, including an increased incidence of anxiety, depression and other mental illnesses (Murali 2004), poorer health outcomes, lower life expectancy (Marmot 2015) and suicide (Georgatos 2019).

Australia needs a principled basis from which to design a social security system that is fit for the challenges that we face now and in the future.

Social investment and solidarity

We refer to ‘social security’ to make clear that the goal of social security policy is (or at least should be) to address the structural problem of *economic* insecurity by *social*—that is, collective societal—means (Lister 2016.). As Ruth Lister points out, ‘social security’ is quite different from the term

‘welfare’ [which] conveys a rather miserable, stigmatised, residual form of social assistance confined to people in poverty and all too often is linked with negative forms of dependency (Lister 2019).

Simplistic binaries of ‘deserving’ and ‘undeserving’ or ‘us’ and ‘them’ undermine social cohesion and solidarity (Hills 2015; Whiteford 2017). We need to reframe social security as being there for ‘for all of us’, emphasising the unpredictability of life events such as becoming disabled, becoming a carer to a child or partner or experiencing family violence leading to homelessness.

To develop achievable policy alternatives requires an understanding of complexity (Orton 2016). Structural and personal level factors contribute to poverty, regardless of the individual’s social or economic contributions. Social security is just one (important) dimension of the enabling conditions to create a fair, just and compassionate a society (Bowman & van Kooy 2016).

Then Prime Minister, Ben Chifley, recognised this in the post–second world war reconstruction years. In 1945 he likened social security to a safety net, but also recognised the importance of other social policies including housing, employment, education and health. As he put it:

... some provision for most forms of social security will be essential even at the best of times. And it should be clear that social security, in the narrower sense of cash benefits, cannot be

separated from its ramifications which reach out into all sections of our economic system. (Chifley 1945, p.3)

In this paper, we focus on income support payments, as part of broader social security.

Learning from past and international experience

To set our proposed principles in context, below we present some other sets of principles, first from Australia and then from overseas.

Australia

In Australia, there is a long history of principled reform. In an associated paper (Thornton 2019, forthcoming) we trace the shifting principles behind Australian social security, from the welfare policies of federation through postwar reconstruction to the targeting and weakening of entitlement. Here we mention some key reviews.

The Commission of Inquiry into Poverty (1972–1975) chaired by Professor Ronald Henderson identified three broad principles:

Every person has the right to a basic level of security and wellbeing; and all government action should respect the independence, dignity and worth of every individual.

Every person should have equal opportunity for personal development and participation in the community; to achieve this government intervention will be required not only to redistribute income but also to ensure a fair distribution of services and power to make decisions. Special consideration for disadvantaged groups, positive discrimination and devolution of power will be necessary.

Need, and degree of need, should be the primary test by which the help given to a person, group or community should be determined. (Commission of Inquiry into Poverty 1975, p.2)

Around the same time, the Asprey Review of the tax and transfer system (Commonwealth Taxation Review Committee 1975) considered issues of redistribution and complexity. Since then a series of other inquiries and reviews have proposed principles to underpin the social security system in Australia (Regan 2014).

The Social Security Review (1986–1988) chaired by Bettina Cass introduced the idea of active labour market policies, with a focus on enabling unemployed people to find work. The idea of reciprocal obligation generated the Job Compact, whereby government was obliged to create jobs and long-term unemployed people were obliged to accept them (Quinlan 2007).

The Reference Group on Welfare Reform (1999–2000) led by Patrick McClure was established to tackle so-called welfare dependency. Their report emphasised simplicity, participation and mutual obligation (DFCS 2000).

The first decade of the 21st century saw the Australia's Future Tax System Review (2008–2010), chaired by Ken Henry, as well as the associated Pension Review (2008–2009) led by Jeff Harmer. The Henry Review (2009) proposed principles about incentives to work, and targeting those most in need.

In 2014, a Senate Inquiry into Inequality (Senate Community Affairs References Committee 2014) considered principles to underpin social security to prevent poverty and inequality in Australia. Drawing on submissions by ACOSS and COTA, the report focused on adequacy, while maintaining the need for an incentive to work, and ensuring that payments are targeted to those most in need.

In 2015, another Reference Group on Welfare Reform, again led by Patrick McClure, proposed three principles:

- the balance between adequacy, incentives to work and affordability
- the coherence of the system. One payment should not be changed in isolation from others
- individuals' capacity to work. Higher rates should be set for people with limited capacity to work who are less able or unable to supplement their payments through earned income (Reference Group on Welfare Reform 2015, p.94).

Recently, community organisations have outlined principles for social security. For example, the Australian Federation of Disability Organisations sets out eight principles that draw on UN conventions such as the Convention on the Rights of Persons with Disabilities (CPRD) and on the lived experience of the social security system among people with disability.

They highlight social security as a human right, but stress that it should not deny the right to work for persons with impairment. People's varying needs across the life course must be recognised, and personal circumstances, discrimination and the labour market must be taken into account in assessment processes.

International perspectives

Around the world there are several other instructive contemporary sets of principles for the design and operation of social security.

The Framework for Social Protection and Human Rights (Social Protection & Human Rights 2015) devised by the ILO and other UN agencies lists thirteen principles:

1. Universality of protection
2. Dignity and autonomy
3. Equality and non-discrimination
4. Inclusion of vulnerable groups
5. Gender perspective
6. Transparency and access to information
7. Meaningful and effective participation
8. Access to accountability mechanisms and effective remedies
9. Respect of privacy
10. Comprehensive, coherent and coordinated policies
11. Adequate legal and institutional framework and long-term social protection strategies
12. Standards of accessibility, adaptability and acceptability
13. Adequacy of benefits

New Zealand

The New Zealand Welfare Expert Advisory Group (WEAG 2019) has recommended ten principles to underpin income support:

- Income support is adequate for meaningful participation in the community, and this support is maintained over time.
- Income support ensures people are always better off in paid work and high effective marginal tax rates are avoided as much as possible.
- Main benefits cover a larger proportion of people's living costs than they do currently (reducing reliance on other assistance).
- Child-related payments follow the child and can be apportioned with shared care.
- Payments for specific costs provide support that is adequate, appropriately designed and easy to access.
- Changes to income support reduce disincentives to form relationships.
- The income support system proactively supports people to access their full and correct entitlements and promotes these entitlements to the broader population.
- The income support system is easy to access and provides timely support, including to people transitioning in and out of the system.
- The income support system is as simple as possible balanced against the need to provide adequate support for people in a variety of circumstances at a reasonable cost to government.
- People are treated with dignity and respect when accessing this support.

Scotland

Scotland has already adopted a principled approach, developing a Social Security Charter (Social Security Scotland 2019) that emphasises respect for the dignity of individuals and human rights:

1. Social security is an investment in the people of Scotland.
2. Social security is itself a human right and essential to the realisation of other human rights.
3. The delivery of social security is a public service.
4. Respect for the dignity of individuals is to be at the heart of the Scottish social security system.

5. The Scottish social security system is to contribute to reducing poverty in Scotland.
6. The Scottish social security system is to be designed with the people of Scotland on the basis of evidence.
7. Opportunities are to be sought to continuously improve the Scottish social security system in ways which—
 - (i) put the needs of those who require assistance first, and
 - (ii) advance equality and non-discrimination.
8. The Scottish social security system is to be efficient and deliver value for money.

United Kingdom

A series of workshops on the future of social security has identified principles to inform the UK Commission on Social Security led by Experts by Experience. The Commission is solutions-focused and is developing a white paper. The consultation has identified the following principles to underpin social security: 'a human rights approach, the right to social security as defined in ICESCR [the International Covenant on Economic, Social and Cultural Rights], involvement of service users, a public service ethos, respect and dignity, statutory entitlements' (Orton 2017, p. 13).

Reorienting perspectives on social security

The international approaches outlined above all reflect attempts to reorient perspectives on social security. The principles we have reviewed variously emphasise values and design. While there is a common emphasis on dignity and respect in many of the sets of principles, some balk at fully committing to adequacy of income support.

They also vary in the extent to which they recognise related factors such as available decent work or care services, that might affect people's need for income support.

Although successive reviews in Australia have drawn attention to principles such as ensuring that social security is available to those in need, recent policy changes have tended to focus on technical efficiency, regulatory compliance and increased targeting rather

than to apply explicit values that are consistent with the dignity and economic security of individuals and a prosperous, cohesive nation.

By foregrounding how the principles encoded have evolved over time, Thornton (2019, forthcoming) highlights the ‘turning points’ that have led to the current policy and system failures and invites consideration of how social security might be adapted to address new social risks.

Some indivisible principles to underpin social security now and in the future

Here we propose five interrelated principles (Figure 1).

Figure 1 Key principles for social security now and in the future



Adequacy

Economic security is a human right and a precondition for wellbeing (ILO 2012). There is extensive evidence that the current rate of Newstart Allowance is inadequate, being well below various poverty lines (Davidson et al. 2018; Melbourne Institute 2019; Senate Community Affairs References Committee 2014). To prevent poverty and enable economic and social participation, social security payments must be adequate to enable people to live with dignity.

Dignity and autonomy

Individual dignity and autonomy are fundamental human rights. As the UN collaborative platform Social Protection & Human Rights (2015) points out, these are ‘inextricably linked to the principles of equality and non-discrimination’. The principle of dignity and

autonomy also respects the right of privacy. As Nussbaum (2011, p. 30) states:

A focus on dignity will dictate policy choices that protect and support agency, rather than choices that infantilize people and treat them as passive recipients of benefit.

Equity

An equitable system is fair and impartial. There is increasing and widespread concern, however, that the shift to automated decision making such as the Targeted Compliance Framework (TCF) and the so-called robodebt scheme lack transparency and are unfair.

The TCF automatically suspends payments if requirements are not fulfilled; there is little discretion, unless contact is made with a service provider or Centrelink. This can result in unfair suspensions, for example, of homeless people (Senate Standing Committees on Education and Employment 2019).

The automated debt-recovery (robodebt) system matches data from the Australian Tax Office with income reported to Centrelink to calculate purported debt. The calculated debt is presumed correct, and the onus is on the claimant to prove otherwise.

An equitable assessment of adequacy recognises that people have different needs depending on factors such as their age, gender and health. An increasing number of Newstart Allowance recipients live with disability or ill health, having been assessed as not eligible for the Disability Support Pension (Knaus 2018): this means their payment is inadequate for their ongoing needs.

Accountability

Accountability is reciprocal. For too long, the concept of reciprocity has focused on the obligations of those receiving income support payments, rather than also recognising the obligations of government. The responsibility needs rebalancing. If work is held to be the best form of welfare (Smith 2017), government must ensure that decent, sustainable jobs exist.

Accountability entails transparency: a clear articulation of eligibility, assessment and decision-making processes, and the ways that individuals can understand and if necessary challenge decisions.

Solidarity

Social solidarity is fundamental to social security, which is a form of social protection. Social security provides a safety net for all of us. As part of a progressive tax and transfer system it socialises risk across the whole population. A social security system that enhances social cohesion recognises the value of investing in people.

Principles to refocus discussion on the purpose of social security

Each of these five principles has implications for the design and implementation of social security policy and programs.

Much like the Sustainable Development Goals, the principles we propose are interrelated and indivisible. Without adequacy it is difficult to achieve dignity; without accountability it is difficult to achieve equity.

By identifying these principles, we want to refocus on the purpose of social security and reframe how we think and talk about social security.

A principled approach to social security can contribute to a fairer, more compassionate, sustainable and just society, now and in the future.

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About the project

This paper is part of the Brotherhood of St Laurence's Reclaiming Social Security research and advocacy agenda.

Read more about our research on social security at <https://www.bsl.org.au/research/projects/reclaiming-social-security/>.

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