

CHiLD POVERTY ACTION GROUP

Child Poverty Action Group

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Social Services Select Committee

Parliament Buildings

Wellington

Submission:

Social Assistance (Future Focus) Bill

Child Poverty Action Group thanks the Select Committee for the opportunity to submit on this Bill. Child Poverty Action Group (CPAG) comprises a group of academics and workers in the field dedicated to achieving better policies for children. The aims of our organisation are:

- The development and promotion of better policies for children and young people.
- Sharing information and connecting with other groups with similar concerns.
- Elimination of child poverty in Aotearoa New Zealand by 2020

Along with other children's agencies, we are very concerned about the implications of this Bill on children and young people. We urge Committee members to carefully

consider the impacts of this legislation on the most vulnerable children in the community, and to act in their best interests.

Contact:

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We wish to speak to our submission.

CPAG submissions

- [1] **CPAG submits that the existing requirements for a return to full-time work when the youngest child turns 18, and part-time work when the youngest child turns 6 remain in place.**
- [2] **CPAG also submits that there must be protections for sick, disabled and traumatised children specifically inserted in the Bill to protect them and their parents.**
- [3] **CPAG submits the clause requiring mothers who have a child while on a benefit to return to work when that child is one year old be deleted, and that the work test that would normally apply be applied to the youngest child whether or not s/he has been born while the mother is in receipt of a benefit.**
- [4] **CPAG submits that the provision allowing beneficiaries to be referred to jobs with hours of work greater than the existing definition of part-time and full-time work be deleted, especially in the absence of any clear rules on what would be deemed acceptable, and the lack of an independent appeal process.**
- [5] **CPAG submits that while assistance should be offered to widows and women alone, this should be a standard part of the service offered by Work and Income, and the taking up of such assistance should not be used as a gatekeeping exercise to deny people benefits. The Bill needs to make this clear.**
- [6] **CPAG further submits that the use of sanctions for non-compliance is unduly harsh given the vagueness within the Bill. As drafted, the potential for bullying women with limited options is high under this Bill. We submit these provisions be deleted.**
- [7] **CPAG submits the Select Committee remove the provisions in the Bill for private service providers in light of strong and damning evidence from the United Kingdom, and that the government refocus on providing quality**

services through the Ministry of Social Development, working alongside local communities.

- [8] CPAG submits comprehensive services for young people, including referrals to jobs and training can and should be provided by the Ministry of Social Development, with the money going directly to service provision, including financial support of young people where needed.
- [9] CPAG also submits there needs to be a more realistic assessment of whether Independent Youth Benefit recipients can and should necessarily undergo training. There are 31,000 15-19 year olds not in employment, education or training. A far more comprehensive effort is required to help re-attach these young people to education or employment than the petty monitoring and flimsy financial incentives contained in this Bill.
- [10] CPAG further submits that we are concerned that the outcome of this Bill will be young people being left with no support as the complexity and monitoring it introduces is likely to mean some simply walk away and find other, less legitimate, ways of supporting themselves.
- [11] CPAG submits that rather than the income management outlined in the Bill being the default option, it should be optional and/or only used in exceptional, clearly defined circumstances.
- [12] CPAG submits that the setting up of a separate agency to share information cannot be justified, and we note these provisions have been added to the Bill against the advice of the Office of the Privacy Commissioner.
- [13] CPAG submits there must be stronger provisions in place to protect private information of recipients, especially in light of the ease with which private information can be released into the public domain.
- [14] CPAG submits the circumstances under which information can be shared needs to be much more clearly spelt out, especially as private agencies have no particular interest in protecting private information.
- [15] CPAG supports an expansion of active labour initiatives such as 'straight to work', 'training support', 'skills for growth', 'Job Ops with training', 'skills investment subsidy' and the 'training incentive allowance' rather than a punitive approach to beneficiaries.
- [16] CPAG submits this Bill be scrapped, and welfare reform be reconsidered as a means to alleviate poverty and advance the economic prospects of benefit dependent households through better access to education, training and social support services.

Introduction

- [17] Child Poverty Action Group (CPAG) has serious misgivings about a number of aspects of this Bill. Our first is the abnormally short time frame within which the public has been expected to read, understand and then submit on a complex 68 page Bill. The submission time of 9 working days provides the thinnest veneer of public consultation, and given the profound changes in service delivery this Bill proposes, the short submission time renders consultation a sham.
- [18] CPAG notes that the government has recently spent considerable time and energy consulting on its Green Paper for Vulnerable Children. This Bill flies in the face of any articulated concern for so-called vulnerable children, targeting as it does benefit-reliant sole mothers and their children. This legislation will make children more vulnerable to abuse and the violence of poverty, not less. CPAG is deeply disappointed that the interests of children continue to be overlooked as the government pursues its ideological vendetta against welfare support for New Zealand's most vulnerable citizens.
- [19] Equally concerning is this Bill's focus on 'independence' through work, and not on improving the financial situation of sole parent and other beneficiary households. The provisions contained in this Bill provide no measures to alleviate poverty, improve household incomes or address the socioeconomic disadvantage that characterises many sole parents.¹ The core problems of high effective marginal tax rates faced by beneficiaries, the complexity of Working for Families, and the lack of alignment between the existing worktest and Working for Families eligibility, continue to be ignored. These are the context for benefit poverty, along with a moribund labour market. The provisions contained in this Bill ignore this context, and do nothing to address New Zealand's high rates of child poverty.
- [20] This Bill continues the government's profoundly anti-women policy stance. While CPAG agrees there is an argument for phasing out the Widow's and Women Alone benefit over time, it is difficult to see what can be gained from subjecting predominantly middle-aged women to work tests in a weak labour market at a time many others are competing for scarce jobs. As with the young people in receipt of the Independent Youth Benefit (IYB) and Young Parents Payment (YPP), Widows and Women Alone do not represent a national social or fiscal crisis. If, as the Minister claims, society no longer thinks women need to be supported by a man, there are more intelligent ways to deal with this than punishing women *ex post* for having outlived their spouses.
- [21] The provisions dealing with changes to the IYB and YPP signal significant changes to the way a core government service – welfare – is administered, and

¹ Fletcher, M. (2011). Some Policy Issues for Reforms of Assistance to Sole Parents. *Policy Quarterly*, 7(2), 38-45.

raises troubling constitutional questions about the line between the public and private sectors, and how the interests of taxpayers are best protected. It is a shame that the shortened submission time for this Bill has left no room for the public debate that needs to take place around these issues. There is little doubt that the use of private providers and the direct purchasing of approved goods and services by the state set out in this Bill will eventually be rolled out to other beneficiaries, despite the lack of evidence that such measures improve outcomes for families, and it is a shame these have not received the public attention they deserve. Worse, the changes are being pushed through when there is mounting evidence of scandals related to the use of private providers in the US, the UK, Australia and the Netherlands.

[22] The underlying assumptions of this Bill and previous legislation passed by the National government have been informed by the reports of the Welfare Working Group (WWG). The WWG reports consistently misused and misrepresented data, they made numerous claims for which there is no evidence, and the group's terms of reference explicitly removed topics that would have provided context and balance to reports written, it is now apparent, to justify at a pre-determined conclusion. Like many others in the sector, CPAG participated in this process in good faith, and it is hugely disappointing to see that our submissions, along with many others, have been completely ignored. Clearly, this was not consultation in any meaningful sense, and we fear that the outcome of this process will be to similar effect.

[23] Like the WWG, this Bill makes no recognition that **raising and caring for children is work**. It might be unpaid work, but it remains work, and in the case of sole parents it is one person trying to do the work of two. The net effect of forcing sole parents out to paid work² is that many will end up caring for children of working parents. There is no net gain to society from this money-go-round.

[24] In keeping with the general tone of the WWG, this Bill purports to tell sole parents what is best for their children. The government would not dare to presume to do this with any other group, and its stance (and that of the WWG) in this Bill cannot be justified solely on the basis that the sole parent is receiving a benefit. There is no evidence anywhere that sole parents have social and behavioural norms significantly different from others in society, or that they are any less concerned with their children's future wellbeing. However, this Bill does not confine its paternalism to sole parents, and seeks to control the lives of a few thousand recipients of the IYB and YPP, again with no evidence that this group is any more or less capable of managing its spending than any other. Why not do this for pensioners? This is blatant discrimination.

[25] Due to time constraints, and the government's apparent determination to press ahead with this legislation, notwithstanding its flimsy evidential basis and lack of

² CPAG acknowledges that many sole parents do work, and many others would if they had suitable support and child-friendly jobs.

protection for children, the following submission covers key points in the Bill in general terms. CPAG reiterates its disappointment that the government has chosen to severely limit the time available to subject the Bill to closer public scrutiny.

Background legal instruments

- [26] Māori are over-represented in benefit statistics, including sole parent statistics. This is due to a combination of factors, including the fact that Māori are more likely to live in areas of high unemployment including deindustrialising townships such as Kawerau, and are more likely to have low skill levels that make them more susceptible to economic cycles, particularly long drawn-out periods of slow economic growth such as New Zealand has been experiencing for the last 4 years.
- [27] The Treaty of Waitangi sets out a partnership between Māori and the Crown. While the government has argued that private providers will include iwi organisations, the fact remains that this Bill will have a disproportionately negative impact on Māori whanau and youth.
- [28] Social security is a fundamental right to which every human being is entitled as recognised in the Universal Declaration of Human Rights. All New Zealanders have the right to a strong social security system. The benefit system should provide income protection that is adequate, universal and will alleviate poverty during unexpected life contingencies: unemployment, old age, sickness, injury and for other significant social and economic reasons. Any one of us can become ill, unemployed or separate. The social assistance system is there to support people, not punish them.
- [29] A consistent theme of the WWG reports and subsequent legislation, including this Bill, has been a refusal to note the close link between the state of the labour market and the number of people on benefits, especially the Unemployment Benefit. However, it is not just that jobs must be available, they must be safe, secure and well paid, especially if the government has determined that work and work alone is appropriate for sole parents. To this end, it must be fairly and justly rewarded and meet the standard of good work as set out in international agreements, and International Labour Organisation (ILO) Conventions.
- [30] CPAG notes there is no reference to the UN Convention on the Rights of the Child in the Bill, or to the Covenant on Economic, Social and Cultural Rights. New Zealand is a signatory to both of these, which among other things guarantee freedom from discrimination for children. The targeting of sole parents and their children arguably breaches both of these treaties. New Zealand has come in for criticism for its treatment of children in the past. This Bill further opens up the gap between the ideal of equality for all children and the reality of stigmatisation for thousands of New Zealand children in benefit-reliant households.

Provisions pertaining to Sole Parents, Widows, Women Alone and partners

[31] The explanatory note to the Bill states the justification for lowering the youngest child's age at which sole parent beneficiaries are expected to return to work is that it is lower in most other OECD countries. This completely overlooks the fact that most other OECD countries also have far better supports in place for working parents than anything currently existing or proposed for New Zealand.

[32] The explanatory note's claim that the proposed changes are "in line with societal norms" (p5) provides no evidence of what those norms might be, or who has determined what they are. The claim that the expectation for availability of full-time work "is in line with the legal requirement for parental supervision for children up until 14 years of age" displays an inability to distinguish between what is strictly legal and what in practice is the age young people have the greatest need for a parent to be available to them after school. The Ministry of Social Development's 2006 report into youth gangs in Manukau found a contributing factor was "extreme work-life imbalances. Parents struggling to provide for their families financially are under stress, which...can manifest in terms of emotional distance, a lack of parental modelling and presence in the home, and a lack of family cohesion."³ In other words, the problem is largely one of the latchkey children of working parents. Clearly, in families where one parent is trying to do the job of two, the worktest will put severe stress on the household. While many sole parents do have sufficient support to work full-time when their children are at school, there must be better supports in place for those who do not.

[33] As it stands the Bill makes no provision for parents who care for sick or traumatised children, or to provide additional support for parents with sick children. In the government's own parlance these are vulnerable children, and the Bill must make provision to recognise this.

[34] **CPAG submits that the existing requirements for a return to full-time work when the youngest child turns 18, and part-time work when the youngest child turns 6 remain in place.**

[35] **CPAG also submits that there must be protections for sick, disabled and traumatised children specifically inserted in the Bill to protect them and their parents.**

[36] CPAG is extremely concerned at the proposal to force parents back to work when their youngest child turns one in the event they have another child while in receipt of a benefit. This effectively punishes mother and baby for violating an

³ Ministry of Social Development. (2006). *Youth Gangs in Counties Manukau*. Wellington: Ministry of Social Development. Available <http://www.msd.govt.nz/about-msd-and-our-work/publications-resources/research/youth-gangs-counties-manukau/index.html>, p30.

arbitrary norm of behaviour, and has no regard to the circumstances by which such an event might occur.

[37] CPAG notes the explanatory note's reference to this provision as being to ensure "families at greater risk of long-term benefit receipt are afforded earlier support and assistance to secure paid work and the...developmental advantages this provides to the family" (p7). There is no evidence that women (because this only applies to women) who have another child while in receipt of a benefit are "at greater risk of long-term benefit receipt": again this merely feeds a stereotype; more alarmingly, it is difficult to ascertain what "developmental advantages" could possibly be conferred on forcing a sole mother back into work when she is the sole caregiver of a one-year old child. This provision provides no advantages, developmental or otherwise, to children, but rather is a punishment for women who have another child while receiving a benefit. Moreover, no one would suggest that sending a partnered woman back to work when her youngest child turns one confers an unspecified "developmental advantage". This provision of the Bill strongly suggests welfare reform has little to do with children's wellbeing, but is more focused on social control of selected groups.

[38] **CPAG submits the clause requiring mothers who have a child while on a benefit return to work when that child is one year old be deleted, and that the work test that would normally apply be applied to the youngest child whether or not s/he has been born while the mother is in receipt of a benefit.**

[39] We have further concerns with provisions in the Bill ostensibly designed to "improve flexibility" (p6) of the system by allowing beneficiaries to be referred to jobs with work hours less than or greater than the hours required (p6-7). How many hours over the required hours would be considered unreasonable? Who would have the final say on whether the referral was reasonable or not? What provisions for appeal would be put in place? Would parents be required to give up jobs they already have in order to take other jobs to which they have been referred even though they may be less suitable? In other words, how is this supposed to work in practice? None of these questions has been answered in the Bill, yet all have the potential to impact on the wellbeing of the children in sole parent families. Stating that case workers must "have regard to" the existing definitions of full-time and part-time work (p7) is a legal nonsense. Unless clear rules are set out, along with an appeal procedure that does not involve the WINZ officer involved, this has the potential to simply become a device for bullying sole parents into accepting possibly unsuitable work.

[40] **CPAG submits that the provision allowing beneficiaries to be referred to jobs with hours of work greater than the existing definition of part-time and full-time work be deleted, especially in the absence of any clear rules on**

what would be deemed acceptable, and the lack of an independent appeal process.⁴

[41] Here, we briefly address the parts of the Bill pertaining to widows and women alone. This introduces something called “activation powers”. In practice this appears to be a gatekeeping mechanism designed to keep as many people as possible off welfare in the first place. CPAG is aware of needy families who have given up attempting to obtain financial assistance from WINZ as a result of these gatekeeping practices. Beneficiaries can attend CV writing workshops and other activities to “prepare for work” (all to the benefit of private providers and at the taxpayers expense), but in the end there must be work available. It is a great pity that the government has not seen fit to invest in policies that create decent jobs rather than punishing those who have lost them.

[42] **CPAG submits that while assistance should be offered to widows and women alone, this should be a standard part of the service offered by Work and Income, and the taking up of such assistance should not be used as a gatekeeping exercise to deny people benefits. The Bill needs to make this clear.**

[43] **CPAG further submits that the use of sanctions for non-compliance is unduly harsh given the vagueness within the Bill. As drafted, the potential for bullying women with limited options is high under this Bill. We submit these provisions be deleted.**

Youth support and focus

[44] Although outside CPAG’s area of direct concern, we take this opportunity to express our disquiet at a number of features of this Bill as it relates to young people and parents.

[45] According to the Cabinet papers, there are approximately 2,700 young people on the IYB and YPP.⁵ Thus, the numbers are very small, and those in receipt of the IYB receive \$170 per week. The IYB is difficult to obtain, and at the low rate of payment offers only the slimmest of safety nets for young people. This Bill seeks to reduce this already threadbare safety net, while supposedly offering training and education for young people.

[46] It is by no means clear that the drafters of this Bill have considered their target group. Youths who leave home when they are 16-17 usually do so because of irreconcilable breakdowns within the family, because there is violence in the home or because they otherwise feel unsafe. Some already have drug and

⁴ The lack of an independent appeal process is a troubling aspect of the entire welfare reform process, and existing WINZ practices as a whole. The Welfare Working Group devoted one small paragraph in its final report to this aspect of reform, and subsequent legislation has also paid little regard to this aspect of the social assistance system.

⁵ <http://www.msd.govt.nz/about-msd-and-our-work/newsroom/media-releases/2012/welfare-reform-announcement.html>

alcohol problems, and may be traumatised and suffering mental health problems as well.⁶ The Bill's assumption that these young people will be willing and capable students appears far-fetched. The incentive of \$10 per week will not even cover transport costs in most cases so is unlikely to work as an incentive.

[47] The IYB payment of \$170 plus an accommodation supplement is unlikely to cover even basic rent and utilities, and young people will be lucky if there is much left on their plastic cards with which to purchase other necessities. It is difficult to imagine young people will have sufficient cash to study as this Bill envisages, even with the additional \$10 per week. We are particularly concerned that the Bill allows for the provision of education and training *instead of* the provision of financial support for young people (p10). Recall, these are young people living away from home. How are they supposed to support themselves? Who is it envisaged will pay for the education and training, and how will young people get support for living expenses?

[48] Section 158 requires young people to undertake a number of training options or "work based learning". It is essential to get more clarification around this especially in the light of the abuse that occurred in the United Kingdom with such programmes.

[49] A work experience scheme in the United Kingdom is in disarray now with several big chains including TESCO suspending involvement. In February this year the Guardian Weekly reported that the chains of Waterstones, Sainsbury's, TK Maxx, Burger King and National Charities had pulled out of the scheme due to concerns about the mandatory nature of the scheme and the sanctions regime if people failed to comply with this work experience.

[50] CPAG notes the introduction of an abatement-free zone of \$206.73 (a curious misalignment with other benefits including the DPB). While it is helpful that young people can earn additional money while studying, this does not assist their chances of doing well at their studies. Moreover, we note the 100c in the \$ abatement rate for earnings over this amount (p43), and an absolute limit on earnings of \$256.73. This has the potential to create a poverty trap for young people, and risks them finding other, less socially acceptable ways of economic survival.

[51] There is no doubt New Zealand's 'long tail' of educational underachievement is an issue that must be addressed eventually, as must its high rates of youth unemployment. However, the key issues here are poverty on the one hand, and

⁶ See Rosenthal, D., Mallett, S., Myers, P. (2007) Why do young people leave home? Australian and New Zealand Journal of Public Health, 30(3) 281-285; Collins, D., Kearns, R. (2001) *Under curfew and under siege? Legal geographies of young people* Geoforum 32(3) 389-403.

a lack of jobs and opportunities on the other. Tinkering with welfare eligibility does not deal with these, and CPAG questions whether stigmatising young benefit recipients will have the outcomes desired by the drafters of this Bill.

[52] We note also that the Bill discusses frequent engagement with private providers by young welfare recipients. There is no reason such a comprehensive service could not be offered by the state should it choose to do so. In light of the scandals that have plagued the US and the UK, there does appear to be a case for the government to reconsider this aspect of the Bill. Moreover, private companies do not make money meeting frequently with clients and providing comprehensive services. They will make money by minimising contact and getting people off the rolls as soon as possible, regardless of need. Paying providers to move people off welfare roles creates perverse incentives to ignore the needs and rights of beneficiaries. CPAG is very concerned about the outcomes for both young people and children, especially as this system is rolled out to include others, including sole parents.

[53] The proposal to introduce private service providers is very disturbing given the evidence of negative experiences from the United Kingdom, the Netherlands and Australia. The first report by the United Kingdom Government Public Accounts Committee, *Support to incapacity benefits claimants through Pathways to Work*,⁷ found “all the contractors employed to deliver Pathways have performed well below their contractual targets despite the Department paying service fees earlier than planned in order to improve performance.”

[54] The review found that contractors in provider-led Pathways areas have performed worse than Jobcentre Plus (the UK Government Department), despite generally “operating in parts of the country with lower incapacity benefits numbers and unemployment levels, and relatively strong demand for labour”.

[55] The review found that the poor contractual performance by providers was not explained by the recession and stated that “factors such as the underestimation of the complexities of the claimant group, which led to overly optimistic bids, are equally important”.⁸

[56] A review by the Joseph Rowntree Foundation of contracted-out welfare to work programmes in Australia and the Netherlands confirms the concerns about contracting-out these services.⁹ While there were cost efficiencies, relatively little was known about how these gains were offset by reduced services and high transaction costs for the purchaser. The review stated that contracting-out poses further challenges (than delivery through the public system) because it fragments programme responsibility amongst multiple contractors, changes the relationship between policy makers and front line service deliverers and blurs

⁷ <http://www.publications.parliament.uk/pa/cm201011/cmselect/cmpubacc/404/40402.htm>

⁸ Ibid

⁹ Finn, D. (2008) *Lessons from contracting out welfare to work programmes in Australia and the Netherlands*, p 1. York: Joseph Rowntree Foundation (<http://www.jrf.org.uk/sites/files/jrf/2307.pdf>)

lines of accountability and responsibility. Difficulties arising from this blurring of responsibility as well as conflicts between providers arising from agencies' differing performance targets was pointed out to the WWG by Professor Gregg, but was among the array of evidence they chose to ignore.

[57] The Rowntree Foundation's review also found that there is a strong association between incentives based contracts and "parking", where harder-to-help participants receive a bare minimum of services¹⁰ (an experience also replicated in the US).

[58] The New Zealand Treasury's response quoted in the Cabinet Paper "Youth Pipeline",¹¹ states there are "significant risks associated with an outcome-focussed delivery that provides incentives payments to providers given the relatively short space in which the package has been developed and questions around the capability of providers to deliver this approach." Treasury also warned of the risk of this contract process being 'gamed' by providers.¹² This is further confirmation of the risks of this approach.

[59] **CPAG submits the Select Committee remove the provisions in the Bill for private service providers in light of strong and damning evidence from the United Kingdom, and that the government refocus on providing quality services through the Ministry of Social Development, working alongside local communities.**

[60] CPAG is concerned that the complexity and close monitoring of young people contained in this Bill will result in young people choosing to walk away from receiving any state support. While this may make the government look tough on beneficiaries, it will have the practical outcome of forcing young people to find other ways to support themselves. The latest Household Labour Force Survey¹³ shows a total 31,000 15-19 year olds not in employment, education or training (NEETs), and making life more complex for the few thousand on an IYB overlooks the critical issue that a great many more young people are not participating as citizens. Youth unemployment and failure to be in education or training is a far bigger problem than the small number of young beneficiaries would suggest.

[61] **CPAG submits comprehensive services for young people, including referrals to jobs and training, can and should be provided by the Ministry of Social Development, with the money going directly to service provision, including financial support of young people where needed.**

¹⁰ Ibid

¹¹ Youth Pipeline, Next Steps 2011.

¹² Ibid

¹³ http://www.stats.govt.nz/browse_for_stats/income-and-work/employment_and_unemployment/HouseholdLabourForceSurvey_HOTPDdec11qtr.aspx

- [62] **CPAG also submits there needs to be a more realistic assessment of whether IYB recipients can and should necessarily undergo training. There are 31,000 15-19 year olds not in employment, education or training. A far more comprehensive effort is required to help re-attach these young people to education or employment than the petty monitoring and flimsy financial incentives contained in this Bill.**
- [63] **CPAG further submits that we are concerned that the outcome of this Bill will be young people being left with no support as the complexity and monitoring it introduces is likely to mean some simply walk away and find other, less legitimate, ways of supporting themselves.**
- [64] **CPAG submits that rather than the income management outlined in the Bill being the default option, it should be optional and/or only used in exceptional, clearly defined circumstances.**
- [65] CPAG is also concerned with the vagueness of the provisions dealing with information sharing, and the protections of personal data by both government and private agencies. While the Bill proposes the Privacy Commissioner be involved in the setting up of any information swapping between the Ministry of Social Development and the Ministry of Education, there are no apparent safeguards for information once the system is set up. As recent events have shown, private information is easily leaked, whether by accident or not, and the only recourse is an *ex post facto* investigation by the Privacy Commissioner. We note details on information released to and by private contractors is to be dealt with by regulation, that is with no public input. A lack of public input is also evident in new section 125D, which delegates the appointment of agencies to the Governor-General.
- [66] **CPAG submits that the setting up of a separate agency to share information cannot be justified, and we note these provisions have been added to the Bill against the advice of the Office of the Privacy Commissioner.**
- [67] **CPAG submits there must be stronger provisions in place to protect private information of recipients, especially in light of the ease with which private information can be released into the public domain.**
- [68] **CPAG submits the circumstances under which information can be shared needs to be much more clearly spelt out, especially as private agencies have no particular interest in protecting private information.**

Summary

- [69] This Bill flies in the face of the government's stated concern for vulnerable children. It will result in a more punitive environment for parents already doing the work of two people raising their child/ren. There is no justification for sending the mother of a one-year old back to work, especially in the prevailing fiscal environment where the government is seeking to cut support to parents. The

implications of this Bill for children's wellbeing will be negative, long-lasting and profound. At a time we should be investing more in children in a bid to address our demographic imbalances, this Bill seeks to shut down support to those who need it most, including the young beneficiaries who are the main subject of this Bill.

[70] This Bill offers no protection for children who may be sick, ill or suffering trauma, as many are who witness violence in the home. Indeed, the whole welfare reform process has been blind to the reality of domestic violence as a reason for the break-up of relationships, focusing as it has on stereotypes and urban myths. Nor is there any provision for parents who are unable to find work in an economy where suitable part-time jobs are scarce. CPAG is also extremely concerned about the lack of independent appeal procedures for parents subject to work testing regimes, especially given the possibility that parents may be required to take up work with hours in excess of those specified in the worktest.

[71] The government is on record as stating it wants to reduce welfare rolls by 43,000 over the next few years. This is in an economy with sluggish (at best) job growth, and an increasingly precarious and casualised workforce. This situation might satisfy economic fundamentalists within some policy circles but risks creating massive holes in the social safety net through which the first to fall will be children and young people.

[72] Along with the CTU, **CPAG supports an expansion of active labour initiatives such as 'straight to work', 'training support', 'skills for growth', 'Job Ops with training', 'skills investment subsidy' and the 'training incentive allowance' rather than a punitive approach to beneficiaries.** This would result in an upskilling of the workforce as a whole, and make people less susceptible to being laid off and having to return to welfare during the next economic downturn.

[73] **CPAG submits this Bill be scrapped, and welfare reform be reconsidered as a means to alleviate poverty and advance the economic prospects of benefit dependent households through better access to education, training and social support services.**