



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



**THE SENATE**

**BILLS**

**Social Security Legislation Amendment (Stronger  
Penalties for Serious Failures) Bill 2014**

**Second Reading**

**SPEECH**

**Wednesday, 3 September 2014**

BY AUTHORITY OF THE SENATE

---

## SPEECH

<b>Date</b> Wednesday, 3 September 2014	<b>Source</b> Senate
<b>Page</b> 6314	<b>Proof</b> No
<b>Questioner</b>	<b>Responder</b>
<b>Speaker</b> Abetz, Sen Eric	<b>Question No.</b>

**Senator ABETZ** (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (11:32): I commence my remarks by officially congratulating Senators Ketter, Bullock and Lazarus on their first speeches. We have had a wide-ranging debate on the Social Security Legislation Amendment (Stronger Penalties for Serious Failures) Bill 2014. I thank honourable senators for their contribution. We strayed into all sorts of other areas, all of which are of interest and all of which need to be considered, but at the end of the day I invite senators, even at this late stage, to focus on what this bill is all about.

I want to first deal with the contributions of individual senators. Senator Cameron always thinks that decibels are a good substitute for logic. He shouts and screams, but I think people listening to his contributions may well come to the conclusion that the rhetorical flourishes that he engages in may be an indication of deep-seated ideology rather than a practical approach to some of the issues that this nation faces.

I want to say that I agree with Senator Anne Urquhart when she said that the vast majority of job seekers are honest, hardworking Australians. We agree with that. This bill would target, at most, one or two per cent of job seekers—and I will go into that later.

Senator Lines said that Labor just wants a just and reasonable job compliant system. We say amen to that. We fully support that. But I simply ask: what is unjust and unreasonable about asking a perfectly capable job seeker to take up an available job? Why should the Australian taxpayer continue to fund the lifestyle of the job seeker who has no good reason not to take up a job?

My colleague from Tasmania Senator Carol Brown claimed that the current system is effective. I will go through the numbers to show the huge blow-out that has occurred since Labor changed the rules. The number of people reported for refusing to work in 2008-09, which was the last part of the Howard government legacy, was 644. In 2012-13 that had ballooned threefold to 1,718 people and the penalty was waived in over two-thirds of the cases. That was the penalties for refusing work. I now turn to penalties for serious failures. In the last part of the Howard government legacy there were 8,850. By 2012-13 that had ballooned yet again threefold to 25,268 and in that cohort 73 per cent of the penalties were waived. So in both of those cohorts there has been the virtual trebling of the cases.

I simply ask: during that period of time was there a trebling of the unemployment rate? Of course there was not. It is correct that the job market has tightened, but it has not tightened to the extent that would justify the blow-out in these figures. What is the reason for this blow-out in the figures? It was the change that Labor made to the rules. Funny that. I see Senator Cash in the chamber. This is exactly like when Labor changed the rules for illegal entrants into the country and there was a massive blow-out. Labor tried to point to anything else but the change of rules as being the cause. When we were able to basically get the rules back to where they were guess what happened? The boats stopped.

Similarly, I plead with the Senate that there is a situation here where Labor recklessly changed the rules. We have now had a trebling—a blow-out—of the figures, and Labor and Greens and others around the chamber want to blame anything and everything else other than the change in the rules. I turn to Senator Seselja's very reasoned and good contribution—that this has nothing to do with the 98 per cent of job seekers who do absolutely the right thing by themselves and the Australian people.

Senator Seselja's was the best of all the contributions. I share a high regard for the senator but—with great respect to him—how can he assert that if these changes were to go through there would be a break-out of violence and crime around Australia because we know what would happen if the rules we are proposing were put in place? They existed before, in the Australian landscape: they existed under the Howard government.

When Labor changed the rules in 2008-09, did violence decrease? Did the crime wave decrease? Of course it did not. There is no statistic, no evidence in any way, shape or form, to assert that it did. So why on earth would Senator Xenophon assert that there would be a break-out of crime and violence if we went back to the system that existed in 2008-09? There is no evidence. It is great for a headline—and Senator Xenophon is great at that. We all admire his media savviness but, with respect, there is just no evidence to support that assertion.

He talked about penalty rates as well. As I indicated earlier, it has been a varied contribution by senators, but the government's view—very strongly—is that all those arguments Senator Xenophon put to the chamber should actually be put to the Fair Work Commission, as they are the body responsible in the Australian workplace relations landscape to set wages and penalty rates.

The bill introduces two changes to strengthen the job-seeker compliance framework by tightening the rules regarding the waiver of penalties for serious failures. Job seekers who fail to accept or commence a suitable job will incur a mandatory eight-week non-payment period. For job seekers who are persistently non-compliant there will be provision—regrettably, nobody acknowledged that in the speeches against this bill—for a one-off waiver of the non-payment period. So there will be the opportunity for people to be reminded of the consequences. But all subsequent episodes of noncompliance will incur the eight-week non-payment penalty.

We as a government strongly believe that job seekers in receipt of taxpayer funded income support should be expected to do something in return for that support. What is more, 98 per cent of job seekers agree with us and do the right thing. The coalition's support of the principle of mutual obligation is well known and it has overwhelming community support. As part of the mutual-obligation framework job seekers in receipt of taxpayer funded income support have participation requirements, and 98 per cent of job seekers fully embrace those participation requirements. These requirements include undertaking job searches, meeting with employment providers, undertaking training or, ultimately, accepting a job. Participation requirements are fair and taxpayers are right to expect that job seekers do their bit in order to find a job and, in the meantime, receive income support. It is not fair to get something for nothing when you can and should be doing something and you are capable of doing so.

There are existing rules surrounding job seekers and participation requirements under the current legislation. Job seekers already incur an eight-week payment penalty for refusing to take a job or failing to meet their participation requirements. However, under changes made by the previous Labor-Greens government, those penalties can now be too easily waived. Under Labor, amendments were introduced in 2009 that allowed the non-payment penalty to be waived if a job seeker engaged in an 'intensive activity', such as—guess what—an increased level of job search. They already have a 20-requirement. All of a sudden, the Labor Party is saying, 'Chances are, if you were to increase the job search to above 20—to 40, in certain cases—that's not such a bad thing after all.' If we propose that as something in a draft or discussion with the community, it is evil writ large, it is penalising people, but under Labor's scheme that was part of the alternative activity. I do digress.

Job seekers who refuse a job or are persistently non-compliant can repeatedly avoid a financial penalty by doing an alternative activity. That is the current situation. This change, not unsurprisingly, resulted in more job seekers flouting the rules and avoiding a financial penalty. As I have indicated before, in 2008-09 there were 644 penalties applied for refusing work. In 2012-13—after Labor's changes—there was a virtual tripling to 1,718 serious failures, for refusing a job—and the penalty was waived in over two-thirds of the cases. This is almost three times the number of incidents where job seekers refuse a job.

There were also the over-25,000 serious failures for repeated noncompliance, which was a threefold increase as well, and the penalty was waived in 73 per cent of the cases. What does this mean? It means that since Labor's changes job seekers—and it is a very small cohort of whom we speak—who refuse a perfectly good job or do not meet their participation requirements more often than not have no financial penalty applied. Because of that, the numbers have ballooned. It also means that this cohort of job seekers who do the wrong thing—by themselves as well as their fellow Australians—can continue to ignore their mutual obligation requirements without serious consequences. This bill will ensure that the existing penalties for serious failures are applied more rigorously, as they were in the past, in keeping with the reasonable expectation of Australian taxpayers.

Those senators who made contributions to this debate kept talking about 'the government, the government, the government'. Well, the government ain't got any money. Any money the government has comes from overseas borrowings or from taxes. If it comes from overseas borrowings, the Australian taxpayer will ultimately have to

repay it with interest. So it is not government money; it is money out of the pockets of our fellow Australians. I think our fellow Australians agree, along with the other 98 per cent of job seekers who do the right thing, that we have an obligation to them as well. The coalition stands firm in its expectation that people in receipt of income support should be asked to undertake reasonable activities in return for that support—and that, where they do not, appropriate financial penalties should be applied.

This bill ensures that there are appropriate penalties for those few—but regrettably growing number of—job seekers who deliberately do not do the right thing by the Australian taxpayer and themselves. The government knows that the majority of job seekers understand their obligations and comply with their participation requirements. This bill is not of course targeted at that vast majority of Australian job seekers. This bill is only targeted at those job seekers who deliberately refuse a job without reasonable excuse or have been deliberately, persistently and wilfully noncompliant.

During the debate on this bill, many senators have said that, in the name of social justice, these noncompliant job seekers should continue to be funded by their fellow Australians. I have a different view of social justice. I have a view that a fair country, a decent country, will assist people in tough times but that it is right for Australians to expect something in return—and 98 per cent of Australian job seekers, the overwhelming majority, are meeting that expectation. Regrettably, in the name of a perverted sense of social justice, there are senators here championing the cause of that very small cohort of two per cent who persistently and wilfully do the wrong thing. These are job seekers who do not meet their mutual obligation, not—and I stress this—because of a disability or a vulnerability but simply because they choose not to do so. Disability, vulnerability—those sorts of matters would of course be taken into account, but it is not fair that the taxpayer has to fund the lifestyle of job seekers who deliberately do not meet their obligations. This behaviour is not fair to the taxpayer or to themselves. This behaviour is also not fair to the genuine job seekers who are regrettably and undeservedly stigmatised by this very small group of job seekers who are not prepared to do their bit in return for income support.

Under this bill, job seekers who incur an eight-week non-payment penalty for refusing to accept a job without good reason will no longer be able to have that penalty waived under any circumstances. Job seekers who incur an eight-week non-payment penalty for persistently failing to meet their participation requirements will only be able to have their penalty waived once. It is important to note that job seekers will not be forced to undertake work that they are unable to do and that the personal circumstances of job seekers will be considered in all cases. I do not know why that was so deliberately ignored in the contributions of honourable senators, but it is a matter of great regret not only to me but also, I think, to the other 98 per cent of Australian job seekers and to the Australian taxpayers who shake their heads and wonder what sort of social justice is being espoused in this place. Safeguards will remain to ensure that, where a person has a reasonable excuse or a particular vulnerability, such as a medical condition, these factors are appropriately considered before the penalty is applied.

Penalties already exist for job seekers in receipt of income support who refuse a job or wilfully fail to meet their participation requirements. This bill simply ensures that these penalties are more rigorously applied. This is fair to the job seeker—because they will be doing themselves a favour—and it is also fair to the taxpayer and that vast majority of job seekers who do the right thing. The bill will only affect that relatively small group of job seekers who either refuse a job without a reasonable excuse or are persistently and wilfully non-compliant. Safeguards will remain. Not one of the contributors to this debate has indicated why somebody that refuses a job without a reasonable excuse or is persistently and wilfully noncompliant should not be penalised. This bill will ensure that all job seekers in receipt of taxpayer funded income support meet their obligations. That is not only fair but is what Australian taxpayers expect. I commend the bill to the Senate.

The PRESIDENT: The question is that the bill be now read a second time.

Debate adjourned.