Submission to the Senate Education, Employment and Workplace Relations References Committee

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This submission has been prepared by The Centre for Independent Studies (CIS) for the Senate Education, Employment and Workplace Relations References Committee. This submission responds to some of the issues outlined in the terms of reference for the inquiry examining 'The adequacy of the allowance payment system for jobseekers and others, the appropriateness of the allowance payment system as a support into work and the impact of the changing of the labour market.' Some of the arguments outlined in this submission have been published as opinion pieces in the online and print media.

Findings

1. **The current rate of Newstart Allowance (NSA) may be adequate for some people.**

2. **However, cost-of-living pressures for NSA and other allowance households have increased faster than for any other household type. Indexation measures should be revised to reflect this different expenditure pattern.**

3. **Increasing the base rate of NSA by $50 per week will result in a windfall gain for many NSA recipients with little public benefit because they are on the payment only for a short time.**

4. **It is not clear that an increase in the base rate of the NSA will improve employment outcomes. Lack of money is only one of many disadvantages for some long-term NSA recipients.**

5. **Income support recipients (excluding age pensioners) spend a substantial proportion of their income on alcohol and tobacco products.**

6. **The effect of the financial incentive from the differential rates of payment for Disability Support Pension (DSP) and the NSA is overstated. The introduction of tougher eligibility criteria for the DSP should substantially reduce movement from the NSA to the DSP.**

7. **Comparisons between the weekly rate of the NSA and the median weekly rents in capital cities is a false and misleading comparison, and does not reliably inform the actual housing costs of those on the NSA.**

8. **Claims which imply that people who receive a reduced rate of Rent Assistance (RA) are worse off because they share a home are misleading. Many people who share a home will be financially better off as a result of sharing despite the reduction in the RA.**

9. **Increased numbers of long-term NSA recipients have exemptions from job-search requirements. If people on the dole are not required to look for work, then they will be on the dole for longer. The growing number of persons exempt from job-search requirements is an issue that needs to be tackled directly.**

10. **Reforms to other income support payments have had a substantial impact on the number of people on the NSA and the length of time they are on it.**

11. **A flexible industrial relations system that allows employers to hire and fire with a greater degree of flexibility than is available now is essential to make it easier for the long-term unemployed to move from welfare to work.**

Newstart may be adequate for some people

The National Centre for Social and Economic Modelling (NATSEM) publication *Going Without: Financial Hardship in Australia*, outlines in detail the financial situation of households receiving the NSA and the Youth Allowance (YA) (Other) payments.[1]

Of interest in this publication is Table 8. It shows that people who have the NSA or the YA as their main source of income spend 63.9% of their disposable income on basic necessities, including shelter, food, clothing, health, energy, water, and public transport.[2]

It also shows that the NSA/YA households spend more than they receive in income—around 20% more—suggesting that these households are not saving money and are likely in debt.[3]

What is of particular interest is that the NSA/YA payments are sufficient to cover the costs of the basic necessities of life. According to the NATSEM data, expenditure only exceeds income once discretionary spending on 'Other items' is taken into account. These items include non-essentials such as 'restaurant meals, prepared foods, airfares, holiday travel and alcohol and tobacco.' Spending on discretionary goods accounted for nearly 38% of NSA/YA recipients' expenditure.[4]

The NATSEM data shows that the current rate of payments is adequate to cover the basic necessities for some households where NSA/YA is the primary source of income, albeit barely so.

Does more money mean less people on Newstart?

It is not clear that increasing the base rate of payment by around $50 will reduce the number of people on the NSA – the opposite is more likely. The Business Council of Australia (BCA) has stated in its submission that 'there is a concern that the low rate of Newstart itself now presents a barrier to employment and risks entrenching poverty.'[5] Much focus has been placed on the latter claim regarding poverty; however, less attention has been given to the former about employment.

While an increase in the base rate of the NSA will no doubt improve the welfare of those who receive it, and possibly reduce their levels of financial stress and poverty, it is not clear how the increased payment will improve employment outcomes and see people move off welfare and into

[1] Ben Phillips and Binod Nepal, *Going Without: Financial Hardship in Australia* (National Centre for Social and Economic Modelling (NATSEM), August 2012).
[2] As above, 19.
[3] As above, 18.
[4] As above, 17.
[5] BCA (Business Council of Australia), Submission to the Senate Education, Employment and Workplace Relations References Committee Inquiry into the Adequacy of the Allowance Payment System for Jobseekers and Others (August 2012), 1.

work. Reducing the gap between the base rate of NSA and the minimum wage will, for some people, reduce the incentive to move from welfare to work.

Theoretically, more money for NSA recipients will help them put petrol in their car and buy bus or train tickets for public transport so they can get to job interviews, but there would be no requirement to spend any additional money on these items if the base rate is increased – particularly if they are exempt from job search requirements.

If the low rate of the NSA is a barrier to employment, as the BCA says, it follows that increasing the base rate of NSA would reduce or remove this barrier and improve employment outcomes. However, it is clear that many people on the NSA suffer multiple barriers to employment that may prevent recipients from entering the workforce despite an increase in the base rate of allowances.[6] Examples of disadvantaged jobseekers include individuals who have a disability, Aboriginal and Torres Strait Islanders, and people with drug or alcohol addictions or gambling problems.

While more money may help some NSA recipients to return to work, given the barriers many recipients face, particularly the long-term unemployed or those with multiple disadvantages, an increase in the base rate of allowance, which is estimated to cost more than $1 billion per annum, is unlikely to improve employment outcomes and see more people move from welfare to work.

Costs for people on NSA has increased faster than for others

The Australian Bureau of Statistics (ABS) publishes the Analytical Living Cost Indexes (ALCI), which is a guide to the expenditure of people in different circumstances such as those the unemployed, age pension recipients, self-funded retirees, or government benefit recipients. Of particular relevance to people on allowances is the ALCI for 'Other government transfer recipient households,' which covers all income support recipients except age pensioners.[7] The Pensioner and Beneficiary Living Cost Index (PBLCI) is a hybrid of the indexes that cover age pensioners and other income support recipients.

The 'Other government transfer recipient households' index shows quite clearly that cost pressures for people on allowances have increased faster than for other households.[8] The weightings for the ALCI show that these households spend substantially more than other households on housing costs, and a large portion of their income on food and beverages.[9]

It is also worth noting that these households also spend more than any other household type as a proportion of their income on alcohol and tobacco products (9.72%).[10] When compared to other households, the average weekly expenditure by 'Other government transfer recipient households' on tobacco is more than $45 per week—which is more, both as a proportion of income and in dollar terms, than of any other household type.

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[6] ACOSS (Australian Council of Social Service), 'Surviving not living,' Submission to the Senate Employment Committee on the adequacy of 'allowance' payments, ACOSS Paper 192 (August 2012), 48.
[7] ABS (Australian Bureau of Statistics), 'Analytical Living Cost Indexes for selected Australian Household Types,' Cat. No. 6430.0 (June 2012).
[8] As above. see Table 7.
[9] ABS (Australian Bureau of Statistics), 'Analytical Living Cost Indexes and Pensioner and Beneficiary Living Cost Index: 16th Series Weighting Patterns, 2011,' Cat. No. 6472.0 (2011).
[10] As above.

Given the relatively large expenditure on alcohol and tobacco products by people receiving certain income support payments, the committee should consider the impact of increased government excises on alcohol and tobacco products has had on some allowance recipients. The committee should also note the impact such excises have on the indexation of pensions and allowances, and consequently, on government expenditure.

However, this point does not diminish the significantly different pattern of expenditure allowance recipients have when compared to other household types, for example, those who are employed. As a result, it would be appropriate to revise indexation arrangements for allowance recipients to help ensure that cost increases for housing in particular are reflected in the scheduled increases for payments like the NSA. The PBLCI would be an appropriate measure given that it is already used to inform indexation for pensions like the DSP.

Increased Newstart payments will result in windfall gains

According to data from the DEEWR (Department of Education, Employment and Workplace Relations), the NSA appears to serve its purpose as a short-term payment for people who are in-between jobs. About a third of NSA recipients exit the payment within three months, and about 70% exit within 12 months. The rates are similar for those receiving the YA.[11]

While the majority of people currently on the NSA have been receiving payments for more than a year, many cycle through the NSA and back onto work relatively quickly. Hence, an increased base rate will simply be a windfall gain for this group of recipients, with little or no public benefit. Excluding this group from a broad-based increase in the NSA would save hundreds of millions of dollars. This also repudiates the notion that the relatively low payment of the NSA acts as a barrier to work.

Comparing Newstart to the weekly median rents is misleading

The median weekly rent figure of $420 for a one-bedroom flat in Sydney is ubiquitous in the debate over the adequacy of the NSA. According to an article in the *Sydney Morning Herald*:

> New calculations from the Tenants Union of Victoria show the single Newstart allowance with associated rent assistance now either just meets or fails to meet the median rent in every capital city other than Adelaide and Hobart.[12]

When median rent figures of $420 per week are compared to either the base rate of the NSA, at $246 per week, or NSA plus $60.50 a week in RA, for a total of $307 per week, the current payments rightly look inadequate.

The appearance of inadequacy arises because the comparison is unrealistic. It would be impossible for NSA recipients, particularly the long-term recipients, to pay the $420 per week median weekly rent for a one-bedroom apartment in Sydney over a long period. Many young, educated professionals just out university earning average or below average wages would struggle to make

[11] DEEWR (Department of Education, Employment and Workplace Relations), *Annual Report 2010–11* (2011), Table 46, 111.
[12] Peter Martin, 'Newstart benefit fails even to pay the rent,' *The Sydney Morning Herald* (17 April 2012).

ends meet if they had to pay $420 per week in rent.[13] The more likely scenario is that NSA recipients are paying a fraction of the median weekly rent for a one-bedroom flat in Sydney.

For a start, it is more accurate to compare the NSA to median weekly household rents rather than one-bedroom apartments. According to 2011 Census data, the median weekly private household rent is $351 for the greater Sydney area, $300 for the greater Melbourne area, and $250 for the greater Adelaide area.[14] All these figures are substantially lower than the $420 figure being used by the welfare lobby.

But even these figures do not accurately reflect the actual cost of living of welfare recipients. Note that the $420 weekly rent for a one-bedroom apartment in Sydney is the median figure for all one-bedroom apartments—from the big and expensive apartments with harbour views to the small and dingy apartments in the outer suburbs that are comparatively cheap. The same thinking could be applied to other cities.

In suburbs where large numbers of NSA recipients live, we find that they pay substantially less than the $420 figure. For example, residents of Liverpool, in the outer suburbs of Sydney, pay a median weekly rent of $290, according to census data. The residents of Broadmeadows, in the outer suburbs of Melbourne, pay a median weekly rent of $237.[15]

The rents are even lower in regional areas where there are relatively high numbers of NSA recipients; for example, there are more than 2,300 NSA recipients in Ballarat, where the median weekly household rent is $195. In Launceston, where there are at least 3,500 NSA recipients, the median rent is $200.[16]

People who are on low incomes, like that provided by NSA, pay rents that low income earners can afford. Comparing the payment rate for NSA and similar payments to the median weekly rent for a one-bedroom apartment in Sydney is misleading and deceptive, and does not realistically inform the cost-of-living pressures faced by people on NSA because they are highly unlikely to pay that much rent.

Rent Assistance

According to data from FaHCSIA (Department of Families, Housing, Community Services and Indigenous Affairs), approximately 205,000 NSA recipients received, on average, $97 per fortnight in the RA in 2011.[17] Total government expenditure on rent assistance for NSA recipients totalled nearly $400 million in 2011–12, and approximately $200 million was given to YA recipients in 2011–12. As of June 2011, approximately 1.138 million people were receiving the RA across all welfare payments.

[13] Tenants Union of Victoria, *Private Rental Affordability Bulletin*, Capital Cities (December Quarter 2011).
[14] ABS (Australian Bureau of Statistics), *2011 Census Quickstats* (21 June 2012).
[15] These figures come from comparing information from Table 7 of the May 2012 edition of the DEEWR publication *Labour Market and Related Payments: A Monthly Profile* with information from the Australian Bureau of Statistics' 2011 Census.
[16] Ibid.
[17] FaHCSIA (Department of Families, Housing, Community Services and Indigenous Affairs), Income Support Customers: A Statistical Overview (2011), 81.

Total government expenditure on the RA in 2011–12 was approximately $3.35 billion, and is expected to be more than $3.5 billion in 2012–13.[18]

This suggests that first, the potential number of people who are on '$35 per day,' as some people claim, is not particularly widespread.[19] At least 205,000 NSA recipients receive more than $35 dollars per day. This leaves a cohort of around 360,000 NSA recipients who are not eligible for the RA. With this in mind, it is worth considering the eligibility criteria for the RA to see why this group does not receive more money.

To qualify for the RA, applicants need to be renting a home through the private market. NSA recipients who own their own home or are buying their own home are therefore not eligible. Furthermore, NSA recipients who already receive subsidised housing through a lease agreement with a state or territory housing authority, or live in an Australian government subsidised bed in a residential aged care facility, are also excluded. NSA recipients who have partners who receive rent assistance through their eligibility for Family Tax Benefit or the pension do not receive the RA either.[20]

These are all sensible exclusions as they prevent double-dipping by welfare recipients who already receive the RA support indirectly through their partner, or have been sufficiently wealthy to own or purchase their own home. Those NSA recipients who receive indirect assistance through their partner are not included in the figures above relating to the RA for NSA recipients and given the degree of cross-subsidy from one partner to another; these individuals should not be considered to be on $35 per day either.

Furthermore, it is worth considering the lower eligibility threshold for the RA, which is set at $107.40 per fortnight, or at $53.70 per week. NSA recipients who do not meet this low eligibility threshold are spending no more than 21% of their $246 weekly NSA payment—leaving at least $27 per day to cover their other basic needs. While this would entail a frugal standard of living, it is substantially more than some of post-accommodation figures that are in the public domain, for example, the $17 per day figure used by Senator Siewert.[21]

Rent Assistance while sharing a home

Given that many people on the NSA are likely to share a home with someone else to keep their costs low (along with thousands of other young, working professionals who are sharing a home) it is even more likely that they are paying less than the median rents outlined above.

Another claim made by some organisations in favour of increasing the dole is that the reduced rate of the RA paid to people on the NSA who decide to share a home makes them worse off.[22]

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[18] FaHCSIA (Department of Families, Housing, Community Services and Indigenous Affairs), *2012–13 FaHCSIA Budget Statements* (57).

[19] The $35 dollar per day figure is calculated by dividing the weekly payment for the base rate of the NSA (excluding Rent Assistance) of $246 by seven, which gets $35.

[20] DHS (Department of Human Services), 'Eligibility for Rent Assistance.'

[21] Senator Rachel Siewert, 'Increasing Newstart, Increasing Newstart: A Real Start: Smarter Income Support for Job Seekers', Briefing Paper (April 2012).

[22] Cassandra Goldie and Maree O'Halloran, 'Fruitless search for jobless who can live on $35 per day,' *The Sydney Morning Herald* (5 September 2012).

The claim itself is superficially correct—single Newstart recipients are eligible for an extra $60 per week to help with the cost of rent in the private market, so their weekly income is around $307. In contrast, those who share an apartment receive about $20 less per week—so they are getting around $287 per week. The implication of course is that the hardship of people on the NSA is compounded because of the reduced rate of payment as a result of sharing.

This claim is absurd. Someone on the dole receiving rent assistance while sharing an apartment will only be worse off if the weekly saving from sharing an apartment is less than the reduced rent assistance payment. The evidence suggests this is rarely the case for most people on the NSA.

A study by the Tenants Union of Victoria established this point well—NSA recipients sharing a two-bedroom flat in Australia's major cities spend substantially less on rent than those who live alone.[23] Low-income earners are likely to pay substantially less rents than the median rents, and people who share an apartment pay less rent than they would if they lived alone, so the financial situation of NSA recipients is not as grim as the welfare lobby would have us believe.

Newstart and the Disability Support Pension

A number of advocates for an increase in the base rate of the NSA have pointed to the differential rates of payment between the $246 per week NSA and the $386 per week DSP and Age Pension (including supplement), and that this differential has provided an incentive for people on the NSA to apply for the DSP.[24]

On the face of it, the claim appears to be true. In 2010–11, nearly 34,000 people, or 40% of all DSP recipients, came from the NSA—a marked increase from 2005, where 21,000 people moved from the NSA to the DSP, accounting for 33% of all new DSP recipients.

First, it is important to note that the proportion of people moving from the NSA increased by seven percentage points, and the proportion of people coming from 'other' income support payments decreased by six percentage points, from 15.7% in 2005 to 9.2% in 2011. Overall, the proportion of people moving from any income support payment to the DSP has remained relatively constant at around 55% since 2001.[25]

Second, there have been significant reforms to the DSP assessment process, with particular reference to the introduction of a requirement for some DSP applicants to have their capacity to work tested and the implementation of tougher DSP impairment tables.

There has been rapid growth in the number of people receiving DSP. In June 2000, there were about 600,000 people on the DSP. By December 2011, there were 831,000. However, following the introduction of tougher DSP impairment tables, the number of DSP recipients fell to 827,000 by May 2012.

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[23] Tenants Union of Victoria, *Private Rental Affordability Bulletin*, Capital Cities (December Quarter 2011).

[24] Judith Sloan, 'At $13bn a year, disability support scheme will need strict policing' *The Australian*, (8 May 2012).

[25] FaHCSIA (Department of Families, Housing, Community Services and Indigenous Affairs), Characteristics of Disability Support Pension Recipients (June 2011), Table 35, 44.

This has largely been driven by an increased number of DSP applications being rejected—(4,973 in July 2011 to 6,320 in June 2012) with a corresponding decrease in acceptances (from 6,223 to 4,640 over the same period). Given that many people applying for the DSP are already receiving the NSA, it is highly likely that many of these new rejections are against people on the NSA.[26]

While the prospect of a higher payment (as well as the reduced activity test requirements) no doubt provides an incentive for NSA recipients to apply for the DSP, the existence of the incentive is not what has driven this growth – rather, lax assessment processes that were in place are to blame.

The introduction of tougher DSP assessment processes has already restrained the overall growth in the DSP, and similarly, movement from the NSA to the DSP will be restrained, without the need for increased rate of NSA or a reduction in the financial incentive that exists for people to move from NSA to DSP.

Reforms to Parenting Payments has driven growth in Newstart

The increased growth in the number of people on the NSA should be understood in the context of reforms to other payments, in particular, Parenting Payment (PP). Following the implementation of the Howard government's welfare-to-work reforms in 2006, there has been a substantial decline in the number of people on PP (Single), from around 432,000 in June 2006 to 326,000 in June 2011.[27]

Over the same period, there has been a similar increase in the number of people on the NSA, from 438,000 to 527,000. It is highly likely that many of the people who have been pushed off PP (Single) are now receiving the NSA.

The decline in the number of PP recipients, and a corresponding increase in the number of NSA recipients are likely to continue, given the government's announcement of nearly $700 million in savings over four years from increased participation requirements for PP recipients. The savings are largely the result of PP recipients moving on to the less generous NSA.

As a result of these reforms, government projections for the average amount of time people are on the PP (Single) declined from 361 weeks in 2011–12 to 340 weeks in 2015–16. However, over the same period, the equivalent projections for the NSA increased from 178 weeks to 213 weeks. This change is likely a result of long-term recipients of PP (Single) moving onto the NSA.[28] There was also a sizeable reduction in the number of people receiving PP (Partnered).[29]

Changes to other payments have also had an impact on the number of people on the NSA. For example, there have been substantial declines in the number of people on Sickness Allowance (which fell from more than 72,000 in 1991 to less than 7,000 in 2011) which would have had a

[26] FaHCSIA (Department of Families, Housing, Community Services and Indigenous Affairs), 'Answers to Estimates Questions on Notice,' 2012–13 Budget Estimates Hearings, Question No. 260.
[27] FaHCSIA (Department of Families, Housing, Community Services and Indigenous Affairs), 'Income Support Customers: A Statistical Overview 2011,' Statistical Paper No. 10, 2.
[28] DEEWR (Department of Education, Employment and Workplace Relations), *2012–13 Portfolio Budget Statements*, 97.
[29] FaHCSIA (Department of Families, Housing, Community Services and Indigenous Affairs), 'Income Support Customers: A Statistical Overview' (2011), tables 1, 2.

substantial impact on the number of people on the NSA, particularly those who are on it long term.[30] Changes to other payments, in particular, Partner Allowance and Mature Age Allowance could have also affected on the number of people on Newstart and the length of time they have been on the payment.

While there has been an increase in the number of people receiving the NSA, this should be understood in the context of changes to government policy and the current budgetary situation.

Changes to other payments should also be taken into account when considering the nature of unemployment benefits like the NSA as a short-term payment. It is possible that the impact of reforms to other payments has increased the proportion of people staying on the NSA or the YA for longer than a year, because they would have stayed on other allowances if they had been available.

Increased number of Newstart recipients have exemptions from job-search

There has been a disturbing increase in the number of NSA recipients who have some kind of exemption from job-search requirements, while at the same time there has been a substantial decrease in the number of people required to look for work.

In July 2009, there were more than 360,000 people on the NSA with job-search requirements, and another 196,000 who had some kind of exemption from job-search activities. By July 2012, the number of jobseekers on the NSA declined by nearly 60,000 to 303,000, but the number of people with exemptions increased by a similar amount, to 257,000.

The change over this period can be explained largely by the decline in the number of short-term jobseekers on the NSA, which fell from around 207,000 in July 2009 to 139,000 in July 2012. There was also a corresponding increase in the number of long-term NSA recipients with some kind of exemption, which increased from 104,000 in July 2009 to 176,000 in July 2012.

The increase in long-term NSA recipients can be accounted for through the doubling in the number of people engaged in training or education and by a 250% increase in the number of long-term allowees who are classified as 'incapacitated.'

An increase in the base rate of the NSA by $50 is unlikely to help these individuals return to the workforce because they have some kind of exemption from job-search requirements. If people on the dole are not required to look for work, they will stay on the dole for longer.

Industrial Relations

One of the key factors enabling people to move from welfare to work is the state of the industrial relations (IR) system. If the IR system makes it harder for low-skilled people with multiple disadvantages to get a job, then they are highly likely to remain on welfare indefinitely.

Given their multiple disadvantages, long-term income support recipients are likely to be less attractive employees for prospective employers for several reasons. For example, a job applicant may have a disability which makes them slower, and therefore, less efficient than other non-disabled applicants. This effectively makes them relatively less productive than other applicants—

[30] See the Explanatory Notes of the DEEWR publication *Labour Market and Related Payments: A monthly profile* (July 2012) for more details on some of the changes affecting NSA statistics.

and therefore less attractive as employees, meaning they are less likely to be offered a job.

Additionally, unfair dismissal laws create a disincentive for employers to hire the long-term unemployed and those with multiple disadvantages. For example, an employer may be concerned that if hiring someone with multiple disadvantages does not work out (i.e. they are a high-risk hire) and the employment needs to be terminated, the employer may fear having to pay 'go-away' money to the employee.[31]

It is possible that a restrictive industrial relations system can make it more difficult for people to move from welfare to work because employers do not want to hire 'high-risk' individuals who have been out of the workforce for extended periods of time. Additionally, minimum wage laws can price people who are low-skilled or less productive because of a disability out of the labour market.

The interaction between welfare systems and industrial relations system is incredibly complex, and it is difficult to establish cause and effect where they do come into conflict. Any review of Australia's system of system of working-age allowance payments needs to take into account the role of IR in helping or hindering the move from welfare to work.

Recommendations

1. **Introduce a financial supplement that rewards those looking for work.** NSA recipients who have activity test requirements that require them to look for work have different expenses to those who do not. A Jobseeker's Bonus could be paid to NSA jobseekers that choose to take on additional job-search activity test requirements. This would acknowledge that some people are looking for work while others are not and also help cover the additional costs incurred while looking for work. Non-jobseekers should not be eligible for this financial supplement. This measure would save taxpayers hundreds of millions of dollars compared to a broad-based increase in the base rate of the NSA.

2. **Indexation arrangements should be revised.** It is clear that people on the NSA and other allowances spend a substantial portion of their income on basic items such as housing, food, utilities, transport, and health care. Indexation arrangements for allowances should reflect this different spending profile, along similar lines to the PBLCI, which more accurately reflects the costs borne by people on welfare payments than the CPI does. However, the committee should take note of the significant expenditure by dole recipients on alcohol and tobacco products and the impact on welfare recipients of increased taxes on these products.

3. **Exemptions from activity test requirements should be reviewed.** A growing number of dole recipients have some kind of exemption from job-search requirements. This is a disturbing trend that needs to be addressed. If people do not have to look for work they will stay on welfare for longer.

4. **The role of IR laws in helping or hindering the move from welfare to work needs to be examined.** IR laws that hamper the capacity of employers to hire and fire people, for example, unfair dismissal and minimum wage laws, should be considered in the context of the impact they might have on welfare expenditure and the welfare dependence of the long-term unemployed.

[31] Kayoko Tsumori, *Poor Laws (1): The Unfair Dismissal Laws and Long-term Unemployment*, Issue Analysis 26 (Sydney: The Centre for Independent Studies, 20 August 2002).

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