



AASW

**Australian Association
of Social Workers**

*Opening Statement to the Senate
Community Affairs Legislation
Committee*

*Re: Social Services Legislation Amendment
(Youth Employment and Other Measures)
Bill 2015*

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Introduction

Who we are

The Australian Association of Social Workers welcomes the opportunity to give evidence on this important Bill today.

The Australian Association of Social Workers (AASW) is the professional body representing more than 9000 social workers throughout Australia.

We set the benchmark for professional education and practice in social work and have a strong voice on matters of social inclusion, social justice, human rights and issues that impact upon the quality of life of all Australians.

Social workers work with individuals, families, groups and communities. Professional social workers consider the relationship between biological, psychological, social, cultural and spiritual factors and how they impact on a client's health, wellbeing and development. Accordingly, social workers maintain a dual focus in both assisting with and improving human wellbeing and identifying and addressing any external issues that may impact on wellbeing, such as inequality, injustice and discrimination.

Our submission

- 1.1 The AASW believes that one of the best ways to assist young people out of poverty is to help them achieve meaningful full-time employment. However we believe this proposed legislation will not help achieve this aim. In summary the legislation will not prove an effective incentive, it is punitive toward young people and it complicates an already overly complicated system. We call on Senators to reject the legislation contained in Schedules 2 and 3, and further we ask Senators to seriously consider raising the Youth Allowance rate to a just and humane level.
- 1.2 The changes in Schedules 2 and 3 effectively reduce the amount of money received by young unemployed people by either moving 22 to 24 year olds from the inadequate Newstart Allowance to the grossly inadequate Youth Allowance or by denying the payment of any benefit to many young people for 4 weeks when they first become unemployed.
- 1.3 Firstly, we make the point that most young people do not need an external incentive to find work. It is what they desperately want. Work gives them money, status, social acceptability, freedom, security the list goes on and on. Most young people realise this. There is a smaller group who need some form of external incentive or encouragement. This is the justification often given for paying Newstart and Youth Allowance at such low rates comparative to Pensions. As you are aware this is about 66% and 55% respectively. The AASW does not believe that paying Allowances at destitution levels is a good incentive for finding work or seeking to do further study.. The amendments contained in these schedules will force more people into destitution. The Government is so certain of this that it has signalled that around \$8.1 million in additional funding will be available to Emergency Relief providers to provide assistance for those impacted by the measure.
- 1.4 Even if Senators think that paying Newstart and Youth Allowance at destitution rates is a good incentive, consider for a moment how poorly targeted the legislation in these Schedules is. In Schedule 3, all new applicants for Youth allowance (b) who are effectively capable of work will be swept up. So somewhere between 60 and 90% of young unemployed who are already striving hard to find work, will be financially penalised so as to prod the few. Or to put it another way the same penalties apply to the young person who goes on to get a job after one month, as to the one who gets one after 3 or 6 months, as the one who is still unemployed after 2 years. Similarly, all

those between the ages of 22 and 24 will have their amount of allowance decreased, not based on any empirical data on reduced motivation, but simply as a cost cutting measure.

- 1.5 If the Government wants to increase the incentive of young people to study, they should immediately increase the rates of youth allowance payed to students to above the poverty line, in other words from 55% of the pension as it is now to 92% of the pension as Newstart was in 1997. And if the Government wants to encourage older people off Newstart, they could raise the rates of Austudy and Abstudy accordingly.
- 1.6 Finally, we make the point, that this Bill further complicates the Social Services Legislation at a time when there is a general agreement that we should have a simpler system.



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