



AASW

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**Australian Association
of Social Workers**

*Submission to the Senate
Community Affairs Legislation
Committee
Re: Social Services Legislation Amendment
(Youth Employment) Bill 2015*

October 2015

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Introduction

Who we are

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.

The social work profession

The social work profession is committed to the pursuit of social justice, the enhancement of the quality of life, and the development of the full potential of each individual, group and community in society.

Principles of social justice, human rights, collective responsibility and respect for diversity are central to the profession and are underpinned by theories of social work, social sciences, humanities and Indigenous knowledge.

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 (known as systemic or structural issues) that may impact on wellbeing, such as inequality, injustice and discrimination.

Our submission

Social workers have an ongoing commitment to social justice for individuals, groups and communities. Therefore, we welcome the opportunity to contribute to this inquiry into the Social Services Legislation Amendment (Youth Employment) Bill 2015. While social workers work with people from every strata of society, we have a particular commitment to those who are most disadvantaged. Social workers are particularly supportive of proposals that will assist those who are unemployed to gain employment. Unfortunately, we believe that this Bill will not assist the most vulnerable gain employment and will or could act as a further barrier. Indeed this Bill does not address the issues that we commented on in our response to the earlier Social Services Legislation Amendment (Youth Employment and Other Measures) Bill 2015, which was rejected by the Senate.

Responses

1. Concerns with regard to Schedule 2 : Age requirements for various Commonwealth payments

- 1.1 The key aim of this measure, according to the Explanatory Memorandum, is to provide incentives to young unemployed people to obtain relevant education and training to increase employability. However, it assumes that what the Explanatory Memorandum calls the broad financial incentives for transferring from youth allowance (other) to youth allowance (for students) are effective incentives. This is despite the fact that rates for both are the same: for a single person over 18 who is living away from home this is \$30.49 per day. However, the Government argues that there is an incentive because a student can earn more in a part-time job before their Youth Allowance is affected. This view overlooks two important confounding factors. A full-time student, to make the most of their study and training commitments, should already be in courses and studying for nearly 40 hours a week. This greatly reduces the amount of time available for part-time work.

Secondly, it assumes that part-time work is available, which is not always the case in a time of high youth unemployment.

- 1.2 Furthermore, the rates of youth allowance and other assistance are now so low that many students are in serious financial distress. This is a point made previously by the Universities of Australia study¹, and which has been highlighted by research currently being undertaken by the AASW and James Cook University. As part of a larger study of social work students in Australia we have looked at the responses by the 404 students who were in receipt of Youth Allowance. The students in this subsample came from 26 universities and every State and Territory was represented. The results are deeply concerning.
- a) Thirty (30) per cent of students answered yes to the question, 'As a student have you had to **regularly** go without food or other necessities because you could not afford them?'
 - b) Additionally students described having at times insufficient money for food (42%), for clothing (47%), for educational resources (60%) and medication (30%).
 - c) Also only 45% of students had any savings in the event of financial difficulty.
 - d) A number of students made comments that help flesh out the experience of depending on youth allowance.
 - e) 'Income is limited. Sometimes this means I have to weigh up what is more important at the time. I have paid rent late, had to survive on 2 minute noodles and had to wait to purchase medication all due to lack of income.'
 - f) 'At any one time I have to make sacrifices. Rent comes first. After that sometimes I have missed days at uni because I didn't have any money for the bus.'
 - g) 'I am really frugal with my money – have learnt to be thrifty over the last four years. However have lived pretty basically the whole time – dodgy houses, thrift shop clothes, only going out when there are specials on.'
- 1.3 On the basis of these figures and experiences it is difficult to see how there is an effective financial incentive to move from Youth Allowance (other) to Youth Allowance (for students). If the Government wants to create a proper financial incentive to encourage young people to enter training or study, they should immediately raise the payments to students to above the poverty line. Paying student allowances at destitution rates is no incentive at all and indeed has a range of other negative consequences for individual students as well as society as a whole.
- 1.4 Finally, the amendments in this schedule also stigmatise young people in Australia for what is a worldwide phenomenon of rising youth unemployment rates. The perception of the 'current' younger generation often published in popular media is that they are 'lazy' and less responsible than their elders. However there is no strong evidence to indicate that the current cohort of young people is avoiding employment more than any other segment of the population or previous generations. These proposed amendments might influence the very small numbers of young people who are purposely avoiding paid employment, but they will negatively impact on the great majority who are not, and who simply cannot find a job quickly.

¹ Bexley E, Daroesman S, Arkoudis S, and James R. (2013). University student finances in 2012: A study of the financial circumstances of domestic and international students in Australia's universities. The University of Melbourne. Available at <http://goo.gl/Hdcu7y>

2. Concerns with regard to Schedule 3: Income support waiting periods

2.1 The Parliamentary Library has made some pertinent comment on this issue.

The imposition of an extended up-front waiting period for income support is a novel measure in international terms. The New Zealand requirement for some claimants of working age payments to undertake pre-benefit activities within a 28-day period has been compared to a one-month waiting period. However, claimants who successfully complete the requisite activities within 28 days can receive their payments earlier and all eligible recipients will receive back pay to the relevant commencement date.²

The word 'novel' in this context appears to imply unproven or without evidence of efficacy.

2.2 The AASW is further concerned that this measure will force a number of young people who have little or no resources into genuine destitution. This is effectively acknowledged in the Explanatory Memorandum associated with this Bill on page 9 of the Statements of Compatibility with Human Rights in which it is noted that, 'Around \$8.1 million in additional funding will be available to Emergency Relief providers to provide assistance for those impacted by the measure.'³ The AASW has a strong view that Australians should not be forced into receiving 'charity' because of Government policy.

2.3 This enforced destitution will further inhibit the ability of young people to look for work as destitution leads to a lack of money for accommodation, food, clothing suitable to attend job interviews or sufficient funds for transport, which all interfere with people's ability to actually look for work.

3. Conclusion

3.1 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, and in many instances may hinder their attempts by forcing young people into destitution. We call on the Senate 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.

Submitted for and on behalf of the Australian Association of Social Workers Ltd



Glenys Wilkinson

AASW Chief Executive Officer

² Thomas, M. (2015). Waiting period for young people to access income support, Budget Review 2015–16 Index. Available at http://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/rp/BudgetReview201516/IncomeSup

³ Explanatory Memorandum. (2015). Social Services Legislation Amendment (Youth Employment) Bill 2015. Statements of Compatibility with Human Rights. Available at <http://qoo.gl/HrglVf> p. 9.



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