



**AASW**

**Australian Association  
of Social Workers**

---

*Submission to the Senate  
Economics Legislation  
Committee*

*Re: Budget Savings (Omnibus) Bill 2016  
[Provisions]*

**September 2016**

© Australian Association of Social Workers  
National Office – Melbourne  
Level 7, 14-20 Blackwood Street  
North Melbourne 3051  
PO Box 2008  
Royal Melbourne Hospital Vic 3050  
T 02 61995000  
F 02 6199 5099  
E [social.policy@asw.asn.au](mailto:social.policy@asw.asn.au)  
[www.aasw.asn.au](http://www.aasw.asn.au)

Enquiries regarding this submission can be directed to:  
**Senior Manager, Policy and Communications:**  
**Cindy Smith ph 03 9320 1009**

## Introduction

---

### Who we are

The Australian Association of Social Workers (AASW) is the professional body representing more than 10,000 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 every member of 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

The AASW welcomes the opportunity to contribute to this inquiry into the *Budget Savings (Omnibus) Bill 2016*. While social workers work with people from every strata of society, we have a particular commitment to those who are most disadvantaged. It is of concern to the members of the AASW that many of the provisions in this Bill take money from the poorest and most disadvantaged. In the past we have made submissions on the injustice and inappropriateness of many of these provisions and we are disappointed that they are again being proposed. We believe that there are a number of fairer ways to reduce Government cost and we particularly recommend the various suggestions made by ACOSS in this regard.

Due to the relatively short lead time for submissions for this inquiry our submission will be brief. However, brevity should not be mistaken as a lack of resolve to continue to protest the reduction in income support for the most vulnerable in our society. Our submission will address four elements in the Bill that are concerning. These are the effective reduction in government allowances because of the removal of the energy supplement, the reduction in the Carer Allowance, the changes to exemptions for the Family Tax Benefit Part A, and the non-payment of social security payments to certain persons undergoing psychiatric confinement.

## Responses

---

### 1. Removal of the energy supplement

- 1.1 While there is an argument for the removal of the energy supplement due to the cessation of the carbon tax, this argument is negated in the case of a number of social security payments due to their low base rates. In particular the AASW is concerned about the low rates for Newstart Allowance, Youth Allowance, Austudy and Abstudy. The majority of recipients of these allowances are now living in poverty. The removal of this supplement will only increase the level of that poverty.
- 1.2 The energy supplement for the recipients of these payments should only be removed when the payments themselves are increased above the poverty line. This means increasing the rates of these payments to 90% of the Aged Pension. This was the situation for Newstart Allowance in 1997. Since that time the rate for Newstart Allowance has fallen to approximately 66% of the Pension and Youth Allowance to 55% of the Pension.
- 1.3 The injustice and the distress this has caused is well documented and has been presented to the Government on numerous occasions. We refer the members of the Committee in particular to the Parliamentary Library's [report](#) on the issue and our own [briefing paper](#).

### 2. Reduction in Carer Allowance

- 2.1 This Bill would cease the backdating of the Carer Allowance for up to 12 weeks to the beginning of the event for which care was required. Instead, the payment would only be made from the time the carer contacted the Department of Human Services or made an application.
- 2.2 There are good reasons why this allowance was originally allowed to be backdated as any hospital social worker can explain. Events or illnesses that result in a person needing ongoing care are in themselves traumatic, not only for the person themselves but also for their new carers. Such events have major social, family, emotional and psychological impacts as well as financial ones. Often the social and psychological effects have to be dealt with before the financial ones can be fully managed, especially if they involve negotiating the complex Centrelink system for the first time.
- 2.3 Therefore the AASW strongly opposes this aspect of the Bill as it both penalises and increases stress on new carers.

### 3. Changes to exemptions for the Family Tax Benefit Part A

- 3.1 This Bill in Schedule 19 removes the exemption from the income test for Family Tax Benefit Part A recipients and the exemption from the parental income test for dependent young people receiving Youth Allowance and Abstudy living allowance, if the parent is receiving either a social security pension or social security benefit, and the fortnightly rate of pension or benefit is reduced to nil because of employment income (either wholly or partly).
- 3.2 All the consequences of this Schedule have not been fully thought through. For instance, the greater benefits employment provides for individuals and families, such as social inclusion, capacity building and community engagement, are well known. It is a concern that this Bill could prove a disincentive to gaining part-time employment for the families affected.
- 3.3 More importantly, it will mean less money for poorer families who are trying to support their children through a course of study. As the Universities Australia [study](#) and our [own research](#) in conjunction with James Cook University has shown there is a growing number of students who are struggling to survive in higher education due to low levels of financial support. This Schedule will further exacerbate this trend. Families on low incomes, whether on social security benefits or not, should have increased level of support for children in higher education, not less.

#### **4. Non payment of social security benefit to persons in psychiatric confinement**

- 4.1 The AASW is concerned about this measure as it potentially interferes with the rehabilitation of persons with psychiatric problems. A full discussion of this matter is contained within our earlier [submission](#).
- 4.2 There are also hidden costs associated with this measure because of the longer confinement periods of persons because of the interference with the rehabilitation process.

#### **5. Conclusion**

The AASW believes that while there is a need for fiscal responsibility, this should not be achieved by unfairly penalising the most disadvantaged and vulnerable in our society. It is our belief that Australia can afford more humane support for people who are unemployed, for students, for carers and for prisoners. True fiscal responsibility results in a more equitable society, not one in which there is a growing divide between rich and poor, and in which the poor are made more destitute.

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



**Glenys Wilkinson**

AASW Chief Executive Officer



**AASW**

**Australian Association  
of Social Workers**

T 02 6199 5000  
F 02 6199 5009  
E [social.policy@asw.asn.au](mailto:social.policy@asw.asn.au)

**National Office – Melbourne**

Level 7, 14-20 Blackwood Street,

North Melbourne, 3051

**Postal Address**

PO Box 2008, Royal Melbourne Hospital, Vic, 3050

**Incorporated in the ACT**

**ACN 008 576 010 / ABN 93 008 576 010**