



**AASW**

**Australian Association  
of Social Workers**

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*Submission to the Senate Standing  
Committee on Community Affairs  
Re: Social Services Legislation Amendment  
(Omnibus Savings and Child Care Reform) Bill  
2017*

**March 2017**

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## Introduction

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### 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 *Social Services Legislation Amendment (Omnibus Savings and Child Care Reform) Bill 2017*. Although 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 fairer ways to reduce Government cost and we maintain our resolve to continue to advocate against the reduction in income support for the most vulnerable in our society.

## Responses

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### Schedule 6: Pensioner Education Supplement

The AASW has been concerned for some time about the welfare of students dependent on government allowances and recipients of Newstart allowance. Both student allowances and Newstart allowance are now substantially below the rate of other benefits and have been declining in relative value for the last 15 years. In addition, the AASW has been interested in the circumstances of people receiving the Disability Support Pension (DSP) who attend tertiary studies with the view of improving their chances of moving to paid employment. To better understand these circumstances the AASW undertook research into the financial circumstances of students generally.<sup>1</sup> This research, using data from 2320 social work students provides significant information on the sub-group of students on DSP.

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<sup>1</sup> <https://www.aasw.asn.au/social-policy-advocacy/national-study-of-social-work-students>

Below are some key results from this research that substantiates our position against the proposed legislation that would eliminate the Pensioner Education Supplement:

- One of the groups that are eligible for Pensioner Education Supplement is the cohort of people on a DSP who are engaged in tertiary education at an approved institution. Recently, as part of the much larger study of social work students, the AASW and James Cook University collected data on 54 social work students who were also receiving a DSP. The data summarised below shows the extreme financial stress of this group.
- The research revealed that 55% of the students indicated that they regularly went without food or other necessities because they could not afford them. Students also indicated that at times they had insufficient money for food (59%), clothing (67%), accommodation (43%), transport (56%) and medication (52%).
- In addition, the lack of financial resources directly affected the students' study experiences; 87% of students indicated they did not have not enough money to pay for all recommended texts or educational resources, 35% had problems with accommodation caused by a lack of income and 35% felt that the lack of financial support increased the likelihood of dropping out of the course.
- Other indicators of the financial vulnerability of this group was that only 25% had savings in the event of financial difficulty, and only 17% were supported financially by parents, partners or other family members.

The amendments in this Schedule will reduce the income of recipients of the DSP engaged in fulltime study by \$62.40 per fortnight. Our study highlights how such payments are vitally important in helping students with significant disabilities continue to engage in tertiary study as a precursor to paid employment. The evidence suggests that the well-targeted Pensioner Education Supplement should be increased rather than removed.

### **Schedule 7: The Education Entry Payment**

The Education Entry Payment is a relatively modest payment of \$208 that is paid once a year. It is well targeted to assist persons on allowances or pensions who are seeking to improve their position by undertaking further education. Given that the stated aim of the bill is to encourage participation in work and study, the position of the AASW is that it would be better to increase this payment rather than remove it.

### **Schedule 9: Closing Energy Supplement to new welfare recipients**

We welcome the continuation of the Energy Supplement to families who are already receiving a welfare payment but we are concerned that it is not to be extended to people who commence receiving a welfare payment in future. The energy supplement for these recipients 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, the rate at which Newstart Allowance was paid 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.

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 to the Parliamentary Library's report on the issue and our own briefing paper.

### **Schedule 13: Ordinary waiting periods**

The AASW is concerned at both aspects of this Schedule: the extension of the ordinary waiting period to new claimants of Newstart allowance and parenting payments; along with the restriction in

circumstances under which the waiting period can be waived. While we welcome the acknowledgement in this schedule that people who have experienced family violence will be understood to be in financial crisis, our members can identify other situations in which it will be similarly difficult to produce documentation. We therefore believe that the change from 'Severe financial hardship' to 'personal financial crisis', along with the added evidentiary requirements, will force into genuine destitution of young people who have little or no resources.

This was effectively acknowledged previously in versions of the Explanatory Memorandum associated with this Bill, in which it was noted that, 'Around \$8.1 million in additional funding will be made available to Emergency Relief providers to provide assistance for those impacted by this measure.'

### **Schedule 14: Age requirements for various Commonwealth payments**

Notwithstanding the title of this schedule, the actual effect of moving all these people onto a different allowance will be to reduce the level of payments they receive.

The AASW is of the view that the amendments in this schedule should not proceed because the rates of Youth Allowance are still too low. We acknowledge that Schedule 1 describes an increase of \$19 per fortnight, but this will be inadequate compensation for the much lower rate at which Youth Allowance is paid. After the increase, the rate of youth allowance for a single person living away from home will be \$31.85 a day. This is a rate that is well below the poverty line.

The justification provided in the bill is that the conditions of Youth Allowance contain greater flexibility with respect to earnings, and therefore there is a greater incentive to work.

While there may be an argument for a differential between the pension rate and rates for those seeking employment, any differential should not force people into destitution. Once this occurs any benefit of the differential in encouraging people to look for work is lost. This is because factors leading to poverty such as lack of money for accommodation, subsistence food, clothing suitable to attend job interviews or insufficient funds for transport all interfere with the ability to seek work.

The amendments in this schedule also blame young people in Australia for the worldwide phenomenon of rising youth unemployment rates. In fact, Australia is doing quite well by world standards though the rates of youth unemployment are rightly a matter of concern. It is a view often published in popular media to perceive the 'current' younger generation as '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. Instead, the experience of our members is that most young people are motivated to find work because they want the identity, status, security, opportunities and options that work provides.

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.

### **Schedule 15: Income support waiting periods**

The Parliamentary Library has produced a detailed and well-reasoned critique of the proposal in this schedule that outlines issues associated with the rationale, as well as risks and unintended consequences of the proposed amendments. We commend this report to the Senators.

### **Schedule 16: Other waiting period amendments**

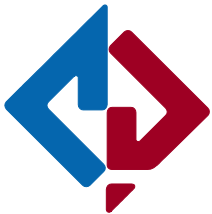
The explanatory memorandum states that jobseekers who do not have significant barriers will be required to complete 'pre-benefit activities' in order to commence receiving benefits.

We note that the Government has not offered any evidence that these changes will actually lead to more people getting paid employment. At their best they may make people more compliant to Government requirements. However, if there is little relation between the requirements for receiving welfare payments, and the availability of jobs, then these will not result in any job seekers actually achieving paid employment, all that this will achieve is harassment of the unemployed. Many clients of social workers justifiably complain about jumping through rigid bureaucratic hoops or undergoing humiliation to qualify for welfare payments, while at the same time finding that there is little real support to get a job.

## **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



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