



**AASW**

**Australian Association  
of Social Workers**

*Submission to Senate Standing  
Committee on Education and  
Employment*

*Re: Higher Education Support Legislation  
Amendment*

**June 2017**

© Australian Association of Social Workers  
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:

Angela Scarfe  
AASW Social Policy and Advocacy

Dr Sebastian Cordoba  
AASW social Policy and Advocacy

## 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 advocate on matters of social inclusion, 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

While the AASW understands that fiscal responsibility and balancing the budget are legitimate priorities for the government, this must not come at the expense of some of the most vulnerable members of society. As social workers, we have a commitment to advocate on behalf of those who are most disadvantaged and therefore, we welcome the opportunity to contribute to this inquiry into the Higher Education Amendment Legislation.

## Responses

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### ***This measure will disproportionately affect women on low incomes***

The measure contained in the proposed legislation appears to be based on work done by the Grattan Institute last year, in which it was promoted as a fair way to balance the budget.<sup>1</sup> Many commentators have endorsed this view, pointing to the higher salaries enjoyed by some professions.<sup>2</sup> While it is true that graduate salaries are high when compared against the low rates of Pensions and Allowances, this generalisation obscures significant differences between particular professions. The proposed changes will have the biggest impact on low-income professionals: people with professional qualifications who

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<sup>1</sup> A Norton, *HELP for the Future: Fairer repayment of student debt*, The Grattan Institute, 2016

<sup>2</sup> R Gittens, Of those complaining about the budget, I have little sympathy for uni students, *Sydney Morning Herald*, 23 May 2017; A Norton, Uni students and grads must pay their fair share, *Sydney Morning Herald*, 10 May 2017

are working in low paid occupations or working part-time.<sup>3</sup> This will be mostly women. This is partly because the low paid professions of teaching, nursing and social work contain a high proportion of women;<sup>4</sup> and also because women are more likely to work part-time than men.<sup>5</sup> Not only are women over-represented in each of these categories, many women occupy both categories: they are employed part-time in one of the low paid occupations. The relationship between gender, salary level and choice of occupation is complex and beyond the scope of this submission.<sup>6</sup> Nevertheless the consequences of this measure can be predicted: women professionals will commence repayments at a point where they earn less than half the male average full-time income.<sup>7</sup>

The Grattan Institute acknowledged that the impact will fall mainly on women. They counteracted this with the assertion that half of the newly created debtors live with a partner and that in 70% of these cases, the household's combined disposable income is greater than \$80,000.<sup>8</sup> Because they cite no evidence for these assertions, we submit that they have no status and do not belong in the considerations for this legislation.

Michael Brennan, the Deputy Secretary of Treasury's Fiscal Group has admitted that they did not undertake the modelling of budget impacts that was requested by the Office for Women.<sup>9</sup> If they had undertaken this modelling, they would have quantified the combined effect that this measure, the changes to Family Tax Benefit and the increase on the Medicare levy will have on female-headed households. Instead, the National Foundation for Australian Women has conducted its own analysis and concluded that this budget is "particularly harsh for women".<sup>10</sup>

### ***This proposal will disproportionately affect social work graduates***

It is clear that the proposed budget measure will affect our members more harshly than other professionals. Social workers occupy both categories: the starting salary is low; and a significant proportion of social work graduates work part-time.<sup>11</sup> Indeed, at the time of the Grattan Institute's proposal in 2016, it was foreshadowed that social work was one of the professions to feel immediate drop in disposable income<sup>12</sup>, and we expressed our concerns immediately.<sup>13</sup>

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<sup>3</sup> A Norton, Uni students and grads must pay their fair share, *Sydney Morning Herald*, 10 May 2017

<sup>4</sup> Workplace Gender Equality Agency, *Australia's gender equality scorecard 2016*. Retrieved from [https://www.wgea.gov.au/sites/default/files/80653\\_2015-16-gender-equality-scorecard.pdf](https://www.wgea.gov.au/sites/default/files/80653_2015-16-gender-equality-scorecard.pdf)

<sup>5</sup> Workplace Gender Equality Agency

<sup>6</sup> Workplace Gender Equality Agency

<sup>7</sup> National Foundation for Australian Women, *Gender lens on the Budget*, retrieved from <http://www.nfaw.org/gender-lens-on-the-budget>, 21 May 2017

<sup>8</sup> A Norton, *HELP for the Future: Fairer repayment of student debt*, The Grattan Institute, 2016.

<sup>9</sup> G Hutchens, Treasury did not model Budget's impact on women, officials admit, *The Guardian*, Canberra, 21 May 2017

<sup>10</sup> National Foundation for Australian Women, *Gender lens on the Budget*. Retrieved from <http://www.nfaw.org/gender-lens-on-the-budget>, 21 May 2017

<sup>11</sup> Fair Work Commission, *Modern awards list*, Retrieved from [https://www.fwc.gov.au/documents/documents/modern\\_awards/award/ma000034/default.htm](https://www.fwc.gov.au/documents/documents/modern_awards/award/ma000034/default.htm), 30 May 2017; Graduate Careers Australia, *Graduate Destinations Survey 2015*. Retrieved from <http://www.graduatecareers.com.au/research/researchreports/graduatedestinations/>, 24 May 2017

<sup>12</sup> M Knott & E Bagshaw, HECS cash grab could hit accountants, architects, social workers, *The Guardian*, Canberra, 29 March 2017

<sup>13</sup> Australian Association of Social Workers, Media release of 30 March 2016. Retrieved from <https://www.aasw.asn.au/news-media/media-releases-2016/women-and-older-students-most-affected-by-help-repayment-propos>

As well as commencing on a low salary, there are two other factors that contribute to significant hardship for early career social workers. The first is that their salary remains low for several years after graduation. Forty per cent of AASW members who are currently employed and have been working for more than two years, are earning less than \$48,000.

The second factor that will compound the negative consequences for social work graduates is that many have already incurred debts to enable them to complete their studies. These loans need to be repaid alongside their HELP loans.

Borrowing money is, for many students, the only way to survive the financial hardship caused by their studies. Many graduates commence their working life having already accumulated debts, and social work graduates experience greater financial hardship than the average student does. Universities Australia (UA) has studied the financial situation of tertiary students and identified worsening poverty among students.<sup>14</sup> Many students report financial stress and vulnerability concerning their ability to afford necessities including food and medication, as well as pay for education costs.<sup>15</sup>

In 2016 the AASW conducted a survey of social work students, the National Study of Social Work Students (NSSWS).<sup>16</sup> Although both studies reveal that many students undergo significant hardship while completing their studies, the NSSWS indicates that social work students are financially worse off than the students surveyed by UA. For example, both studies asked students: '*As a student, have you had to regularly go without food or other necessities because you could not afford them?*' In the UA study the percentage of full-time domestic undergraduate students who answered 'yes' to this question was 18.2%.<sup>17</sup> In the NSSWS, that figure was 32.2%.<sup>18</sup> The NSSWS also revealed that many students did not have enough money for clothing (39%), accommodation (27%), transport (36%) or medication (29%)<sup>19</sup>.

A common assumption is that students completing tertiary studies come from a position of social and economic advantage. Although both studies demonstrated that such students are in a minority, again the NSSWS study found that social work students are worse off than average. The UA study reported that 46% of students receive no financial help from their parents, whereas for social work students this figure was 56%.<sup>20</sup> Consequently, half the students surveyed maintained a personal deficit while they were studying.<sup>21</sup>

The NSSWS gathered evidence that the rates of financial support are so low that they are interfering with the student's ability to benefit from their studies. The adverse effects that students reported

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<sup>14</sup> Australian Broadcasting Corporation (ABC), *Below the poverty line: The real cost of being a university student*. Retrieved from ABC News: <http://www.abc.net.au/news/2017-05-30/the-real-cost-of-being-a-university-student/8530606>, 30 May 2017

<sup>15</sup> ABC, *Below the poverty Line*

<sup>16</sup> Australian Association of Social Workers, *National Study of Social Work Students*, Australian Association of Social Workers, Canberra, 2016

<sup>17</sup> ABC

<sup>18</sup> AASW, p. 4

<sup>19</sup> ABC

<sup>20</sup> ABC; AASW, p. 5

<sup>21</sup> ABC

included: not enough money for all texts or educational resources (52%); being overtired from long working hours in paid employment (47%); needing to skip classes in order to attend a paid job (34%); needing to defer a course or reduce study load in order to work (29%). This situation has more serious consequences beyond the day-to-day difficulties: 27% reported that the lack of finances increased the likelihood of dropping out of the course.<sup>22</sup>

For many students the motivation to study is to access the opportunities that a qualification will make available. For the students with no family support, this is a positive step towards creating consistent work and a reliable source of income. In other words, these students are seeking to elevate themselves out of poverty in exactly the way that the government's higher education policy encourages.

## Conclusion

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The AASW acknowledges that repayment of loans is a legitimate policy goal for the government. Nevertheless, the experience of our members indicates that the point at which repayments commence should be higher than the proposed \$42,000. This figure is so low that it will unfairly fall on low income earners, and therefore it risks being counterproductive.

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

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<sup>22</sup> Australian Association of Social Workers, *National Study of Social Work Students*, Australian Association of Social Workers, Canberra, 2016



**AASW**  
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**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

Incorporated in the ACT  
**ACN 008 576 010 / ABN 93 008 576 010**