



**AASW**

**Australian Association  
of Social Workers**

*Submission to the Senate  
Community Affairs Legislation  
Committee*

*Re: Social Services Legislation Amendment  
(Budget Repair) Bill 2015*

**January 2016**

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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 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 (Budget Repair) Bill 2015*. While social workers work with people from every strata of society, we have a particular commitment to those who are most disadvantaged. One of the key ways to move out of disadvantage is through education. Unfortunately there are elements of this Bill that will make it more difficult for individuals experiencing disadvantage to access education. In this regard social workers are particularly concerned about changes outlined in Schedule 2 that would remove the Pensioner Education Supplement and Schedule 3 that would remove the Education Entry Payment. These payments are designed to go to the most disadvantaged people in our community who wish to improve their situation through education. The Bill effectively eliminates \$252 million from educational support for pensioners and a further \$64 million from low income earners directly impacting future employment opportunities.

Our submission, relying in part on original research that the AASW and James Cook University conducted during 2015, will highlight the impacts of further reducing the incomes of students on the Disability Support Pension (DSP) who are trying to complete tertiary education. The AASW also believes that by putting additional financial pressure on people when they are vulnerable will further consolidate disadvantage, discrimination and poverty.

## Responses

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### 1. Concerns with regard to Schedule 2 : 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 was interested in the circumstances of people receiving the DSP who are attending 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. This research, using data from 2320 social work students provides significant information on the sub-group of students on DSP. Below are some key results from this research which substantiates our position against the proposed legislation that would eliminate the Pensioner Education Supplement.

- 1.1 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.
- 1.2 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%).
- 1.3 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.
- 1.4 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.
- 1.5 The financial disadvantage with regard to students on a DSP is much more serious than that experienced by the general social work cohort or the general university cohort. Table 1 below shows a comparison of the three groups.

**Table 1. Indicator of Disadvantage by Type of University Student**

Indicators of Financial Disadvantage or Vulnerability	Social Work Students on a DSP pension	Social Work Students	University Students Australia <sup>1</sup>
Regularly go without food or other necessities	55%	30%	17%
Savings in event of financial difficulty	25%	44%	>52%
Financial support from parents, partners or other family members	16%	45%	No comparable data

1.6 The AASW has also collected comments from students on a DSP about their experiences. These comments help illustrate what it means in practice to attempt to study at university while on a DSP.

- “I am on a Disability Support Pension, am a partial carer for my mum. I am in private rental accommodation which takes around two thirds of my income, as well as paying for insurance, utilities and other costs of living I do not always have sufficient income to cover everything.”
- “Usually in extenuating circumstances, as I have no financial buffer, e.g., interstate visit to my dying aunt, car service, broken fridge, etc. I have to manage my money very well.”
- “I have had to eat at food vans and welfare centres at times, received food vouchers/hampers and applied for an equity scholarship because I needed essentials to help me study (computer, books, transport, etc).”

1.7 The amendments in this Schedule will reduce the income of recipients of the DSP engaged in full-time 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.

1.8 Finally, we wish to comment on the argument proposed in the explanatory memorandum that ‘More appropriate channels of Government-funded study and training assistance for income support recipients are available through employment services providers and the HECS-HELP, FEE HELP and VET FEE HELP tuition loan programmes.’ Firstly HECS-HELP and FEE HELP are for assistance with HECS debts and tuition fees. Given the low levels of income and saving of most people on the DSP it is likely that they will already be receiving this assistance. Furthermore, the AASW is sceptical that the complex employment service provider system can provide the same level of well-targeted assistance that the Government has provided via the Pensioner Education Supplement. In other words, those who currently receive the Pensioner Education Supplement will be stripped of the payment with no clear way in which the shortfall can be made up.

<sup>1</sup> Data from Universities Australia (2013). University student finances in 2012: A study of the financial circumstances of domestic and international students in Australia’s universities. Available at <http://www.cshe.unimelb.edu.au/research/equity/docs/StudentFinances2012.pdf>

## **2. Concerns with regard to Schedule 3: Education Entry Payment**

- 2.1 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 the actual costs of commencing tertiary study, the position of the AASW is that it would be better to increase this payment rather than remove it.
- 2.2 As noted in 1.8 above, the AASW has no confidence in the Government's claim that there are more appropriate channels for delivering this well-targeted and needed assistance.

## **3. Conclusion**

The AASW believes that one of the best ways out of disadvantage is to engage in further education leading to increased paid employment opportunities. This is particularly important for people with significant disabilities. The Pensioner Education Supplement and the Education Entry Payment are well-targeted payments to help this group. The removal of these payments will make it more difficult for those with significant disabilities, or who are disadvantaged in other ways, to complete further education thereby advancing out of welfare dependency.

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

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