



5 November 2015

Senator Zed Seselja
Chair Senate Standing Committees on Community Affairs
PO Box 6100
Parliament House
Canberra ACT 2600

By email: community.affairs.sen@aph.gov.au

Dear Senator Seselja,

**NWRN Submission on the Social Services Legislation Amendment (Youth Employment) Bill
2015**

The National Welfare Rights Network (NWRN) is the peak community organisation in the area of social security law, policy and administration. We represent community legal centres and organisations whose role is to provide people with information, advice and representation about Australia's social security system. Our member organisations operate in all states and territories of Australia. They are organisations which have community legal services and workers dedicated to social security issues. Their services are free and they are independent of Centrelink and government departments. The NWRN also has as Associate Members the Central Australian Aboriginal Legal Aid Service (CAALAS) and the North Australian Aboriginal Justice Agency (NAAJA).

The NWRN develops policy about social security, family assistance and employment assistance based on the casework experience of its members. The Network provides submissions to government, advocates in the media and lobbies for improvements to Australia's social security system and for the rights of people who use the system.

NWRN provided a detailed submission and evidence on the measures in this Bill in its submission to the Bill's predecessor the Social Services Legislation Amendment (Youth Employment and other measures) Bill 2015 (the First Bill).

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Our concerns with the specific measures proposed in these Bills are unchanged. A copy of our submission on the First Bill is attached.

As well as reintroducing the measures of the First Bill, this Bill inserts an additional measure to ensure that the waiting period does not apply to young people who are initially incorrectly assessed as Job Ready and requiring Stream A services but are later reassessed as requiring Stream B or C services¹. This is where the waiting period is applied incorrectly based on an incorrect employment stream assessment using the Job Seeker Classification Instrument (JSCI) or an Employment Services Assessments (ESAt). This additional exemption is welcome as is the assurance that such a person would be entitled to back-payment.

A person will not be entitled to back payment where the initial JSCI assessment was accurate based on the person's circumstances at the time. The Explanatory Memorandum makes clear that if a Stream A assessed person's circumstances change, the waiting period will not apply if they are subsequently assessed as requiring stream B or C services.

However, it is also necessary to ensure that such a person will receive back-pay to the date on which their circumstances changed, which may be prior to the date they were reassessed. It is not clear to us that this is the case based on the wording of proposed section 549CAB(e). Clarification from the Department about the retrospectivity of assessments or date of effect is required.

The Government assumes that the job ready young people to whom the four week waiting period will apply will have access to adequate support from their families. There is no evidence base for this assumption. It ignores that the poorest families will struggle to support young people during a four week period without payment.

The Government has cited the New Zealand model as the basis for the four week waiting period, but in New Zealand, people receive back-pay once they have completed their pre-employment activities. We reiterate our concerns that the Government has pushed ahead with this measure without waiting for the results of the actuarial assessment it has commissioned in the most recent Budget.

We note again our concerns about the unfairness of the start date for this waiting period, which can mean that young people who delay claiming youth allowance are disadvantaged² and our concerns for youth allowance recipients who are finishing secondary or tertiary education but are having support withdrawn at a critical time when they are first testing the labour market. The approach taken with this latter group is inconsistent with other parts of the Social Security system which permit transfer from one income support payment to

¹ See Item 6 of schedule 3 – proposed subsection 549CAA(7)

² See pp 11-12 of our submission on the First Bill attached. The submission can also be accessed at: http://www.welfarerights.org.au/sites/default/files/field_shared_attachments/policy/NWRN%20Submission%20on%20Social%20Services%20Legislation%20Amendment%20%20%28Youth%20Employment%20and%20Other%20Measures%29%20Bill%202015.pdf

another without the need for an additional waiting period where the claim is lodged within 14 days of the previous claim ending.

Changes to the ordinary waiting period mean that some people with no means to support themselves will now need to serve the Ordinary waiting period if they are not also experiencing a narrowly defined “personal financial crisis”. Make no mistake, there will be people experiencing financial crisis who will no longer qualify for the exemption.

The Bill will also tighten eligibility for the one week waiting period and increases the eligibility age for the Newstart Allowance to the age of 25. Many people will serve at least 5-weeks of waiting periods and young unemployed people aged 22 to 24, who will no longer be eligible for the higher Newstart Allowance or Sickness Allowance, will be left with up to \$48 a week less.

For these reasons, and for the reasons detailed in our submission to the First Bill (attached) NWRN opposes this bill.

Yours sincerely,

Kate Beaumont

President

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