



AASW
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**Australian Association
of Social Workers**

*Submission to the Senate
Education and Employment
Legislation Committee
Re: Social Security Legislation Amendment
(Strengthening the Job Seeker Compliance
Framework) Bill 2014*

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Introduction

Who we are

The Australian Association of Social Workers (AASW) is the professional body representing more than 8000 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 diversities 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 Security Legislation Amendment (Strengthening the Job Seeker Compliance Framework) Bill 2014. While social workers work with people from every strata of society, we have a particular commitment to those who are most disadvantaged. Social workers are particularly supportive of proposals that would assist those who are unemployed to gain employment. Unfortunately, it is unclear that this Bill will actually assist the most vulnerable gain employment and may indeed act as a further barrier.

Responses

1. Concern that the legislation will not be effective in reducing the high number of compulsory appointments that are missed.

- 1.1 According to the Explanatory Memorandum for this Bill, "Currently, approximately 35 per cent of all compulsory appointments with employment providers are not being attended by job seekers each year and more than one in five of all job seekers who receive payment in any year have at least one participation failure applied for missing an appointment with a provider." These figures are indeed a cause for concern as they clearly represent a breakdown in the system that is supposed to be helping those who are unemployed to find employment.
- 1.2 Unfortunately the Explanatory Memorandum offers no evidence as to why this system is breaking down, but instead seems to imply that the fault lies with individual job seekers who are not motivated to attend compulsory appointments. Hence, the proposed solution is to supply more motivation by increasing financial penalties. However motivation may not be the only or even the most important part of the problem.

- 1.3 For instance, research in the UK as to why a high proportion of patient's of the National Health System do not attend (DNA) their appointments revealed a variety of reasons. "A simple fact, however, backed up by surveys of patients themselves, is that while they often felt better, experience anxiety or encounter problems with processes and systems, the most common reason why patients DNA is that they simply forget."¹ A number of quite simple strategies including a more positive approach to encouraging attendance as the social norm as well as changes to the ways people were reminded of meetings led to a quite substantial decrease in the number of appointments that were missed.
- 1.4 Furthermore without a proper understanding for the reasons for the low attendance, this measure might even have the opposite effect on what is intended. For instance, the Business Council of Australia has previously noted that the rates of Newstart Allowance are so low that it is inhibiting people's ability to actually apply for jobs.² This is also the experience of our members who work with job seekers. The measures in this Bill will potentially reduce the income of Newstart Allowees even further and as such will compound the problem of job seekers not having the resources necessary to apply for jobs.

2. Possible Negative Impacts of changes in the Bill

- 2.1 As noted in the previous section, the major changes in this bill are predicated on the assumption that the principle reason why people miss appointments is that they are not motivated enough to attend. However, this simple approach runs the risk of creating difficulties for the most vulnerable job seekers who may be facing multiple other stressors which both affect their ability to attend compulsory appointments as well as their motivation to do so.
- 2.2 Two groups of people that are likely to be negatively affected are those with either intellectual disabilities or mental health issues who, while not entitled to a disability pension, may still have significant difficulties. In both instances, the disability or mental health issue is likely to affect memory as well as organisational skills, which place them at much higher risk to miss compulsory appointments. Also both groups find it more difficult to find full-time work and therefore tend to be unemployed for longer periods.
- 2.3 Another group is youth who have come from disadvantaged families including young people who are leaving the care of the State. Such youth often have missed some of the basics of care in their childhood and adolescence, particularly in regard to education. In addition, as young adults they often lack the stabilising impact of older more stable and experienced elders who help bring order into often chaotic lives.

3. Concerns about reductions in concessions to those aged over 55

- 3.1 Older job seekers will also be adversely affected particularly in relation to proposed changes to Subsection 502A(1) of the *Social Security Act 1991* that would remove the concession in the Act that allowed for a lessened activity test requirement and suitable paid work requirements if a person was engaged in 30 hours of approved voluntary work or equivalent. The justification for this change is that "These changes help to address the issue of job seekers effectively retiring on income support from age 55 and doing large amounts of voluntary work to obtain reduced participation requirements."

¹ Martin S., Bassi S., & Dunbar-Rees R. (2012). Commitments, norms and custard creams – A social influence approach to reducing did not attends (DNAs). *Journal of the Royal Society of Medicine*, 105, p. 101.

² Michael Klapdor, Parliamentary Library, *Adequacy of Income Support Payments*, http://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/BriefingBook44p/IncomeSupportPayments downloaded 21/10/2014

- 3.2 It is difficult to see the justification for this change. Firstly, the unemployment rate for people over 55 is quite high and the job opportunities for those not highly trained are limited. Secondly, the assumption that many people would willingly retire on Newstart Allowance is strongly contested by the AASW. In 1997, Newstart Allowance recipients received 92% of what was paid to pensioners.³ In March 2014 they received the equivalent of only 66% of what was paid to pensioners. The original justification for the Newstart Allowance being so low was that it was a temporary payment that encouraged people to actively seek work. It is high unemployment rates among older Australians that cause older job seekers to stay on Newstart Allowance longer, not a desire to retire early.
- 3.3 Finally, penalising older Australians who are engaged in voluntary work seems bizarre because voluntary work has direct benefits to the community as well as benefiting the morale of job seekers and increasing their chances of obtaining paid work in the future by maintaining skills and links with the community.

4. Conclusion

- 4.1 The AASW believes that one of the best ways to assist people out of poverty is to help them achieve meaningful full-time employment. Consequently it is important to help job seekers engage with employment providers and the job seeker network. From the information provided in the explanatory memorandum to this Bill, it is apparent that large numbers of job seekers are not receiving all the potential help they could to find employment.
- 4.2 Unfortunately it seems unlikely that this measure will help the situation substantially because the government does not know or understand the reasons for the high rates of non-attendance at compulsory appointments. Before this Bill is passed we would urge the Government to instigate a study of the actual reasons for the high non-attendance rates. Such a study would be relatively easy to do, as well as being relatively inexpensive.
- 4.3 We note also the extra burdens this Bill will impose on those with intellectual disabilities, mental health issues, youth from disadvantaged backgrounds and older job seekers. In these circumstances, we urge the Senate to delay the passing of this Bill until the government can more clearly show that the eventual legislation will achieve its aims of reducing non-attendance at compulsory appointments and consequently better assist job seekers to find employment.

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

Glenys Wilkinson

AASW Chief Executive Officer

³ Michael Klapdor, Parliamentary Library, *Adequacy of Income Support Payments*, http://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/BriefingBook44p/IncomeSupportPayments downloaded 21/10/2014

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