

# Australian Labor Party Senators' Dissenting Report

## Introduction

1.1 On 15 October 2015, the Senate referred the Social Services Legislation Amendment (Youth Employment) Bill 2015 (Bill) to the Senate Community Affairs Legislation Committee (committee) for inquiry and report.

1.2 In the face of significant evidence as to the harsh nature of the measures contained in this Bill, and with little or no stakeholder or community support for the measures contained therein, the majority of Senators on the committee have nonetheless recommended the passage of the Bill.

1.3 The Labor Senators on this committee strongly reject this view. The majority Report completely ignores the evidence presented to the committee. The measures contained in this Bill are simply repackaged measures from the 2014 Budget that have already been rejected by the Parliament. They are too harsh and will do nothing to achieve the stated aim of the Bill, namely supporting young people into work.

1.4 The Labor Senators on the committee recommend that the Bill be rejected by the Senate, and that the Government commit to taking these measures out of the Parliament and out of the Budget.

## Summary of Bill

1.5 As the majority report indicates, this Bill seeks to reintroduce measures that were rejected by the Senate on 9 September 2015. The same measures are also contained in a third bill, the Social Services and Other Legislation Amendment (2014 Budget Measures No. 4) Bill 2014, which was introduced into the Senate following the 2014 Budget and never passed.

1.6 The measures in this Bill include:

- creating a new ordinary waiting period for parenting payment and youth allowance for a person who is not undertaking full-time study and is not a new apprentice;
- changing the current exemption to an ordinary waiting period on the basis of severe financial hardship to only apply if the person is also experiencing a personal financial crisis;
- providing that the ordinary waiting period is to be served after certain other relevant waiting periods or preclusion periods have ended;
- raises the eligibility age for Newstart Allowance and sickness Allowance to 25 years of age, and make youth allowance payable to people under 25 years of age who can satisfy the activity test; and
- introduces a four week waiting period for jobseekers under the age of 25.

1.7 In addition to these measures, the Bill also introduces a new 'rapid activation' for young jobseekers, a measure which would require claimants of Newstart

Allowance, Youth Allowance (other) and Special Benefits aged under 25 years old to undertake a number of additional job search activities within the first four weeks before they receive any income support.

### **Stakeholder Views**

1.8 This is the third senate inquiry that has examined these measures. As such, this inquiry was undertaken on the papers. Nine submissions were received. All submitters, apart from the Government departments, opposed the passage of the Bill.

1.9 For example, the Welfare Rights Centre Sydney submitted that:

This Bill, like its predecessors, will further weaken and undermine access to vital social security support by expanding waiting periods for income support payments. Young people and recently separated women who experience domestic violence will be placed at significant risk, as incomes, personal safety, secure housing and mental well-being are threatened by the harmful measures contained in this Bill. The WRC recommends that the Committee reject the Bill in its entirety.<sup>1</sup>

They recommended that the Bill be rejected.

1.10 The Australian Association of Social Workers submitted that:

One of the best ways to assist young people out of poverty is to help them achieve meaningful full-time employment. However we believe this proposed legislation will not help achieve this aim, and in many instances may hinder their attempts by forcing young people into destitution. We call on the Senate to reject the legislation contained in Schedules 2 and 3, and further we ask Senators to seriously consider raising the Youth Allowance rate to a just and humane level.<sup>2</sup>

They also recommended that the Bill be rejected.

1.11 Orygen Youth Mental Health submitted that:

Subjecting young job seekers and their families to financial hardship through reduced payments and extended periods without income support may introduce or compound vulnerability, risking a young person's mental health and wellbeing over time and placing their family relationships under duress. This may also lead to an increased demand for community and mental health services, potentially reducing the financial savings from these measures. There is no evidence that the \$8.1 million in emergency relief funding would be directed to these types of services or would be sufficient to address demand.<sup>3</sup>

The submission further states:

Rather than the increased wait period acting as an incentive to work, Orygen again refers to research which shows that a lack of income can

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1 *Submission 9*, p. 1.

2 *Submission 1*, p. 3.

3 *Submission 3*, pp 1–2.

impact on a young person's capacity to meet job seeking requirements and look for employment. This may be due to limited access to transportation and the impact of financial stress on mental health, potentially triggering or exacerbating depression and anxiety. As the level of income support for Newstart is already well below the poverty line, further reduction to these rates (along with a period of no income support) could increase the barriers to finding work for young people already experiencing financial hardship.<sup>4</sup>

They recommended the Bill be rejected.

1.12 The Society of St Vincent de Paul submitted:

After careful consideration of the proposed changes, the Society is of the belief that the Bill will not achieve its intended aims. Instead, the changes will only be to the detriment of those groups who are most vulnerable within our society.<sup>5</sup>

They recommended the Bill be rejected.

1.13 The Australian Council for Social Services (ACOSS) also submitted that:

ACOSS remains opposed to the re-introduced measures in this Bill and recommends that the Bill be rejected. It is disappointing that measures widely regarded as unfair and harmful for people on the lowest incomes from the 2014 Budget were recycled in the 2015 budget and have now been introduced to Parliament again. ACOSS has consistently stated that there are fairer and more sustainable ways to restore the Federal Budget and improve employment outcomes than these measures, as outlined in our ACOSS Budget Submission 2015.<sup>6</sup>

They too recommended that the Bill be rejected.

### **RapidConnect Plus**

1.14 As detailed above, this Bill seeks to introduce new 'rapid activation' requirements on young jobseekers whilst they are serving a four week wait period for income support.

1.15 This measure would require the jobseekers to undertake 'pre-benefit' activities, such as:

- attending an interview with a jobactive provider;
- preparing a resume;
- completing a jobseeker profile;
- entering into and complying with a Job Plan; or
- undertaking adequate job searches.

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4 *Submission 3*, p. 2.

5 *Submission 5*, p. 10.

6 *Submission 8*, p. 1.

1.16 Labor Senators on this committee are of the view that while the stated objective of these measures is to prepare young people for the workforce, the measures are unprecedented in that they do away with the longstanding mutual obligation requirements that have been a part of Australia's social security system for years.

1.17 Far from softening the original measures, these new measures only serve to make this Bill even harsher, imposing requirements on people who are not in receipt of income support. It is also worth noting—as many of the submitters themselves have—that jobseekers with no income will find it very difficult to meet these new requirements, potentially resulting in further penalties.

1.18 With no evidence as to how these new measures will support young people into work, they too should be rejected.

### **Conclusion**

1.19 The Labor Senators on the committee stand by the views expressed by stakeholders, and the community at large, that these measures are too harsh, will push young people into poverty and hardship and do nothing to support young jobseekers into work.

1.20 The Labor Senators on this committee call on the Senate to once again reject these harsh measures. We also call on the Liberal Government to cease its attack on young jobseekers and drop these measures, take them out of the Parliament and out of the Budget.

### **Recommendation 1**

**1.21 Labor Senators recommend that the Senate oppose this Bill.**

**Senator Carol Brown**

**Senator Katy Gallagher**