

Australian Greens' Dissenting Report

Introduction

1.1 The Australian Greens do not support the recommendations of the majority report of the inquiry into the Social Security Legislation Amendment (Youth Employment) Bill 2015.

1.2 As noted in the majority report this Bill seeks to reintroduce, with some minor amendments, measures that were contained in both the Social Services and Other Legislation Amendment (2014 Budget Measures Number 4) Bill 2014 and the Social Services Legislation Amendment (Youth Employment and Other Measures) Bill 2015.

1.3 The Australian Greens have expressed along with a plethora of community organisations their deep concerns of the devastating effect that keeping young people off income support will have. These concerns have been explained in detail in the Australian Greens dissenting reports to both the previous inquiries.

1.4 The introduction of this Bill, despite the community and the Senate's clear opposition to keeping young people off income support, is a clear indication that while the Government may have a new leader they clearly have the same cruel policies.

1.5 This Bill demonises young people and will not assist them in finding work. It is clear that whether it is six months or five weeks, the community overwhelmingly does not accept that keeping young people off income support will help them gain employment. In their submission the Australian Association of Social Workers said:

We believe that this Bill will not assist the most vulnerable gain employment and will or could act as a further barrier.¹

1.6 Orygen National Centre of Excellence in Youth Mental Health had similar views:

As we stated in our previous submission, young people want to work. We believe these measures will only create unnecessary financial hardship, emotional, mental and family stress which will in turn impact on young people's job-readiness, defeating the objectives of the bill.²

Inadequacy of payment

1.7 Both Youth Allowance and Newstart are inadequate payments, if the Government is serious about addressing barriers to work income support payments need to be raised. This was noted by several submissions to the inquiry, including the Australian Association of Social Workers:

1 Australian Association of Social Workers, *Submission 1*, p. 1.

2 Orygen National Centre of Excellence in Youth Mental Health, *Submission 3*, p. 3.

If the Government wants to create proper financial incentive to encourage young people to enter training or study, they should immediately raise the payments to students to above the poverty line. Paying student allowances at destitution rates is no incentive at all and indeed has a range of other negative consequences for individual students as well as society as a whole.³

1.8 St Vincent de Paul Society also noted the low payments in relation to rising costs of living:

Studies conducted by the Crawford School of Public Policy at the Australia National University calculate that after budgeting for rental expenses, a single recipient of Newstart with no employment income will only have \$17 per day for all other costs such as food, clothing, utilities, personal care, transport, and medical and school expenses, in addition to the costs of job seeking. By contrast, the average single Australian under 35 spends around \$84 each day, not including their housing-related costs, or more than four times this much.⁴

1.9 The four measures contained in the bill are examined below.

Ordinary waiting period

1.10 Currently, most Newstart recipients must serve an ordinary waiting period of seven days before allowances are payable. This Schedule provides that the current exemption on the basis of severe financial hardship will only apply if the person is also experiencing a personal financial crisis.

1.11 This measure is of real concern as it will mean that severe financial crisis alone does not result in an exemption from this waiting period, pushing people further into financial crisis. The National Welfare Rights Network said:

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 define 'personal financial crisis'. Make no mistake, there will be people experiencing financial crisis who will no longer qualify for the exemption.⁵

Changes to the age requirements for various Commonwealth payments

1.12 This measure increases the eligibility age for some income support payments and will compound financial stress for young people for longer periods of time. St Vincent de Paul said:

The Society believes that such a change is unacceptable, as it would only serve to aggravate the gross inadequacy of Australian Government's current framework for income support.⁶

3 Australian Association of Social Workers, *Submission 1*, p. 2.

4 St Vincent De Paul Society, *Submission 5*, p. 6.

5 National Welfare Rights Network, *Submission 2*, p. 3.

6 St Vincent De Paul Society, *Submission 5*, p. 5.

Income support waiting periods

1.13 The key concern in this Bill is the re-introduction of a revised four-week waiting period for young people to access income support.

1.14 It should be blatantly clear that people with little financial support who are unemployed will be unable to live if they are locked out of income support payments for any length of time. This measure has been almost universally criticized, as well as being rejected by the Senate in previous Bills. The Australian Greens join many of the organisations who submitted to this inquiry in their concerns. The Australian Association of Social Workers said:

The AASW is further concerned that this measure will force a number of young people who have little or no resources into genuine destitution.⁷

1.15 Australian Council of Social Service outlined not only the danger of this measure for young people but to our entire social security system:

Despite the introduction of some exemptions, the wait period would impose hardship on vulnerable people looking for work with no other source of income, particularly as no set of exemptions can cover every circumstance in which vulnerable people may be living. The measure also undermines a basic principle of our social security system: that income support is available to people, subject to activity requirements, when they need it.⁸

1.16 Other organisations shared these concerns, National Welfare Rights Network said:

The Government assumes that 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 that poorest families will struggle to support young people during a four week period without payment.⁹

1.17 Orygen also raised the affect that such a measure could have on young people's mental health:

Subjecting young job seekers and their families to financial hardship through reduced payment and extended periods without income may introduce or compound vulnerability, risking a young person's mental health and wellbeing over time and placing their family relationships under duress.¹⁰

Implement the rapid activation of young job seekers

1.18 This Bill introduces details of the RapidConnect Plus Program. This measure requires young people on the waiting period to undertake activities, if a young person

7 Australian Association of Social Workers, *Submission 1*, p. 3.

8 Australian Council of Social Service, *Submission 8*, p. 2.

9 National Welfare Rights Network, *Submission 2*, p. 2.

10 Orygen National Centre of Excellence in Youth Mental Health, *Submission 3*, pp 1–2.

fails to meet these requirements they could be denied income support and have to re-apply and begin the 4 week waiting period again. The Australian Council of Social Service said:

This is a particularly harsh measure and should be rejected. If the policy goal is to encourage young people to undertake further education or training or seek employment, this is best achieved by engaging with them, preferably before they leave school, and assisting them to develop transitions pathways. For those still seeking employment once they have left school, access to a regular income will put them in a better position to participate in job search, training and other activities which are already required of them under the current system.¹¹

Conclusion

1.19 The Australian Greens would welcome genuine efforts to help young people into employment, but this Bill will simply make life harder for those young people who are already struggling. This view was shared by many of the submitters, the Australian Council of Social Service said:

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 2015.¹²

1.20 The Australian Greens cannot support the majority report or this Bill.

Recommendation 1

1.21 That the Social Security Legislation Amendment (Youth Employment) Bill 2015 not be passed.

Senator Rachel Siewert

11 Australian Council of Social Service, *Submission 8*, p. 3.

12 Australian Council of Social Service, *Submission 8*, p. 1.