

Committee Secretary
Senate Standing Committee on Community Affairs
PO Box 6100
Parliament House
Canberra ACT 2600



To whom it may concern,

RE: Submission to the Social Services Legislation Amendment (Omnibus Savings and Child Care Reform) Bill 2017

I am grateful for the opportunity to contribute to the Committee's Inquiry into the Omnibus Savings and Child Care Reform Bill, on behalf of the Youth Affairs Council of Western Australia (YACWA) and our respective members.

The Omnibus Savings and Child Care Reform Bill (the Bill) contains several measures of which YACWA has dire concern for the impact on young people in Western Australia. It is these specific measures we have chosen to respond to. The reasons for which are identified below in more detail.

In summary, YACWA has concern for the implications of the Bill overall, does not support the inclusion of the following measures in the Bill, and recommends their removal:

- Schedule 14: Age requirements for various commonwealth payments
- Schedule 15: Income support waiting periods

Thank you for the opportunity to comment on the impact this Bill will have on our community and members. I would welcome the opportunity to discuss our position further should it be of assistance.

About YACWA

The Youth Affairs Council of Western Australia (YACWA) is the peak non-government youth organisation in Western Australia with a membership of youth service organisations, community organisations, academics, individuals and most importantly young people themselves.

Established in 1980, YACWA has worked tirelessly for over 35 years to deliver high-level representation and advocacy for the Western Australian youth sector and young people in Western Australia.

This fits with YACWA's mission, which is to be the leading peak body working to ensure that

young people and the workforce that support them are valued, informed and have opportunities to influence public policy.

YACWA's vision is to develop a Western Australian community where all young people are empowered and have their human rights maintained; a community that values young people's skills, knowledge and engagement in decision-making.

The Youth Affairs Council of Western Australia is thankful for the opportunity to provide a submission to this inquiry.

YACWA's history with the Bill

YACWA notes that this is not the first occasion measures within the current Bill have appeared before the House of Representatives, the Senate, or the Community Affairs Standing Committee. The specific measures of which we have concern (*schedule 14 and 15*) have emerged through various Bills since the 2014 Budget. These Bills include:

1. Social Services and Other Legislation Amendment (2014 Budget Measures No. 4) Bill 2014ⁱ
2. Social Services Legislation Amendment (Youth Employment and Other Measures) Bill 2015ⁱⁱ
3. Social Services Legislation Amendment (Youth Employment) Bill 2015ⁱⁱⁱ
4. Social Services Legislation Amendment (Youth Employment) Bill 2016^{iv}

As far as YACWA can tell, the current *Social Services Legislation Amendment Bill 2017* is intended to replace previous Bills by pairing the budget savings measures contained within the current Bill with reform and expenditure in childcare.

YACWA has not submitted specifically to the Community Affairs Standing Committee in relation to these Bills in the past. This can be attributed to: capacity constraints given that YACWA is a state based organisation, and, the fact that this work would normally be undertaken by the Australian Youth Affairs Coalition (the federal peak body).

However, YACWA notes that federal funding for this national peak body, tasked with representing the views and experiences of young people, was cut in 2014^v. This has resulted in a complete absence of a consultative body at a federal level for the Government to work with in the developments of Bills such as this.

YACWA has however advocated at a state level against measures within the Bill over the past three years through various other platforms, and will continue to do so. Further to this, YACWA submitted to the committee's Inquiry into the extent of Income Inequality in Australia held by this committee in 2014 (**see attachment**).

Given the lack of a federal peak body, the re-emergence of this Bill in relation to child care reform, the changing of senators following the 2016 election, and the now fifth time that these measures have been introduced through a Bill, YACWA considered it important that the voices

of our members and young people were relayed to the committee to further reinforce opposition to these measures.

Further, YACWA urges the Federal Government to immediately restore funding to the Australian Youth Affairs Coalition to represent the views of young people, and the equivalent state peak bodies representing young people, in important policy discussions such as this one.

Young Peoples experiences considering the Bill

A young person's income is a significant determinant of the level of independence that they can support and maintain. An almost linear relationship exists between age and income between the ages of 15 and 24, reflecting the transition from education to employment.^{vi}

However, there is not always a straight linear correlation for every young person as barriers often emerge to securing steady income. Whilst it is worth acknowledging that many young people in Western Australia are doing ok, YACWA must note that there are still a significant number of young people who are not.

These young people are some of the most vulnerable members of our community, whose transition to adulthood is not always a smooth one, often resulting in necessary assistance from Government. For this cohort of young people, these legislative changes would be disastrous.

Some of the issues these young people face include experiences of abuse and neglect, mental illness, chronic health problems and homelessness. But issues also arise around a lack of family support, and access to employment opportunities for those in the regions, as well as further complex social issues.

These issues mean that sometimes young people simply cannot prioritise education and employment, which are crucial to a young person gaining independence, and maintaining their health and wellbeing.

These issues are compounded in a competitive job market like WA is currently experiencing, and it is therefore unsurprising to see statistics such as those quoted by the Minister in his second reading speech, when he said that:

"youth unemployment [is] more than twice as high as the general unemployment rate at 13.3 per cent compared to 5.8 per cent as at December 2016" ^{vii}

YACWA therefore welcomes initiatives, which look to address the issue of education and unemployment by supporting young people to gaining employment, particularly when the initiatives are informed from a strong evidence base.

However, YACWA holds significant concern that the measures contained within the Bill will fail to do so. Some specific concerns are outlined in relation to schedule 14 and 15 below.

Schedule 14: Age requirements for various commonwealth payments

This measure relates to young people who find themselves unemployed between the age of 22 and 24, being unable to qualify for access to Newstart Allowance payments. It is proposed that they are instead able to qualify for a lesser payment of Youth Allowance (other) – Unless they are able to enter full time study once finding themselves unemployed, in which case, they will be able to qualify for the slightly higher rate of Youth Allowance (student).

The Minister stated, in his second reading speech, that the rationale for the increase in age restrictions for Newstart Allowance age was:

“designed to encourage more young people to pursue further education or training as a pathway to long-term, sustainable employment.”^{viii}

The premise for this statement, as far as YACWA can tell, is that young people will be forced to accept the lesser rate of Youth Allowance (other) unless they can either a) find a job or b) take up study in order to qualify for Youth Allowance (student) at a higher rate.

If the Ministers claim is to be assumed correct, YACWA holds concern that these payments will result in young people taking up study in a tokenistic manner, and not engaging effectively with education or training.

This has the potential to result in further debt for the individual and a lack of opportunity to engage in employment, with no assessment of the outcomes following their study. This is particularly problematic when considering the current fees which have increased significantly in recent times for the TAFE system in a WA context.

There is no evidence to our knowledge that supports the claim that reducing people's payments will encourage them to study or attend educational institutions. In fact, in our experiences, and our view, this is problematic because:

- It will result in less support provided to young people who may be then forced into poverty
- In increase in demand for support in other areas, such as health, mental health and housing to name but a few
- It will add another barrier as the current youth allowance rate is insufficient to support people who are both studying and looking for work^{ix}
- Education courses are periodic potentially causing longer waiting times to qualify for payments

Further, if this measure was to be legislated alongside schedule 15 which creates longer waiting times to access payments, young people would be put at further risk. As Orygen, one of Australia's leading youth mental health organisations provided:

“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.” x

YACWA supports the view of Orygen, from a Western Australian context, and recommends this schedule be removed from the Bill.

Schedule 15: Income support waiting periods

This measure relates to extending the current (and proposed under this Bill) one week waiting period for young people to access various youth allowance payments, by a further four weeks. This will result in a waiting period of five weeks to access payments in some situations.

This measure will be problematic because:

- It assumes young people have savings to support themselves when many don't
- It assumes young people are living in secure long-term housing when many aren't
- It assumes that removing payments will force young people to find work when there is not always jobs available for young people
- It attacks the right to social security by preventing access to it when it is needed
- There is a lack of evidence to our knowledge that this will lead to increased employment outcomes for young people
- It adds another barrier to the system which is already complex and causes frustration for users
- It will likely create poverty and increase barriers to employment.

As the National Welfare Rights Network says, this measure will likely result in:

“... an increase in family tensions, family breakdown, increased isolation, deterioration in physical and mental wellbeing, homelessness and/or housing insecurity, increased barriers to looking for work and social and economic participation.”xi

YACWA supports this analysis, from a Western Australian context, and recommends this schedule be removed from the Bill.

Conclusion and Recommendations

YACWA does not support the identified measures given the lack of evidence relating to the effectiveness of them positively impacting employment amongst young people.

YACWA understands the budget situation, and the need to address spending issues to pay down debt. However, YACWA does not support penalising those who are most vulnerable in our society as a way to stimulate change, or as a saving measure, particularly when doing so could lead to many young people facing poverty, at a time when further support could in fact

yield a return economically.

Further, YACWA believes that some of the measures within this Bill will not only have disastrous effects for some of the most vulnerable people in our society, but will also further damage the budget bottom line, by amplifying young peoples need for support and the cost associated with it.

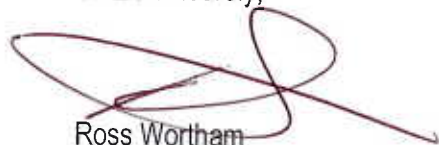
YACWA therefore recommends the following course of action to ensure a quality, accessible, and productive welfare approach that supports the system, and young people within it, efficiently.

- Remove *schedule 14: Age requirements for various commonwealth payments* from the Bill
- Remove *schedule 15: income support waiting periods* from the Bill
- YACWA further urges the Government to immediately restore funding to the Australian Youth Affairs Coalition to represent the views of young people, and the equivalent state peak bodies representing young people, in important policy discussions such as this one.

YACWA also has broad concern for the Bill in its entirety, and the affect it is likely to have on young people if it progresses.

Thank you for the opportunity to comment on the impact of this Bill on our community and members. I would welcome the opportunity to discuss our position further.

Yours Sincerely,



Ross Wortham

CEO

3 March 2017

References

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