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HOUSE OF REPRESENTATIVES

BILLS

**Social Services Legislation Amendment (Youth
Employment and Other Measures) Bill 2015**

Second Reading

SPEECH

Wednesday, 24 June 2015

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

SPEECH

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Questioner
Speaker Morrison, Scott, MP

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Mr MORRISON (Cook—Minister for Social Services) (13:09): I thank members for their contribution to this debate. The Social Services Legislation Amendment (Youth Employment and Other Measures) Bill 2015 will introduce four 2015 budget measures in the Social Services portfolio, along with certain other measures from the 2014 budget and earlier fiscal decisions. The 2015 budget measures incorporate the reintroduction with modifications or the replacement of three 2014 budget measures introduced previously.

From 1 July 2015, the one-week ordinary waiting period currently applying to Newstart Allowance and Sickness Allowance will be extended to Youth Allowance (other) and the Parenting Payment. This bill is amending last year's budget measure so that the Widow Allowance claimants will not be affected by the measure.

From a delayed start of 1 July 2016, the age of eligibility for Newstart Allowance and Sickness Allowance will be increased from 22 to 25. Young people between the ages of 22 and 25 may apply for Youth Allowance instead. Young people aged 22 to 24 in receipt of Newstart Allowance or Sickness Allowance before or on 30 June 2016 will not be affected and will remain on the higher Newstart or Sickness Allowance rates. Further, the 2015 budget measure in the bill will cease the Low Income Supplement from 1 July 2017.

The bill will also take the opportunity to introduce some amendments relating to indexation that are currently before the Senate. The first of these indexation amendments will maintain at level for three years the income-free areas for all working age allowances, other than student payments and for Parenting Payment (single) from the existing start date of 1 July 2015. The second will maintain at level for three years the income-free areas and other means test thresholds for student payments, including the student Income Bank limits with a new start date of 1 January 2016. The 2014 budget measure Stronger Participation Incentives for Job Seekers under 30, which sought to introduce a six-month waiting period for under 30s applying for Newstart Allowance, Youth Allowance or Special Benefit, will no longer be implemented. Instead, the bill introduces a four-week waiting period for under 25s applying for Youth Allowance (other) or Special Benefit—and I should stress—for those who are job ready. The measure will start from 1 July 2016 and will only apply to job seekers assessed as job ready.

Job seekers affected by this measure will also participate in rapid activation pre-benefit activities to ensure that they are looking for work. This measure includes a long list of exemptions—exemptions that are conveniently ignored by those who oppose this measure in seeking to create concern amongst vulnerable people in the community. This is becoming the sort of rote response from the opposition when it comes to measures put forward by the government—scare campaign after scare campaign, misrepresenting and misleading vulnerable people and taking advantage of them for their own political interests. It is quite disgraceful. These new measures are the basis of listening to the Australian people on earlier measures introduced. They bring back measures which are far more modest in their ambitions but, importantly, reflect the consultation that has been conducted over the course of the last year.

The exemptions are many in this bill in terms of the four-week waiting period for under 25s. If someone has already served a four-week waiting period in the last six months, they will not have to serve another if that job ends through no fault of their own. I heard members opposite talking about someone going to another place and getting a job and in seeking that job they may have already served that four-week waiting period. If that job does not work out, they do not have to serve another waiting period within that same six months. It is an absurdity to suggest otherwise. That is not what is proposed in the bill. What happens in these cases is that, if they have done exactly what we have asked them to do, they will go onto the Youth Allowance payment. If someone has a disability or an activity test exemption—for example, they are pregnant and are in the last six weeks of their pregnancy—they will not have to serve the waiting period.

The measure will not impact job seekers who have left state care within the last 12 months. I will make sure that only youth aged 16 to 25 will have to serve the waiting period. There are some cases where a person under 16 can be on the Special Benefit. These measures apply to job ready Australians, young people. We are going

to introduce regulation to include further exemptions that I have made absolutely clear over the course of this debate outside of this place. Former carers or people with a disability are exempted. Those recently released from prison or psychiatric facilities are exempted. Young people who are unable to live at home will not be subject to these measures.

This measure is not stand-alone. We have also invested in employment and education supports for young people under 25. We have made \$8.1 million available in emergency relief funding to provide assistance to job seekers affected by this measure who are experiencing hardship. But not only have we listened and reversed the previous measure, at a cost of some \$1.8 billion; we have invested more than \$330 million in jobs programs for young people. The savings measure that results from this change is only \$200 million. This is not about savings. This is about a fairer system. This is about a system that encourages young people to choose a life of work and not a life of welfare.

The funding that we talk about through emergency relief providers or others, or those involved through the jobactive network, will be there to support young people and encourage them into work. We have invested \$18.3 million in work experience places, which will provide on-the-job experience and connection to an employer. We are running intensive support trials for vulnerable job seekers—some \$55.2 million. We are providing new support for youth with mental health conditions—some \$19.4 million. For vulnerable young migrants and refugees, we are providing some \$22.1 million. And we are continuing to support parents to prepare for employment, with around \$8.9 million.

I noted in the debate that those opposite talked about the issue of young people who may fall victim to homelessness. I found this interesting, because it was the previous government that did not provide for the National Partnership Agreement on Homelessness. When we went looking for the funding that would continue to provide support to the states to assist people with homelessness, the cupboard was bare. Zero was the amount that was allocated by the previous government for the National Partnership Agreement on Homelessness in this budget year we are moving into—absolutely zero. So, as a new measure that had to be funded by savings that this government has been prepared to put through, we were able to commit a further two years to the National Partnership Agreement on Homelessness. And we are not just going to shovel the money out the door to the states like the previous government did. We are insisting that they give priority to two important issues: family and domestic violence and youth homelessness. They are the two things they have to deal with. There is \$230 million to the states to provide support in those areas.

This measure will save \$200 million by introducing a four-week waiting period for youth under 25, and it will cost \$375 million in additional support services for young job seekers. This measure replaces the under 30s measure contained in the 2014-15 budget. The total cost of that reversal is \$1.8 billion. We are taking measures to ensure that young job seekers accept any suitable job, not just the job that they would like to have. Unemployment benefits are for those who are looking for work and struggling to find work. We think this is a very fair and targeted measure. We do not believe—as those opposite seem to, in their ideological opposition to this measure—in running a shuttle from the school gate to the Centrelink office front door, what you could call the 'Shorten shuttle'. We do not believe in running the Shorten shuttle from the front gate of the school to the front door of Centrelink. It is not something we support. We believe young people should be choosing a life of work, not choosing a career of welfare. That is why we are making the changes we are. The position of those opposite is purely driven by ideology. It would not matter how we changed these measures; they always think that everybody is entitled to welfare.

Debate adjourned.