



A PROGRESSIVE CHRISTIAN VOICE
AUSTRALIA

Submission to the Senate Standing Committee on Community Affairs

Re: Social Services Legislation Amendment (Omnibus Savings and Child Care Reform) Bill 2017.

Introduction

A Progressive Christian Voice (Australia) Inc (APCVA) promotes public awareness of the politically progressive dimensions of Christian opinion. It understands Christian opinion to be more diverse and broader than that portrayed by the media and is dedicated to contributing insights from progressive streams of the Christian faith and community. It is therefore concerned with promoting public awareness of the diversity of Christian opinion and does not speak on behalf of any Christian denomination, congregation, community or organisation.

Background

Members of APCVA are concerned that a number of the Schedules in this Bill adversely affect the most vulnerable people in our society and the Schedules do this at the very point where people are taking steps to escape ongoing disadvantage. While acknowledging the need for fiscal responsibility in the budget process we believe it is unfair in a rich country such as Australia to make the poorest pay more while the rich continue to fail to pay their fair share. Of particular concern are aspects of the Bill that will reduce even further the incomes of those receiving the already inadequate, Newstart, Youth Allowance or Austudy. In this submission we will concentrate on five schedules in the Bill: Schedule 6, Schedule 7, Schedule 9, Schedule 14 and Schedule 15.

Schedule 6

This Schedule ceases the pensioner education supplement. A full-time university student on the disability pension will lose \$62.40 per fortnight. This schedule of the Bill effectively penalises some of our most vulnerable citizens just at the point when they are trying to break out of disadvantage. It is cruel policy and it is foolish policy.

The Explanatory Memorandum attached to this Bill incorrectly gives the impression that other Government channels of support such as the HECS-HELP, FEE-HELP and VET Student Loans tuition loan programs and payments by employment services providers have made these payments redundant (p.102). The loans cited by the Government are for tuition fees not living expenses. Employment service providers do not provide income support. Their assistance, though important, is not equivalent to the ongoing income support of the pensioner education supplement. It is important that Senators get correct information in the Explanatory Memorandum. Truth, especially in this age of “alternative facts”, is vitally important.

Schedule 7

This Schedule ceases the education entry payment. For an eligible student this will mean a loss of a once a year \$208 payment to help with education expenses. Again, this is cruel and foolish policy. The justifications in the Explanatory Memorandum are misleading and inadequate and cannot hide





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the fact that this is simply a cut to the poorest at the point when they are trying to escape disadvantage.

Schedule 9

This Schedule closes the energy supplement to new welfare recipients. We are particularly concerned about the effect on recipients of Newstart, Youth Allowance and Austudy. People receiving these income supports will lose about \$7 per fortnight. If these allowances were paid at a reasonable level, perhaps the removal of the energy supplement could be justified. However, these payments are currently set far below the poverty line. Furthermore these payments have been dropping in value in relation to pensions since the 1990s and are now a major concern. The changes envisaged in this Bill will see the rates for these Allowances drop even further. Currently Newstart Allowance is about 66% of the pension and Youth Allowance and Austudy about 55% of the pension. Rather than cut these allowances, they should be raised to 90% of the pension rate as they were in the late 1990s.

Schedule 14

This Schedule moves many unemployed people aged 22 years to 24 years from the inadequate Newstart Allowance to the even more inadequate Youth Allowance. It is ideological policy directed at a sector of the population which is often made a scapegoat and a group which currently has little political ability to defend itself.

Schedule 15

This Schedule introduces a 4-week waiting period to receive income support payments for people aged under 25 who are job ready and looking for work. A Parliamentary Library [report](#) succinctly sums up the underlying assumptive problems with this provision when it says “There is no substantive evidence that young Australians lack the will to work.” This is simply a punitive action against economically disadvantaged young people who are unemployed. Previously this Government tried to have Legislation passed that would have had young people wait six months to receive Youth Allowance. There was such an outcry that they backed down. This revised punitive measure is simply there to appease the hard right.

Conclusion

There was once in Australia the idea of the “fair go”. Australia’s welfare net, which is one of the most well targeted in the world, had this as its basis. The above Schedules, if passed into legislation, will make Australia less fair and a harder and meaner place. Some argue that we cannot afford to pay for fair welfare, education, disability support or health. The facts are we are a rich country. We can afford to pay though it will mean those who are well off paying more than they do currently. While such monetary transfers certainly help the immediate recipients, they also have an important effect of building the common good in which we all participate. We therefore urge Senators to reject these Schedules in the Bill and only accept measures that contribute to a “fair go” for all.

Len Baglow

Management Committee of A Progressive Christian Voice (Australia) Inc

6th March 2017

