



Social Services Legislation Amendment (Welfare Reform) Bill 2017
Senate Community Affairs Legislation Committee
August 2017

Volunteering Australia Contacts

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About Volunteering Australia

Volunteering Australia is the national peak body for volunteering. We work to advance volunteering in the Australian community.

Volunteering Australia's vision is to promote strong, connected communities through volunteering. Our mission is to lead, strengthen, promote and celebrate volunteering in Australia.

We work collectively with the seven State and Territory volunteering peak bodies to deliver national, state/territory and local volunteering programs and initiatives in accordance with the Government's priorities.

Introduction

Volunteering Australia welcomes the opportunity to provide comment on the *Social Services Legislation Amendment (Welfare Reform) Bill 2017* to the Senate Community Affairs Legislation Committee.

Volunteering Australia's submission focuses on Schedule 9 of the Bill, which is aimed at strengthening the employment focus of mutual obligations for job seekers aged 55 to 59 from 20 September 2018.

Currently, people aged 55 to 59 are required to carry out 30 hours of activity per fortnight to meet their mutual obligation requirements. The person may fulfil this requirement by doing 30 hours of volunteering alone.

The proposed amendments in Schedule 9 states that 15, of the 30 hours must be allocated to job search or another job-related activity, like Work for the Dole.

The Government has estimated that the financial impact of this schedule is expected to have an expense of \$47.8 million over the forward estimates.*

Volunteering Australia is concerned that the tightening of the activity test could move people away from volunteering positions, which will have a profound impact on the volunteering sector. The proposal will also do little to improve the job prospects of older Australians – an already disadvantaged group in the job market.

Volunteering Australia is strongly opposed to the proposed amendment.

*This covers strengthening requirements for three age cohorts. The legislative amendment referred to here only relates to those aged 55 to 59. A comprehensive cost breakdown is not available.

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Volunteering Australia Response

Overview

With the consolidation of the seven working age payments to the single JobSeeker Payment, there will also be a strengthening of the participation requirement for job seekers. From 20 September 2018, the Government is set to introduce a new set of Mutual Obligation Requirements for income support recipients. This will be introduced through Schedule 9 of this Bill.

Schedule 9 amends the *Social Security Act 1991* to remove the ability of Newstart Allowance and certain Special Benefit recipients aged 55 to 59 (relevant recipients) to be taken to satisfy the activity test by engaging in voluntary work for at least 30 hours per fortnight.

The amendments will allow relevant recipients to satisfy the activity test if they are engaged, for at least 30 hours per fortnight, in a combination of approved unpaid voluntary work, and suitable paid work, at least 15 hours of which must be in suitable paid work.

The Government has identified that while volunteering has a range of benefits, participation in paid work and a reduced reliance on income support should be the “ultimate goal for job seekers.”ⁱ These changes also reflect a community expectation that years of working life are longer.

According to the Government, the intention of these amendments is “to strengthen the employment focus of Mutual Obligation Requirements, and better connect mature age job seekers aged 55 to 59 with the labour market, while still recognising that volunteering can be a valuable stepping stone into paid work.”ⁱⁱ

It is the view of Volunteering Australia, that it is short sighted to change the Activity Requirements without first addressing the causes for unemployment in persons aged 55 to 59, and the pervasive age discrimination that this group experiences.

Age Discrimination

Volunteering Australia is pleased that volunteering will remain a permitted activity for job seekers under thirty, and that it remains a significant Activity Requirement. However, we are troubled by the proposed changes to the Annual Activity Requirements for job seekers aged 55 to 59.

It is concerning that under Schedule 9 of the Bill, job seekers aged 55 to 59 will now only be able to complete half of their Annual Activity Requirements through volunteering, where previously they could complete all of it through volunteering. This represents a large cohort of people who previously engaged in this activity, but who will now have to cease volunteering if the proposal goes ahead.

The proposed Activity Requirements for older welfare recipients has a reduced focus on volunteering, and does not take into consideration the circumstances as to why a person may be receiving a benefit.

The 2016 *Willing to Work National Inquiry into Employment Discrimination Against Older Australians and Australians with Disability* found that “People aged 55 years and over make up roughly a quarter of the population,ⁱⁱⁱ but only 16% of the total workforce.”^{iv} The report also found that older people experienced greater levels of discrimination in the workplace or when applying for a job.

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A survey conducted by the Commission in 2015 revealed that those who had reported experiencing age discrimination, gave up looking for work entirely.^{vi} The Commission's *National prevalence survey of age discrimination in the workplace* found that the highest incidence of age discrimination was observed in those aged between 55 and 64 years.^{vii} The impact of this can include involuntary early retirement, unemployment or long-term unemployment, social exclusion and the outdateding of work-related skills.^{viii}

Volunteering as a Pathway to Employment

For many older Australians, losing employment at this age can be quite difficult, with finding gainful options for employment incredibly difficult. Volunteering can be an effective way to engage in society, acting as a pathway back to employment, and a way to keep people healthy and active.

It is our view that older people should be sufficiently supported and resourced by tailored employment programs. The Career Transition Assistance Program, that was announced in the 2017-18 Federal Budget, is aimed at providing greater opportunities for older people to reskill and find work. However, the program is only due to commence in full by 2020. Meanwhile, the proposed Activity Requirements in Schedule 9 will come into effect by September 2018.

The proposed amendment also has the potential to increase the non-compliance for older people. This is because job seekers are under the compulsion to apply for jobs that they would not be inclined to accept, just to meet an activity requirement.

Case Study

As an experienced and respected leader in the volunteer sector, I am responsible for a (400 strong) volunteer program in Geelong, Victoria. This region, encompassing a Victoria's second city and outlying townships, has experienced drastic changes in the employment market in recent years with closures at Ford and Alcoa and other employers in the region forcing many folk into early redundancies and unemployment. I meet many hundreds of potential volunteers each year and a significant number of these individuals are 55 to 59 years of age and above. Invariably, the experience recounted to me is of a demoralising period of job hunting, applying for roles that they are never offered, let alone interviewed for, within a job market so competitive that they rarely if ever receive an acknowledgment for the considerable effort made in each application.

Source: Manager of Volunteers, Barwon Region

Case Study

Job-hunting (for jobs that don't exist) is a full-time job in itself. I would lose valued and essential volunteers if they had to go back into that demoralising and time-wasting space. The impact on individuals would be significant with a negative, rippling effect in communities.

Source: Manager of Volunteers, Barwon Region

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Forcing older people to apply for jobs that does not have a favourable, and gainful employment outcome for them is not just demoralising, but an ineffective use of time. Volunteering Australia is of the view that by engaging these people in a volunteer role would contribute economically, socially and culturally to an organisation, and society, as well as fill key gaps in service provision.

Case Study

While this cohort aged 55-59 are no longer valued as prospective paid employees, it makes no sense to force them to vacate regular positive volunteer roles to have the time it takes to meet a quota of fruitless job applications. The result of this is the removal of valuable contributions to society. Alongside this loss is the inevitable negative physical and mental health outcomes that go hand in hand with being stigmatised as 'unemployed' and the accompanying burden on society and government.

Source: Manager of Volunteers, Barwon Region

Volunteering Australia believes volunteering encourages economic participation, builds work skills, and is a genuine pathway to employment. We identified our disappointment that the 2017-18 Federal Budget^{ix} failed to acknowledge the social and economic contributions of volunteering and the key ways that Volunteering Support Services can support government initiatives.

A 2011 Victorian Government report on the *Indicators of Community Strength in Victoria: Framework and Evidence*, found that volunteering is a potential pathway to employment, by increasing workforce participation, and connecting people to career paths that are better paid and more stable.^x

Case Study

The opportunity to volunteer is transformative, with this cohort, as individuals, are given the chance to actively contribute to their community and to be the best versions of themselves. The depth of knowledge, life and work experience and skills from this group is invaluable to not for profit agencies. I hope that volunteering can be viewed as a viable, sensible, positive option for Newstart clients aged 55-59 and above and that any stigma can be removed to allow for individuals, organisations and communities to thrive due to the positive benefits of volunteering.

Source: Manager of Volunteers, Barwon Region

Volunteering Australia is of the view that these punitive welfare measures for older Australians fail to recognise volunteering as a significant pathway to employment, as well as the substantial health, lifestyle, and social capital benefits of volunteering.

Volunteering Australia's *State of Volunteering in Australia 2016* report identified that there needs to be more recognition of the "economic impact of the contribution of volunteering".^{xi} The report also highlighted that 16 per cent of volunteers felt their experience in their volunteering role could be improved through better recognition of their contribution, with volunteers suggesting they would "benefit from recognition of the value they provided."^{xii}

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Implications for the Volunteering Sector

Volunteering Australia is concerned that the tightening of the activity test could move people away from volunteering positions, which will have a profound impact on the volunteering sector. We do not see the benefit in making people give up voluntary work to undertake job-related activities that fail to improve their job prospects.

Case Study

I have a volunteer (on Newstart) who mentioned to me last week that there are proposed changes to the Newstart rules and that 55 to 59 year old candidates will no longer be eligible to volunteer 30 hours per fortnight in lieu of job hunting. If this is the case, it would be a disaster for my volunteer program! This cohort is a significant chunk of our workforce across our Op Shops and welfare programs, and for many other agencies.

Source: Manager of Volunteers, Barwon Region

The proposed changes will also affect Volunteering Support Services and Volunteer Involving Organisations, by influencing service provision and workforce capacity. This would be detrimental given the role of Volunteering Support Services in the community. These organisations provide the vital infrastructure required for safe, effective, and sustainable volunteering. They are responsible for the promotion, resourcing, and support of volunteering in local communities, by empowering people to volunteer. Volunteering Support Services also assist thousands of organisations across the community sector to recruit, retain and manage their volunteers.

The proposed amendment will affect the level of service provision for Volunteering Support Services, and for Volunteer Involving Organisations, who provide essential services to the wider community.

Case Study

My experience in interviewing individuals in the 55 to 59 and above age groups, is of folk would love to be in the paid workforce if only a position was available. However, rather than continue to waste their time and energy at this critical chapter in their lives, they proactively seek out agencies such as mine to offer their skills and time and commitment.

Source: Manager of Volunteers, Barwon Region

Case Study

Without these individuals, I would struggle to fill rostered shifts for crucial positions that make up the welfare services and programs that we are able to offer to hundreds of even more disadvantaged members of our community each year. The result is a positive sense of belonging, routine, teamwork, purpose, responsibility and community.

Source: Manager of Volunteers, Barwon Region

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Volunteering Australia is very concerned about the impact this amendment will have on the future capacity, outcomes and financial viability of Volunteering Support Services and Volunteer Involving Organisations. We recommend that the Committee consider the effect this Schedule will have on the financial viability of these organisations to ensure long-term, agile service provision.

Mutual Obligation and Work for the Dole

Volunteering Australia also stresses that many Volunteering Support Services use their local knowledge and experience to assist in placing Mutual Obligation participants in Volunteer Involving Organisations.

Case Study

For the past 18 months, I have been managing a Work for the Dole Program – in fact we are the most successful host in South Australia for transitioning attendees into real jobs. In the program, we are training attendees to be motivated to get to work (on time) and to learn teamwork, computer skills, scanning skills, filing skills as well as providing encouragement, support, help with resume, counselling to make them more interview savvy and to deal with the many issues including mental health – I attended a Mental Health Education Program to assist with my understanding of the issues suffered by the unemployed.

Source: Work for the Dole Volunteer, Glenelg North Community Centre, South Australia

Case Study

You may appreciate that we are in the business of ‘second chances’, so we accept those who have criminal records wanting to make a go of it and contribute back to society through volunteering. In the case of our Volunteer Manager who works 80 hours a fortnight, we will be forced to shut our Furniture Warehouse if an exemption is not put in place.

We accept volunteers according to their skill set, and we accept them as recommended by DCS – directly from the Pre-Release Centre. So, to find full time work and be in this age range with a criminal record makes things near impossible for them.

Clearly, we don’t want to see our Furniture Warehouse closing, as it will impact our contract with WFD clients and affect about 20 other volunteers who are being managed, trained and gain experience at our Furniture Warehouse.

Source: Volunteer Involving Organisation, South Australia

The proposed changes seek to undermine the financial stability of those who are on the social security system. The burden to make ends meet for many Mutual Obligation participants is increasing, with many people experiencing financial hardship in paying for essentials such as food, rent and transportation.

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Case Study

I have several mature volunteers here at the Centre and these changes are extremely worrying for them (and us) as there certainly aren't any job opportunities in Strathalbyn and there is very limited access to public transport. If people from Strathalbyn are required to engage in job-related activities, this means they will need to go all the way to Mt Barker. What is available is also very expensive and costs approximately \$7 one-way to Mt Barker. Reducing the volunteering hours, they are currently doing is also causing a great deal of stress to individuals, especially knowing the unreal expectations and the inflexibility of many Job Active case workers.

In general, those in Strathalbyn are required to go all the way to Mt Barker to attend appointments with their Job Active providers, as many Job Active providers don't come to Strathalbyn. For many this is a roundtrip of \$10 a day. This also means a lack of money for food and essentials.

It's going to be an issue right across the board, but even more so for regional areas.

Source: Community Development Officer, Strathalbyn, South Australia

It is critical that the social security system supports people who experience insecure employment, by promoting financial stability and ensuring that participants have adequate income to access food, transport and secure housing. In our view, it is paramount that the social security system also supports and promotes the positive mental health of participants, by easing financial stress.

Case Study

My concern is that there are less volunteers available, especially with skills, to manage and undertake this work, and to possibly expect more hours than the 18 hours per week currently undertaken with this work alone, let alone the work in managing the facility - which places incredible stress on us and our families. I spend some time on most days at the centre and the only reward is the satisfaction of providing service to others

Source: Work for the Dole Volunteer, Glenelg North Community Centre, South Australia

Volunteering Australia emphasises that making older people engage in programs such as Work for the Dole, does little to improve future job prospects. Furthermore, forcing people to engage in programs under some form of compulsion do not meet the definition of “time willingly given, for the common good and without financial gain”.

Volunteering Australia recommends the Committee does not pass Schedule 9 of the Bill, given the profound effect it will have on both the volunteering sector, and the compliance of job seekers aged 55 to 59. We also recommend that the Committee consider the value of volunteering as a potential pathway to employment, as well as the social and economic contributions.

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Summary of Recommendations

- Volunteering Australia recommends that the Committee consider the value of volunteering as a potential pathway to employment, as well as the social and economic contributions.
- We recommend that the Committee consider the impact Schedule 9 will have on the financial viability of Volunteering Support Services and Volunteer Involving Organisations, to ensure long-term, agile service provision.
- Volunteering Australia recommends that the social security system supports and promotes the positive mental health of participants, by easing financial stress.
- Volunteering Australia recommends the Committee does not pass Schedule 9 of the Bill, given the profound effect it will have on both the volunteering sector, and the compliance for job seekers aged 55 to 59.

Conclusion

Volunteering Australia thanks the Committee for the opportunity to provide comment on the *Social Services Legislation Amendment (Welfare Reform) Bill 2017*, and reiterates our opposition to the change in Annual Activity Requirement proposed in Schedule 9 of the Bill.

We look forward to working with the Government to ensure that the social, economic and cultural contributions of the volunteering sector is acknowledged and supported, through ongoing funding, recognising the value of volunteering as a pathway to employment, and the vital role of volunteering in high quality service delivery.

In addition, through the sectors critical work, volunteering supports the Government's key priorities in delivering jobs and growth, disability and aged care services, emergency services, communications and the arts, health and other important community programs.

Volunteering Australia would welcome further opportunity to consult or expand on any of our recommendations raised in this response.

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Authorisation

This submission has been authorised by the Chief Executive Officer of Volunteering Australia.



Ms Adrienne Picone

Chief Executive Officer

Endorsements

This submission has been endorsed by the seven State and Territory volunteering peak bodies.

Glossary

- VA** Volunteering Australia is the national peak body for volunteering in Australia. It works collectively with the peaks to deliver national, state and local volunteering programs and initiatives.
- VIOs** Volunteer-involving organisations are organisations that utilise volunteers as part of their workforce.
- VSSs** Volunteer support services (also known as volunteer resource centres or volunteer support organisations) provide place-based volunteer support services to volunteers and VIOs in their locality.

ⁱ Explanatory Memorandum.

ⁱⁱ Explanatory Memorandum.

ⁱⁱⁱ In 2009-10, there were around 5.5 million Australians aged 55 years and over, making up one quarter of the population. Australian Bureau of Statistics, 2010, Australian Social Trends: Older people and the labour market – Sep 2010, cat. no. 4102.0,

<http://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/4102.0Main+Features30Sep+2010>.

^{iv} Australian Human Rights Commission (2016), Willing to Work National Inquiry into Employment Discrimination Against Older Australians and Australians with Disability, Willing to Work National Inquiry, http://www.humanrights.gov.au/sites/default/files/document/publication/WTW_2016_Full_Report_AHRC_ac.pdf, p11.

^v In 2009-10, people aged 55 years and over made up 16% of the total labour force, up from around 10% three decades earlier. Australian Bureau of Statistics, 2010, Australian Social Trends: Older people and the labour

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market – Sep 2010, cat. no. 4102.0,

<http://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/4102.0Main+Features30Sep+2010> (viewed 26 April 2016).

^{vi} Australian Human Rights Commission (2016), Willing to Work National Inquiry into Employment Discrimination Against Older Australians and Australians with Disability, Willing to Work National Inquiry, http://www.humanrights.gov.au/sites/default/files/document/publication/WTW_2016_Full_Report_AHRC_ac.pdf, p11.

^{vii} Australian Human Rights Commission (2016), Willing to Work National Inquiry into Employment Discrimination Against Older Australians and Australians with Disability, Willing to Work National Inquiry, http://www.humanrights.gov.au/sites/default/files/document/publication/WTW_2016_Full_Report_AHRC_ac.pdf, p38.

^{viii} Australian Human Rights Commission (2016), Willing to Work National Inquiry into Employment Discrimination Against Older Australians and Australians with Disability, Willing to Work National Inquiry, http://www.humanrights.gov.au/sites/default/files/document/publication/WTW_2016_Full_Report_AHRC_ac.pdf, p38.

^{ix} Volunteering Australia (2017), Summary Analysis of Key 2017-18 Federal Budget Measures, https://www.volunteeringaustralia.org/wp-content/files_mf/1495072886VASummaryAnalysisofKey201718FederalBudgetMeasures.pdf.

^x Indicators of Community Strength in Victoria, op. cit., p17.

^{xi} Volunteering Australia and PwC (2016) 2016 State of Volunteering in Australia, <https://www.volunteeringaustralia.org/wp-content/uploads/State-of-Volunteering-in-Australia-full-report.pdf>, p1x.

^{xii} Volunteering Australia and PwC (2016) 2016 State of Volunteering in Australia, <https://www.volunteeringaustralia.org/wp-content/uploads/State-of-Volunteering-in-Australia-full-report.pdf>, p26.