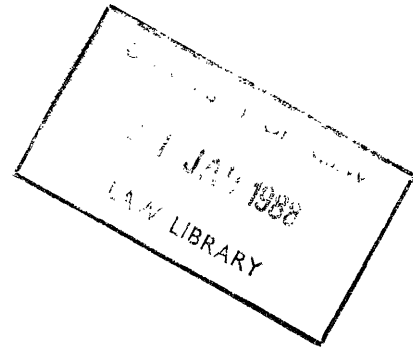


SOCIAL SECURITY

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Opinion

In its third issues paper 'Bringing Up Children Alone: Policies for Sole Parents', the Social Security Review commenced its discussion by stating that the underlying objectives of Australia's income security system are to provide a minimum level of income to those who through age, disability, unemployment, sickness or sole parenthood cannot support or have difficulties in supporting themselves.

But in more recent times we have seen a trend away from those objectives towards a more overt recognition that the social security system may be utilised as a tool for social engineering. Thus, in a time when the economy is perceived to be in crisis, the social security system may be called on to achieve other objectives than to provide income support.

The recent changes to the *Social Security Act* as a result of the Budget are a good example of that trend. In particular, the new rules with respect to income support for young people bear noting.

Of course, it has been well publicised that the level of income support for young people under 18 has been cut to a \$25 'job search allowance' with the possibility of this being increased to \$50 depending upon the circumstances of the person. While such an allowance may be criticised as inadequate other facets of the new rules indicate important shifts in the nature of the income support system in general.

For example, a young person in receipt of job search allowance may have it increased if parental income

falls below a certain level. But the definition of 'parent' contained in the amending Bill 'includes another person who is acting as the person's guardian on a long term basis.' It is likely that this definition will be cast in even wider terms when the Bill is passed through Parliament.

One obvious problem is where an organisation is acting as guardian for a young person. Clearly, their income will easily exceed the income threshold set down in the Act. The consequence will be that such organisations will have to bear a larger share of the income support of the young person or alternatively, and more likely, the young person will not seek assistance for fear of losing part of their allowance. Of course, such a consequence is just as likely where the 'parent' is a natural person. Is the objective to encourage the young person to remain at home and to continue schooling or to merely shift responsibility away from the State?

Another change affects not only young people although it may be principally directed at them. The amendment links s.170 with s.126. Amongst other things, section 170 gives the DSS the power to direct a person in receipt of say, an unemployment benefit or job search allowance, to undergo a course of vocational training. The amendment to the current s.170 is to make the penalty for non-compliance with such a direction mandatory loss of the benefit or allowance. Presently, the DSS has a discretion to cancel the payment. The amendment to s.126 also provides that a failure to comply with

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such a direction under s.170 will result in loss of the payment for such period as the DSS determines, but unlike most other reasons for suspension is not limited to a maximum of 12 weeks. [see s.126(2)] This is hardly a provision which is consistent with notions of income support.

B.S.

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