

3rd September 2019

Committee Secretary
Senate Standing Committees on Community Affairs
PO Box 6100
Parliament House
Canberra ACT 2600
Via email: community.affairs.sen@aph.gov.au

Dear Committee Members,

Adequacy of Newstart and related payments and alternative mechanisms to determine the level of income support payments in Australia

As South Australia's Commissioner for Children and Young People, under the *Children and Young People (Oversight and Advocacy Bodies) Act 2016 (SA)* I am mandated to promote and protect the rights, interests and wellbeing of all South Australian children and young people (birth to 18 years). It is also my role to ensure that the State satisfies its international obligations under the United Nations Convention on the Rights of the Child (CRC).

Since commencing in this role I have spoken face to face with more than 3,500 South Australian children and young people and heard from many more on a wide range of issues that are important to them. A reoccurring theme in many of these conversations has been a concern for those "doing it tough", both as experienced by young people themselves and witnessed in their communities. This led me to commence a major project on poverty in South Australia, consisting of multiple focus groups and a forum with nearly 200 young delegates.

The project has also included a survey of over 1,100 children and young people. This survey covered ages 7 to 25, with most respondents being between ages 12 and 17. Whilst a majority of the survey participants identified as comfortably off nearly 100 children and young people self-identified their family background as poor. The survey also included sizeable diversity including 215 culturally and linguistically diverse children and young people.

The quotes in this submission are from the children and young people who took part in this survey. A report with findings and recommendations from the survey, as well as the poverty project, will be released in October and is relevant to the Committee's current inquiry.

Children and young people often speak about the impact of hardships in their families and community, and are highly attuned to disadvantage. Those in difficult family situations directly feel the consequences of tightening budgets and are witness to the stress and burdens that this places on their parents, guardians and carers. Many are aware of the extra costs associated with their upbringing and realise that because of their families' situation, they must often miss out on things that make them a "normal kid" like school excursions, sport and social events with friends.

These things amongst others have lifelong consequences for children and young people, with flow on effects to their education, health and employment outcomes. Ensuring families, those caring for children and young people and young people themselves are adequately supported is an investment in their future and one that yields benefits also for the sustainability of Australia's long term social and economic growth at all levels.

Currently the range of government payments to parents, carers and families are inadequate to alleviate many families' financial stresses. In particular payments to students, job seekers and those without access to work. Government systems can treat those receiving payments as a burden on society and overlook the children and young people that are impacted as a consequence.

The adult-centred nature of payment support means that these children and young people are dependent on their parents' capacity to navigate the system and access additional support for their needs. This can make these children invisible and without agency when the system interacts with their parents and carers or reduces their financial support.

This same thinking also assumes that students, on the lowest payment rate - youth allowance, are likely to have family to rely on, even when they are considered financially independent. It can also remove support from young people when they are transitioning from education to full time work, making them significantly more vulnerable.

Additionally, difficulties associated with accessing and retaining payments mean that parents or carers often have to spend considerable time and effort to "jump through the hoops" instead of looking for work or taking care of their family. This can restrict access to those who need support the most, particularly where there are tertiary factors that restrict their individual capacity such as domestic violence, mental health, caring responsibilities and others.

Children and young people believe in a fair and equitable Australia. They appreciate the role of individuals, communities and government in achieving this, and the limited resources governments have to work with. Whilst appreciating the breadth of different thought, a significant majority feel that current systems are failing to support a raft of vulnerable cohorts in our society, such as job seekers, families, students, refugees and others.

Children and young people are also indirectly impacted by government approaches to recipients of Newstart and related payments. Many children and young people firmly believe the government has a responsibility to protect those most vulnerable in our society. When systems are not conducive to this, young people's trust in government, institutions and the underlying principles of Australian society are affected.

To assist in the Committee's current inquiry, I have provided the following feedback based on what children and young people have told me directly, as well as a contemporary understanding of the rights that support their views.

A view of poverty in Australia

CRC Article 27 – Children have a right to a standard of living adequate for their development and should help families who cannot afford to provide this.

CRC Article 26 – Children have a right to benefit from social security.

In Australia more than one in eight people live below the internationally recognised definition of the poverty line, with more than one in six children being below it.¹ Of those living below the poverty line, 53% rely on social security payments, including a majority of households receiving Youth Allowance, Newstart or Parenting Payments.² The adequacy of support payments consequently has a direct relationship to poverty in Australia.

“No one chooses poverty. No one desires a life living pay check to pay check. Relying on Centrelink doesn’t “cause” poverty. It’s a part that comes with it. Of course (course) poorer people rely on Centrelink. They can’t afford the things they need to get out of the cycle. It’s not causation for poverty.” 22-25 year old

Children and young people hold a range of perspectives on the causes of poverty in Australia. However a vast majority recognise that there are often many things that can cause financial hardship. Many feel that the current system could do better and that it does not recognise the hardships faced by children and young people caught up in situations which they have little power to change.

“Some people prioritise their money badly causing them to be in poverty however some people simply do not make enough money to get by no matter how hard they try.” 15-17 year old

“It isn’t just about what the adults feel too, the children are suffering from it too.” 12-14 year old

Some young people, particularly those with lived experience are concerned with the way in which support payments are handled and how “branding”, those who are in poverty or who depend on support from the government, does not improve their situation, or facilitate a better outcome.

¹ Davidson, P., Saunders, P., Bradbury, B. and Wong, M. (2018), Poverty in Australia, 2018. ACOSS/UNSW Poverty and Inequality Partnership Report No. 2, Sydney: ACOSS. <https://www.acoss.org.au/wp-content/uploads/2018/10/ACOSS_Poverty-in-Australia-Report_Web-Final.pdf> Accessed: 27th August 2019

² Ibid.

“My grandfather is dying of terminal cancer and can’t work. It’s hard with his pain and Centrelink chasing us around.” 18-21 year old, Poverty Survey (2019)

“Because it’s an assumption that being poor means you are lazy and you’re draining money from the rich. When you’re poor you have to live your life begging for help to cover just the basics in life and constantly justifying why your life is worth it to people you’ll never meet. Can you imagine the leg up people in poverty would have if they didn’t have to do this? If they didn’t have to justify their existence? If they could turn up to job interviews in clothes that anyone could own or have life experience of travel to share without the poverty line being so obvious? It would be a very different world.” 22-25 year old

Children and young people want more done to counter poverty and financial hardship, and although they recognise there are complex factors they believe that where government can be improving its help it should.

A direct responsibility

CRC Article 3 – All organisations concerned with children should work towards what is best for each child.

Many children and young people feel that those that are disadvantaged and in need of financial support are not receiving the support they need. They believe that the government, which has a responsibility to protect children and young people’s rights, also has a responsibility to ensure that support is adequate and not simply tokenistic.

They believe that ultimately governments have a responsibility to alleviate hardship and whilst individuals also hold some responsibility often those that are in need of support aren’t getting enough to be able to even “help themselves”.

“The rates of welfare payments are very inadequate, and the restrictions to get onto or stay on the payments are disgusting.” 22-25 year old

“I think the new start payment is appalling. I think the price of living is ever increasing however the support for people in difficult financial situations has plateaued.” 15-17 year old

“There are always concerns that we would become a welfare state if we assisted those in poverty but that sounds more like an excuse to keep poor people poor.” 18-21 year old

“Every human life deserves to have someone fighting in their corner with them” 22-25 year old

Role of government

CRC Article 6 – Children have the right to live a full life. Governments should ensure that children survive and develop healthily.

Many of the views of that children and young people have on how the government supports people are founded in their perception of the role of government. Irrespective of whether they believe that government efforts to support people are adequate or not, they believe that governments play an important role in improving society. In this they expect that they are working towards what is best for everyone, including those who are vulnerable.

“...the government exists to keep society rolling and to make the world a better place, is it doing that if young people and children are not protected?” 15-17 year old

“Because these young people might not have anyone else to rely on. Government assistance allows for a stable society” 18-21 year old

There is also a strong sense that those in government should care about all people when they are making decisions. They believe that governments aren't there to punish but to empower.

“...the government isn't supposed to rule the country with an iron fist and not care about its people.” 15-17 year old

“Governments are here to help people out.” - 7-11 year old

Social welfare and support payments such as Newstart, Youth Allowance and Parenting Payments are one way in which young people see governments empowering people. For some young people governments not improving this is a “no brainer”, and inaction or an unwillingness to consider alternatives can create a sense of pessimism.

“It should be an investment in the future where the vulnerable people actually have a chance. I don't know if any of us actually believe it will happen though.” - 22-25 year old

Trust in institutions

CRC Article 12 – Children have a right to say what they think should happen when adults are making decisions that affect them and to have their opinions taken into account.

Where children and young people see governments failing to improve the circumstances for people in more vulnerable situations, this impacts their trust in the government and key institutions. This has become particularly clear in relation to poverty and those struggling financially in our society where the current discourse has weakened views of democracy, parliament and government itself.

“A democracy is meant to be for the people: how can we take pride in our country if we can not protect our own people - the young people who will be the leaders of the future.” 15-17 year old

“...far too often we arrive in a situation where people make legislations about things they haven't experienced or have any first hand knowledge about.” 15-17 year old

“The government likes to blame individuals for being poor instead of fixing the system that puts them in this position.” 22-25 year old

This type of indirect effect, highlights clearly how attuned young people can be to issues in their lives and communities and how important it is that governments listen to their opinions and perspectives. Not only does this go a long way in working towards alleviating the difficulties faced by members of our community but it also strengthens young people's trust and hope in the society.

Young people have told me that they want governments to do more. They do not distinguish between local, state and federal governments; simply they want action and expect their leaders to have the same willingness to listen to what is expected of them.

I trust that you will consider their input in detail so we are able to ensure the best possible outcomes for our community, our children and young people. If you have any questions or would like to discuss this in more detail, please do not hesitate to contact me.

Yours sincerely

Helen Connolly
Commissioner for Children and young people