



c/ Youth Affairs Council of Victoria
Level 2, 180 Flinders St,
Melbourne VIC 3000

20 November 2015
Committee Secretary
Senate Standing Committee on Community Affairs
By email: community.affairs.sen@aph.gov.au

Dear Committee Secretariat,

Re: Inquiry into the Social Services Legislation Amendment (Family Payments Structural Reform and Participation Measures) Bill 2015

Thank you for the opportunity to participate in this inquiry.

The Australian Youth Affairs Coalition (AYAC) is the national peak body for young people and the youth sector. We advocate for the 4.3 million young Australians aged 12-25 and the hundreds of thousands of people and organisations who support them.

We greatly appreciate the Committee's invitation to submit to this inquiry, in recognition of our role as a voice for young people and youth services. However, we would like the Committee to please be aware that AYAC currently receives no Australian Government funding and thus only has resources to operate for one day per week with one member of staff. This means our capacity to respond to this inquiry is very limited, and we therefore feel in a position to focus our submission only on two aspects of this legislation amendment.

First, we are concerned that the Government's Bill will leave a gap for support for 16-18 year olds, with Family Tax Benefit (FTB) B to cease at 16 years (previously 18 years) for young people *not* eligible for youth allowance. If the Government expects young people of this age to support themselves or their families via part-time work, the current labour market situation must be taken into account – there are not enough jobs available for all those seeking work:

- the unemployment rate for young people aged 15 to 24 years is above 13 per cent – the highest level in almost 15 years¹;
- in August 2015, there were 55 per cent more, or 100,000 more, young people unemployed than at the start of the GFC in 2008².

Second, we would be concerned to see FTB B removed for dual parent families with their youngest child aged 13 and over, and reduced for single parent families with the youngest child aged over 13, given the costs of raising adolescents. We know that the costs of raising a child increase with age – particularly associated costs of secondary education, and especially for low income families.

We make these comments in the following context:

- that 600,000 children and young people in Australia are currently living below the poverty line³;
- that those receiving Youth Allowance consistently rank highly among people experiencing financial hardship and deprivation⁴;
- that current rates of Youth Allowance are not adequate for their original purpose – to support young people to continue in education, gain work, an apprenticeship and transition to independence - and the people who rely on Youth Allowance have living standards falling behind the rest of the community⁵. So while we are pleased to see *some* increase in a youth allowance component proposed by this legislation, we feel it doesn't compensate for an adequate increase in youth allowance.

We would also add that any benefits to the young people under 18 living at home proposed by this Bill – and we refer here to the Evidence provided by the Department of Social Services to Senate Estimates on 22 October⁶ that 15,600 young people under 18 years who are living at home will

¹ Brotherhood of St Laurence (2015) Paying a price: Young men and women experiencing joblessness in Australia,

http://library.bsl.org.au/jspui/bitstream/1/7151/1/BSL_Paying_a_price_young_joblessness_2015.pdf

² *ibid*

³ Australian Council of Social Service (ACOSS) (2015) Back to the drawing board on family payments: new bill still hits poorest families, http://www.acoss.org.au/media_release/back-to-the-drawing-board-on-family-payments-new-bill-still-hits-poorest-families/

⁴ ACOSS (2015) ACOSS Employment Proposals for 2015 Federal Budget, <http://www.acoss.org.au/acoss-employment-proposals-for-2015-federal-budget/>

⁵ *ibid*

⁶ Supplementary Budget Estimates 2015–16, http://www.aph.gov.au/Parliamentary_Business/Senate_Estimates/claccte/estimates/sup1516/index

benefit from the increase in FTB A, as will 4,930 young people receiving youth rates of disability support pension and 1050 young people receiving Abstudy and special benefit – should be weighed against the potential detrimental impact on thousands of other young people aged 12-25 years of other government legislation before the parliament, for example the proposed four-week wait for unemployment income support.

In addition, with regards to Hon Christian Porter, Minister for Social Services, comments when introducing this bill that the amended legislation will create “no financial incentive for an FTB child to leave full-time secondary study to claim youth allowance⁷”, we are not aware of any young people leaving full-time secondary study in order to claim youth allowance. Rather, we do know that many young people leave full time secondary study because significant barriers to their education are not addressed, including mental health concerns, trauma from family violence or breakdown, or homelessness.

Similarly, we know many young people are leaving secondary study because of structural faults in the education system: inflexible, disempowering and out-dated learning environments are causing 20% of Australian high-school-aged young people to not attend school and make a further 20% feel they do not belong in their school⁸.

Yours sincerely,

Leo Fieldgrass
AYAC National Director

⁷ Social Services Legislation Amendment (Family Payments Structural Reform and Participation Measures) Bill 2015, Second Reading, <http://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id%3A%22chamber%2Fhansard%2Fb15942d6-e86a-4a01-8094-d46337096349%2F0013%22>

⁸ Dusseldorp Forum (2015) The Case for Inclusive Learning Systems, <http://dusseldorp.org.au/flexible-inclusive-learning-young-australians/>