



Australian Youth Affairs Coalition

Submission in response to the
2011-12 Budget

28 January 2011

The Hon. Wayne Swan, MP
Budget Policy Division
Department of the Treasury
Langton Crescent
PARKES ACT 2600

Dear Minister,

The Australian Youth Affairs Coalition (AYAC) welcomes the opportunity to provide a submission for the 2011-12 Budget.

We acknowledge the work of the Government to date and support them in their endeavours to developing a fair and robust budget. We look forward to the outcomes of the budget and would welcome the opportunity to meet to discuss this further.

AYAC has focused this submission on the need for changes to Youth Allowance to ensure equity and inclusion is addressed in the upcoming 2011-12 Budget.

If you have any questions in relation to our submission or wish to seek further advice from AYAC please contact Maia Giordano, Deputy Director (Young People) via phone 0435 496 494 or email maia@ayac.org.au.

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Australian Youth Affairs Coalition

The Australian Youth Affairs Coalition (AYAC) is Australia's non-government youth affairs peak body, which seeks to represent young people aged 12-25 and the sector that supports them.

AYAC has a wide member network of State and Territory Youth Peak Bodies, National Youth Organisations, researchers, policy makers and young people themselves, who are all passionate about creating an Australian community that supports and promotes the positive development of young people.

AYAC aims to:

- Provide a body broadly representative of the issues and interests of young people and the youth affairs field in Australia
- Advocate for a united Australia which respects and values Aboriginal and Torres Strait Islander heritage, promotes human rights, and provides justice for all
- Represent the rights and interests of young people in Australia, at both a national and an international level
- Promote the elimination of poverty and to promote the well being of young Australians, with a particular focus on those who are disadvantaged.
- Recognise the diversity of Australian society, to promote the cultural, social, economic, political, environmental and spiritual interests and participation of young people in all aspects of society
- Advocate for, assist with and support the development of policy positions on issues affecting young people and the youth affairs field, and to provide policy advice, perspectives and advocacy to Governments and the broader community
- Facilitate co-ordination and co-operation within the youth affairs field

AYAC and its members are dedicated to working for and with young people and seek to ensure they have access to mechanisms, which allow them to make decisions about issues that affect them in the Australian community.

The Australian Youth Affairs Coalition's work is governed by the following principles:

Human Rights & Social Justice

- Work towards an Australian community that respects and promotes the human rights of young people.

Participation

- Promote the valued inclusion of young people in all aspects of the Australian Community and educate the community about effective youth engagement strategies.

Collaboration

- Engage stakeholders in a collaborative manner and establish a meaningful dialogue with partners to build a coalition around the positive development of Australia's young people.

Social Inclusion

- Ensure universal access to all aspects of community life.
- Work to eliminate inequalities faced by Australia's young people.

Closing the Gap

- Work to eliminate inequalities between Aboriginal and Torres Strait Islander and non-Aboriginal and Torres Strait Islander young Australians.

Young People in Context

- Recognise that young people are influenced by their environment, which may include family, peers, youth workers, health professionals and/or educators.

Sustainability

- Promote the need for sustainable development to ensure the needs of the present are met without compromising the ability of future generations to meet their own needs.

Evidence Base & Resources

- Promote evidence-based practice and assist the youth sector to develop an evidence base.
- Advocate for the provision of resources to the youth sector that are adequate and appropriate to the needs of young people.

Accessibility

- Work to ensure that young people have access to adequate and appropriate programs and services regardless of their geographic location, race, gender, level of disability and/or social, religious and economic circumstances.

Independence & Accountability

- Operate as an independent and vocal advocate for young people and those who support their needs.
- Function as a transparent and accountable organisation, that actively responds to government, members, stakeholders, and to young people.

Recommendations

In response to the call for submissions to the **2011-12 Budget**, AYAC strongly urges the government to end the disparity between Youth Allowance and other support payments.

AYAC urges the Federal Government to use the budget submissions as a catalyst for action that enables young people to be supported in periods of need and to enjoy the same benefits as other payments. We endorse the following recommendations to assist with achieving this:

1. Increase Youth Allowance payment by \$50 per week.
2. Increase the indexation rates to be in line with other income support payments. That is, increase from once per year to twice a year.
3. Increase to Rent Assistance by \$15 per week.
4. Changes to Youth Allowance must be made based on a strong evidence base, including the views and experiences of young people and a commitment to social inclusion.

AYAC is committed to working with governments to ensure young people enjoy the same benefits and support as other Australians in need. We look forward to the outcomes of the budget and would welcome the opportunity to meet to discuss this further.

Improve Youth Allowance

AYAC highlights the following key actions to assist the Government to restore equity and adequacy to support payments for young Australians.

AYAC is concerned that the disparity between pensions and allowances continues to grow, which sets the scene for social disadvantage among young Australians. The Organisation for Economic Co-operation and Development (OECD) has highlighted grave concerns about the unemployment (Newstart allowance) benefit already being 'so low as to raise "issues about its effectiveness" in providing a basic level of financial security for people who are not able to find paid work.'¹ AYAC calls on the government to recognise that young Australians on Youth Allowance receive less than Newstart and so the concerns raised about Newstart are more pronounced for young people.

¹ Cassandra Goldie, 2010, *Paltry allowance gives unemployed no hope of paying bills*, First published in The Age on 18 November 2010. <http://www.onlineopinion.com.au/view.asp?article=11269>

Young people survive on just \$27 a day, plus a maximum of \$55 per week for Rent Assistance². It is a myth that young people have lower cost of living because food, housing and transport costs exist regardless of age³.

A recent survey revealed that many Australians would not be able to continue in education if they were asked to survive on \$236 per week; the current unemployment benefit⁴. In addition they would have to forego other essentials, such as fresh fruit and vegetables⁵.

There are a few concerning differences that will see an ever-increasing gap between pension and allowances.

- Over the next 40 years pensions will increase by 4% per year compared to 2.6% per year for allowances.
- Indexation arrangements are not consistent with unemployment benefits indexed twice a year compared with once a year for Youth Allowance⁶.
- The Youth Allowance rate is well below the poverty line⁷ and also very much below other allowances⁸.
- The Rent Assistance rate is insufficient and does not reflect increases in rental rates.

Among those on Youth Allowance there are 177,000 young people studying and 80,000 young people - aged under 21 years - looking for work.

The government needs to apply the same standards and rates to all payments. Changes must be made incorporating a strong evidence base, the views and experiences of young people and a commitment to social inclusion.

Investing in young people through education and transition into the workforce with fair and adequate Youth Allowance needs to be a priority for the 2011-12 Budget. The OECD highlight that “[i]nvesting in young people is vital to avoid a scarred generation at risk of long-term exclusion”⁹.

2 National Welfare Rights Network, 2010, *New Year heralds good news and bad news for Australians on social security*, Media Release 31 December 2010, www.welfarerights.org.au

3 *ibid.*

4 National Welfare Rights Network, 2011, *New poll paints bleak picture for jobless*, Media Release 5 January 2011 www.welfarerights.org.au

5 *ibid.*

6 National Welfare Rights Network, 2010, *Observations on Australia's performance regarding its Social Security obligations under clauses 26 and 27 of the United Nations Convention on the Rights of the Child*, National Welfare Rights Network, December 2010

7 For poverty line see: *Poverty Lines: Australia*, Melbourne Institute of Applied Economic and Social Research, June Quarter 2010 ISSN 14480530 Table 4.

8 National Welfare Rights Network, 2010, *op.cit.*

9 OECD, 2010, *Invest in Youth to Tackle Job Crisis*, published 15/12/2010

http://www.oecd.org/document/1/0,3746,en_2649_37457_46733377_1_1_1_37457,00.html