

AYAC Post Budget Response

The Australian Youth Affairs Coalition (AYAC) welcomes the 2020-21 federal budget's focus on young people. AYAC calls for the Australian Government to guarantee that young people will be a priority focus of the planning for economic recovery in response to COVID-19. While young people are disproportionately impacted by COVID-19, they are also the solution to our long-term economic wellbeing in Australia. The 2020-21 federal budget's long-awaited focus on youth acknowledges that the government recognises the unique vulnerability of young people post COVID-19.

However, AYAC cautions that this budget, while offering some crisis response for young people, is only the first step toward securing the long term economic security of young people. AYAC looks forward to working with government, young people and the youth sector to develop policy and invest in securing the long-term economic security of young people.

Based on the 2020-21 Federal budget, AYAC has identified four areas requiring further policy development and investment and four areas in the budget which provide some hope and optimism for young people.

Further policy development and investment is needed in....

1. Maintaining and expanding income support for young people

The budget has foregone an opportunity to permanently increase JobSeeker and Youth Allowance to ensure young people can meet basic needs. It is also disappointing that young people on youth allowance and JobSeeker have been deliberately excluded from the \$500 cash payments to other recipients of income supports. While the temporary revision to the independence test for young people applying for Youth Allowance and ABSTUDY is welcome further work is needed to maintain and expand income supports, including:

- Implementing the recommendations of the Newstart Inquiry.
- Increasing the Disability Support Pension in line with increases to JobSeeker.
- Extending income support payments to all young people affected by COVID-19 disruption including young people who are full-time students, international students and young workers on temporary visas who have lost jobs.

2. Closing the existing equity gap in education

AYAC welcomes funding to the Clontarf Foundation and Smith family to assist young people to complete year 12 and move into work training and further study as a first step toward addressing the equity gap in education. AYAC also welcomes additional university places, 50,000 online short courses and \$1bn for research but notes this does not reverse the proposed higher education reforms. Further investment and policy development is needed, including

- Investing in affordable early childhood education and care, particularly for disadvantaged families.

- Immediate funding for tutoring, and literacy and numeracy programs in order to close the COVID-19 education gap.
- Ensuring online access for all young people including rural and regional young people and young people from socio-economically disadvantaged backgrounds.
- Reversing proposed higher education reforms to restructure university course fees and HECSHELP coverage, which jeopardise educational access and quality.

3. Supporting service continuity and funding for youth services.

While AYAC welcomes the budget's investment to ensure that frontline social services workers, including youth workers, will continue to receive higher wages, further investment in a skilled and broad-based youth sector, to help young people navigate the recovery, is needed. This should include

- Restoring the \$41.3 million stripped from homelessness services from July 2021. These services provide vital support to young people experiencing homelessness.
- Funding generalist youth workers and specialist youth workers so that all young people have the necessary support in their local area to lead meaningful lives
- Increasing investment in proven prevention and early intervention youth services
- Developing the youth sector workforce by funding scholarship and incentive programs to attract, train and support youth workers from diverse communities and backgrounds.

4. Addressing systemic barriers for young people in the tax and transfer system

AYAC acknowledges that superannuation reforms such as new super accounts no longer being automatically created every time a worker changes jobs will be of particular benefit for young people. However further examination is needed on the impact of current tax and superannuation settings on young people's economic prosperity. This should include

- Review of the impact of the tax free threshold of superannuation and early release superannuation policy on young people.
- Review of the impact of age based tax offsets on young people.
- Review of the impact of property tax settings on young people.

AYAC welcomes youth focused initiatives in the federal budget such as...

1. The investment in short term youth unemployment and education initiatives

The government has listened to the young people and developed a short term crisis response to youth unemployment which will provide many young people with pathways to a job or education in the next 12 months. Welcome initiatives include:

- The JobMaker hiring credit which aims to incentivise businesses to hire young people aged 18-35 who have been on the JobSeeker unemployment payment.

- Job Trainer which allocates \$1.5 billion to supporting businesses to employ apprentices and trainees.
- Funding of 50,000 online short courses on topics like teaching, health, science, information technology and agriculture to the tune of \$251.8 million.
- Providing additional university places and \$1bn for research.

2. The continued focus on funding mental health services

The Budget commits \$100 million to provide 10 additional Medicare-subsidised mental health care sessions for people with an existing Mental Health Treatment Plan and sets aside money for a range of initiatives to support mental health. These include

- support Victorian young people experiencing mental illness due to the ongoing COVID-19 pandemic access mental health support,
- support young people experiencing mental illness get into work, money to establish enhanced mental health clinics,
- support for Beyond Blue, Lifeline and Kids Helpline to meet increased demand and money for headspace to deliver outreach services.

3. Expanded pathways to independence for Youth Allowance and ABSTUDY

The government has made it easier for young people to access income support payments to help them study or move out of home. Including

- \$25.0 million over four years to temporarily revise the independence test for young people applying for Youth Allowance and ABSTUDY from 1 January 2021.
- \$16.3 million over three years to incentivise young people to work in the agricultural industry, by promising that those who earn at least \$15,000 between 30 November 2020 and 31 December 2021 will be automatically assessed as meeting independence requirements for Youth Allowance and ABSTUDY.

4. Support for first home buyers and social and affordable housing providers

The government has extended its help to first home owners and encouraged creation of social and affordable housing. Including

- Extension of the First Home Loan Deposit scheme for an extra 10,000 people, which allows first-home buyers to build a new home with a deposit as low as 5%.
- \$1 billion available in the form of low cost, long-term loans to registered community housing providers to support the supply of social and affordable housing.