

The Youth Coalition believes that the income support scheme administered through Centrelink is vital to the wellbeing of many young people but is inadequate and often operates without sufficient regard for the circumstances of young people. The Youth Coalition believes that significant changes must be made to the system for it to be effective in supporting all young people to enjoy their right to a living wage.

The Youth Coalition recognises that for many students, their ability to engage with their studies and in extra-curricular activities is influenced by their need to financially support themselves. Similarly, other young people who are unable to find a job or work rely on income support payments. Income support has a very high importance for young people, for of the 23,200 young people aged 15-19 in the Territory, 33% are not studying fulltime and of those not studying fulltime, only 40% are employed fulltime.<sup>1</sup>

Over 260,000 students receive Youth Allowance,<sup>2</sup> the Youth Coalition believes that the difference of up to 33% between the maximum payment of Youth Allowance and the Henderson poverty line is unacceptable and that income support must reflect a basic standard of living. The Youth Coalition highlights that income support payments fail to allow young people their right under Article 12 of the United Nations' International Covenant on Economic, Social and Cultural Rights (ICESCR) to an adequate standard of living. Of those receiving Youth Allowance, 34.2% have reported going without meals, 40.2% reported having to pawn or sell goods and almost 20% had to ask for assistance from a local welfare agency, as a result of a shortage of money.<sup>3</sup> Similarly, full time students at the University of Canberra work an average of more than 20 hours per week.<sup>4</sup> The Youth Coalition does not believe this characterises an adequate system of income support.

The age of independence for the purposes of Youth Allowance payments is 25 years, which does not reflect the age of independence in a range of other areas. Furthermore, suggesting that young people are only independent from their parents and care-givers at the age of 25 does not reflect the research which suggests that of those receiving Youth Allowance, only 16% of parents gave money regularly and that most parents regularly gave under \$50.<sup>5</sup> The Youth Coalition therefore believes that in accordance with the recommendations of the Human Rights and Equal Opportunity Commission, the age of independence for Centrelink is reduced to at least the age of 18 years and that there is flexibility in assessment of independence for young people under 18 based on their individual circumstances.<sup>6</sup>

<sup>1</sup> Australian Bureau of Statistics (2007) *Labour Force Australia* Cat. No. 2602.0

<sup>2</sup> Department of Employment and Workplace Relations (2007) *Labour Market and Related Payments: a Monthly Profile February 2007* p3

<sup>3</sup> Social Policy Research Centre (2005) *The Impact of Breaching on Income Support Customers* p54

<sup>4</sup> Applegate & Daly *The Impact of Paid Work on the Academic Performance of Students: A Case Study from the University of Canberra* p6

<sup>5</sup> Foundation for Young Australians (2004) *Profile of Young Australians: Facts, Figures and Issues* Chapter 4, p15

<sup>6</sup> Human Rights and Equal Opportunity Commission (2000) *Age Matters: A Report on Age Discrimination* p111

The Welfare to Work reforms have a strong emphasis on compliance and enforce mutual obligation and this will heavily impact upon young people and those receiving income support entitlements. The impact on young people of withdrawing payments for up to 8 weeks. Leaving young people without any income, is unparalleled and will put young people at risk of greater isolation from society as well as debt, homelessness and chronic poverty. The Youth Coalition believes that greater compliance measures for young people are particularly unjustified given that research suggests that in a significant number of cases, breaches are the result of Centrelink and job agencies administrative mistakes<sup>7</sup> and the current system is 'excessively harsh and unfair'.<sup>8</sup>

The Youth Coalition believes the interaction between the Welfare to Work reforms and the Work Choices legislation will force young people into work with even poorer remuneration and conditions. Those receiving the Disability Support Pension who are deemed able to work will be required to do so even though this may not be financially beneficial or sustainable for them.

The operation of income support payments is complex and can lead to young people being confused about whether they are entitled to payments and to young people breaching Centrelink agreements. Young people are significantly more likely than other recipients to be breached as young people account for 50% of all Centrelink activity test breaches and 61% of all Centrelink administrative breaches.<sup>9</sup> Yet young people are far less likely to successfully appeal decisions than other age groups with just 3.9% of 18-20 year olds successfully appealing decisions as opposed to 26.2% of 30-39 year olds.<sup>10</sup>

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### **The Youth Coalition is committed to:**

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- ◆ Advocating for all income support payments to meet people's basic level of need through a cost of living benchmark
- ◆ Advocating for the abolition of payment withdrawal for non-compliance.
- ◆ Advocating for increased education and support mechanisms for young people to appeal Centrelink decisions.
- ◆ Advocating for the removal of all aged-based criteria for payments and making young people's circumstance the most importance criteria for assessments of eligibility.
- ◆ Advocating for the reduction of activity tests and identification requirements for young people, particularly those who are homeless
- ◆ Advocating for the removal of parental means testing for homeless young people attempting to access Youth Allowance
- ◆ Advocating for more targeted information on payments to young people who who have statistically low uptake levels, such as young carers.

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<sup>7</sup> Sue Lackner & Greg Marston (2003) *System Error: An Analysis of Centrelink Penalties and Job Network Participation Reports* RMIT University

<sup>8</sup> Dennis Pearce et al. (2002) *The Report of the Independent Review of Breaches and Penalties in the Social Security System* pp. 10-12.

<sup>9</sup> *Senate Community Affairs Legislation Committee (2002), 'Answers to Estimates Questions on Notice: Family and Community Services Portfolio (2001-2002 Additional Estimates)', Parliament of Australia, Senate, Canberra.*

<sup>10</sup> Sue Lackner & Greg Marston *Op Cit*