

SUBMISSION

to the

**DEPARTMENT OF EMPLOYMENT, EDUCATION,
TRAINING AND YOUTH AFFAIRS**

on

the proposal for a

YOUTH ALLOWANCE

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for

THE YOUTH AFFAIRS NETWORK OF QUEENSLAND
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YOUTH ALLOWANCE DISCUSSION PAPER SUBMISSION

INTRODUCTION

The Youth Affairs Network of Queensland (YANQ) is the independent non-government umbrella organisation of groups and individuals from Queensland's youth sector. YANQ acts to promote the interests and well-being of young people in Queensland, advocates for them to government and the community, and encourages the development of policies and programs responsive to the needs of young people.

YANQ consists of over 400 individual and organisational members throughout the State, including youth services, advocacy groups, church groups and community organisations with interests in areas as diverse as juvenile justice, housing, health, rural issues, young people with disabilities, young women's issues and young people from Aboriginal and Torres Strait Islander and non-English speaking backgrounds. Associate members are drawn from federal, state and local government bodies.

THE YOUTH ALLOWANCE

YANQ welcomes the idea of a simplified, common youth allowance which would remove inequities across the various income support programs for young people. However, a common youth allowance needs to realistically recognise the needs of young people and the real costs of living particularly for unsupported young people. YANQ is also concerned that any system of income security for all people, including young people, should be free of age based discrimination.

ENTITLEMENT TO YOUTH ALLOWANCE

YANQ is concerned about what arrangements are being made for young people below the age of 16 years. No mention of these young people is made in the discussion paper. Since the Commonwealth does have a responsibility for all Australians regardless of age, YANQ believes that there should be provision for Special Benefits. This would allow access for unsupported (homeless) under 16 year olds to income security in the same way in which it currently does. While YANQ recognises that States and Territories have a responsibility for under 16 year olds, this does not relinquish the Commonwealth's responsibility and young people who meet the homeless criteria for Special Benefits must be provided for within this system.

There are many under 16 year olds who currently reside in accommodation provided under the Supported Accommodation Assistance Program (SAAP). If, in the future, all under 16 year olds are to be excluded from receiving income security it raises an alarming question about how those young people will be able to exit SAAP services into other secure housing options. It also raises a question about future under 16 year olds who in the past would have been housed in SAAP. If under 16 year olds will not receive income security in the

future then SAAP services will be inaccessible to them. These young people will be left with few or no accommodation options.

YANQ rejects the proposal to delineate between the age at which those in education and those in the labour market become independent as a contradiction of the proposal for a common youth allowance. It is YANQ's position that all young people 18 years or over should be assumed to be independent unless proven otherwise. There should also be provision for under 18s to receive independent status in certain circumstances eg. Homelessness, orphaned, refugee without parents in Australia, partnered young people, under 18's with dependents.

ILLUSTRATIVE RATES OF ASSISTANCE

While the proposal to develop a common youth allowance aims to eradicate the anomalies between the variety of payments to young people, there has been no attempt to align payments across those to young people and adults. If a person is deemed to be independent it is YANQ's position that an age based criteria is inadequate and inequitable to determine income support levels.

Young people do not receive reductions on rents, food costs, transport costs or clothing based on age. Therefore young people who are independent require the same income as their adult counterparts.

The rates of payment outlined in the table in this section of the document do not identify homeless young people or their level of benefits. It is YANQ's view that homeless, orphaned and refugee (without parents here) young people must be explicitly identified within a category of independence and must be exempt from any parental income test. Their level of entitlement must be the same as other independent young people and adults ie. paid at the adult rate. The inclusion of homeless, refugee (without parents here) and orphaned young people in an independent criteria which is not subject to parental means testing must be made explicit.

Payment of Rent Assistance

YANQ's position is that all young people on the proposed youth allowance who are living away from home (under the current prescribed provisions) or who are independent should receive rent assistance at the same levels as adults. Further, such rent assistance should be paid not through funds available for the Youth Allowance but rather from the government Housing Reform package. To do otherwise would amount to discrimination based on age.

PARENTAL MEANS TESTING

YANQ does not agree that 18-20 year olds should be subjected to parental income testing in regard to eligibility for income security. YANQ's position is that if there is to be an arbitrary age set over which young people become independent, then that age must be 18 years. By the age of 18 young people in Australia are allowed to vote, to enter and consume alcohol on licensed premises etc. This is an age which is already associated with the age of majority

and YANQ's position is that it is this age at which all young people should be considered independent unless proven otherwise.

Young people of **any age** who are partnered, who have dependents or who are homeless should all be exempt from the parental income test.

Issues for Farming Families

Within the discussion paper there is no mention of discounted assets test for farming families. YANQ is concerned this will not be incorporated and will result in young people from farming backgrounds continuing to face disadvantage. The proposition to discount assets tests to farming families was an election platform and must be expressed in the resulting allowance.

The proposal to means test 18-20 year olds is inconsistent with other tax and support program policies. The Child Support Scheme ceases when a child reaches 16 years of age as does Parenting Allowance. The taxation system defines dependents as those under 18 years of age. This reinforces the point that young people 18-20 years of age should not be means tested on their parent's income.

Parameters of Means Testing

Within the discussion paper the thresholds for means testing are not set out. YANQ believes that these parameters should not be more stringent than those which already exist.

INDEPENDENCE

YANQ's view is that all young people must be regarded as independent by age 18. As stated previously, 18 years is generally considered the age of majority. By this age young people are able to enter into legal contracts, enter and drink in licensed premises, must accept full responsibility for criminal actions (often before this age), and have the right to vote. By the age of 18 years young people are, for all intents and purposes, adults. For the government to expect that those young people then should be reliant upon parental financial support flies in the face of this reality.

Unsupported young people who are homeless, orphaned or refugees without parents in Australia must be given independence status and thus excluded from parental income testing.

In regard to the granting of independence to young people who have supported themselves through full time paid employment for a defined period since leaving school, it is YANQ's view that the Youth Training Allowance guidelines be adopted. The current three year period which applies to AUSTUDY recipients is extremely stringent

Other circumstances in which young people are granted independence must include young people in partnered relationships (in the discussion paper partnered relationship and marriage are mentioned at different times; it is YANQ's view that the guidelines should

recognise defacto relationships as well as marriage), parenting young people, and homeless, orphaned and refugee (without parents in Australia) young people.

Unsupported under 18 year old homeless young people, must have benefits paid direct to them, not to their parents. If this is not the case a young person, homeless because of sexual or physical abuse within the home, may be reliant upon the parent perpetrator of the abuse to receive their income security.

PERSONAL INCOME TESTING

It is YANQ's view that all young people on the proposed youth allowance who are living away from home (under the prescribed categories) or who are independent should receive rent assistance at the same levels as adults. **With this the case** YANQ would support a compromise between the income testing arrangements for AUSTUDY and YTA.

In order not to disadvantage full-time students who work in blocks over semester breaks reporting of income should vary according to activity. Unemployed young people should report on a fortnightly basis while full-time students should report in accordance with the pensioners reporting system - every 13 weeks. Part-time students should report earnings fortnightly and also be required to either look for part-time work or participate in some other approved activity on a part-time basis.

According to calculations by the Australian Youth Policy and Action Coalition, very few AUSTUDY recipients earn the total \$6 000 per annum allowable before AUSTUDY is reduced. **With the proviso that all away from home and independent Youth Allowance recipients also receive rent assistance, YANQ would be willing to concede an annual income threshold of \$3000 before the youth allowance would be reduced.**

In regard to the tapers, ie. the amount of reduction of benefits once the income threshold is exceeded, YANQ favours use of the current DSS system. YANQ is in favour of this system if it is rearranged to take into account an elongated time over which to average out income as mentioned above.

CONCESSION CARD ENTITLEMENTS

YANQ is supportive of the proposal to entitle all youth allowance recipients to a Health Care Card.

RECEIPT OF PAYMENT

YANQ is vehemently opposed to under 18 year olds having their youth allowance paid to parents. These entitlements are not pocket money for young people but are to offset daily living expenses and cover study/jobseeking associated costs.

To make these payments to the parents of under 18 year olds would mean although the activity test agreement is with the young person (and it is they who must comply), they are not the recipient of the payment. It would therefore mean that the party to the contract is

not the payee. If young people are expected to assume adult responsibilities such as compliance with activity agreements etc. it is YANQ's view that they also be accorded the same rights. In regard to accountability for activity agreements to make payments to parents rather than young people would mean that there is no direct effect for a young person who does not fulfil the activities agreed upon.

For payment to be made direct to parents of under 18 year olds also begs the question of what safety net is available for young people whose parents receive the benefit but do not provide support for them.

It is YANQ's view that under 18 year olds should receive their payments direct.

FLEXIBLE ACTIVITY TESTS

YANQ's view is the activity test must take into account the various roles of work and study in people's lives. It is YANQ's view that in order to fulfil the activity test a young person could be engaged in or available for a range of activities. For instance a person studying part-time could be available to engage in part-time work (study hours not only contact hours for students must be taken into account when looking at the mix). Their activity agreement then could comprise some aspects associated with study and others associated with seeking part-time work.

ASSISTANCE TO INDIGENOUS STUDENTS

YANQ does not have a position on whether ABSTUDY should be rolled into the youth allowance or stand alone. However, YANQ believes that the level of assistance to indigenous students must not be eroded. In order to redress issues of educational disadvantage indigenous students must continue to receive additional assistance.

ARRANGEMENTS FOR OLDER STUDENTS

It is YANQ's view, as previously stated, that after the age of 18 years all young people should be considered independent. It is YANQ's position that at this stage all young people should then be the recipients of the relevant adult income security payments.

However, if the government is to proceed with a system where the youth allowance covers all young people to the age of 21 years, then YANQ's view is as follows.

At the age of 18 years all recipients of youth allowance will proceed onto the independents rate. For full-time students YANQ's view is that two options exist:

- 1) AUSTUDY/ABSTUDY can continue to exist for those full-time students over 21 years of age. This would parallel the system as it currently exists.
- 2) AUSTUDY/ABSTUDY for over 21 year olds could be absorbed into NEWSTART which would need to have provision for full-time education to satisfy the activity test. In this case the activity test for full-time students need only be satisfied every 13 weeks (similarly to pensioners allowance) and directly with the institution of enrolment.

THE MODERN AUSTRALIAN APPRENTICESHIP AND TRAINEESHIP SYSTEM

Any top-up payment paid to young people who are apprentices or trainees as compensation for time spent out of 'productive work' should not be paid from the income support system. These young people are clearly full-time employees and as such the top-up is more appropriately viewed as a wage subsidy.