

## **Federal Budget 2015-16: Response from the Youth Affairs Council of Victoria**

The Youth Affairs Council of Victoria (YACVic) has welcomed the 2015-16 federal budget's emphasis on providing young people with stronger, supported pathways into employment. However, YACVic was dismayed by the budget's punitive approach towards young people receiving income support, as well as the absence of any significant new commitments to youth mental health, and the defunding of the Australian Clearinghouse for Youth Studies.

### **Youth employment pathways**

YACVic welcomed the government's announcement of a \$331 million Youth Employment Strategy, which will include a \$212 million Transition to Work programme to help disengaged young people aged 15 to 21 years become job-ready. Under this program, community-based organisations will be funded to deliver intensive support to early school leavers, addressing their barriers to employment and building their core skills. Young people will be supported to take up work experience and engage in training and education.

Another key component of the Youth Employment Strategy will be \$106 million for intensive support to young people at high risk of long-term unemployment. This will include:

- \$55.2 million over five years for up to 40 trials by community organisations to engage early with young people who have multiple barriers to employment, and support them to engage with the labour market;
- \$19.4 million over four years for two trials to improve employment outcomes for young people with mental illness who are at risk of disengaging from education and / or long term unemployment;
- \$22.1 million over four years to support young people from refugee and migrant backgrounds to build skills and confidence to boost their participation in education or work.

These positive developments show that the government has listened to the deep concerns expressed by the youth sector about unemployment and the loss of the valuable Youth Connections program. However, Transition to Work will not commence until January 2016, a year after Youth Connections ended. YACVic argues this is too long a wait. For many young people who relied on Youth Connections, the damage has already been done.

YACVic also awaits further information about the Early School Leaver program announced in the budget, which allocates \$13.5 million to 'strengthen activity requirements' for young people aged 15-21 who left school early. As yet, little information has been provided. The government mentions various forms of support which could help young people become work-ready, including mentoring, career advice, work experience, help to gain a driver's licence, and referrals to support services. However, much of the language remains that of compliance, with an emphasis on early school leavers needing to demonstrate that they are meeting activity test requirements, looking for full-time work,

or studying and working part-time. YACVic remains concerned that any future measures should not fall into the trap of punishing young people for being disadvantaged.

The budget also allocates \$18 million for a National Work Experience programme for 6,000 job-seekers annually, with an emphasis on young people.

### **Income support**

Some budget measures will improve access to income support for people who need it. A more generous approach to parental testing arrangements will be introduced, for families with dependent young people who qualify for payments such as Youth Allowance and ABSTUDY. \$2.2 million over four years has also been allocated to allow young people with disabilities to receive up to six months of Disability Employment Services support while taking part in employment or transition to work programs.

However, many other budget measures will reduce young people's access to income support. In some cases, the consequences may prove severe.

Under new measures, young people aged under 25 will be denied income support for their first four weeks of seeking work, during which time they must demonstrate additional job-seeking activities. These activities might include jobactive meetings, agreeing to a Job Plan, resume development, and creating a job-seeker profile, as well as demonstrating 20 satisfactory job applications. (Some people will be exempt, including young parents, young people leaving state care, young people engaged in Disability Employment Services, and young people assessed as having significant barriers to employment.)

While this approach is less extreme than that proposed in 2014, it remains disturbing. Many young people experiencing hardship do not have a month's worth of rental and living expenses saved up. This approach will increase their risk of poverty and homelessness.

Also concerning was the announcement that eligibility for Newstart will rise from 22 to 25 years of age from 1 July 2016 for new applicants. (Arrangements for current recipients will not change.) For a single young person not living with their parents, Youth Allowance provides \$92 less per fortnight than Newstart – a significant difference for someone on a very low income.

The age of eligibility for the Youth Disability Supplement will also be increased from 21 years of age to 24 years.

Such measures seem based on an assumption that young adults can always depend on their parents for support. But for young people whose parents are struggling financially, or who are estranged from their parents, this is simply not the case.

Meanwhile, job-seekers who fail to meet compliance requirements will face immediate, serious penalties – including a 'no show no pay' approach for people who miss an appointment. Job-seekers will no longer be able to have their penalty waived by agreeing to take part in another compliance activity. YACVic is concerned at the impact this will have on vulnerable young people, whose access to transport and technology is often poor, and whose lives can be chaotic due to factors like family breakdown, insecure housing and mental illness. This harsh approach will risk driving these young people further into poverty, increasing the burden on community services which must support them.

Income management arrangements will also be funded to continue until 30 June 2017, including those piloted in Shepparton.

### **Australian Clearinghouse for Youth Studies defunded**

The youth sector was dealt a blow by the budget's cessation of funding to the Australian Clearinghouse for Youth Studies (ACYS) from 30 June this year. ACYS is highly valued by the youth sector, as well as academics and government, for its provision of best-practice information on working with young people and high quality, evidence-based research and analysis. The loss of the ACYS will be yet another blow to the youth sector, following the federal government's defunding last year of the Australian Youth Affairs Coalition (AYAC). YACVic will work with AYAC and the other state peaks to advocate against the closure of ACYS.

### **Mental health and AOD**

A disappointing gap in the budget concerned young people's mental health. While the budget committed to begin policy and planning in response to the National Mental Health Commission's Review of Mental Health Programmes and Services, there were no new commitments made, apart from \$181.8 million over three years to continue the National School Chaplaincy Programme. This program, which has received a mixed response from schools, now only provides funding to religious-based chaplains, not welfare workers.

The budget allocated \$20 million over two years to renew the National Drugs Campaign, to educate young people and parents about the harms of methamphetamine use.

### **Housing**

While YACVic welcomes the government's commitment of \$230 million to extend the National Partnership Agreement on Homelessness for two years, we also note with concern that the budget made no provision for addressing the critical shortage of affordable housing. Without any viable entry points into the housing market, vulnerable young people cannot break the cycle of insecure housing and homelessness.

For more information, see the detailed work on the federal budget undertaken by the Australian Youth Affairs Coalition [here](#). YACVic is grateful for AYAC's expert support.