



Media Release

Wednesday 25 February 2015

Youth peaks respond to McClure report

New welfare model raises concerns for young Australians

Australia's peak bodies for young people and the sector that supports them – the Australian Youth Affairs Coalition (AYAC), the Youth Affairs Council of Victoria (YACVic), Youth Action NSW, Youth Coalition of the ACT, Youth Affairs Network Queensland (YANQ), Youth Network of Tasmania (YNOT), Youth Affairs Council of Western Australia (YACWA) and the Youth Affairs Council of South Australia (YACSA) – have raised joint concerns about the Final Report of the Reference Group on Welfare Reform to the Minister for Social Service (the McClure Report).

The youth peaks welcomed some of the report's recommendations, such as a national Jobs Plan for people with disabilities and mental illness, and clearer financial information for people receiving income support. However, other aspects of the report were greeted with concern.

The McClure report proposes a simplification of the income support system, including changes to the Youth Allowance payment. At present, young people under 22 years who are studying, doing an apprenticeship or looking for work may still be eligible for some Youth Allowance, depending on their parents' income. Under the new model, unless a young person under 22 was deemed fully independent, any income support would go straight to their parents. The report proposes this 'Age of Independence' as 22 years, on the grounds that young people are living at home longer.

The youth peaks reject this arbitrary "age of independence". We know that the majority of young Australians below 22 years are active citizens and contributors to their communities. Such language also runs contrary to the government's own rhetoric that young people should take responsibility for themselves.

While the report recognises that some young people will be living independently, it is unclear on how they will be assessed to be "genuinely independent" and eligible to receive an income payment in their own right.

The peaks also call for recognition of the reasons why young people are living at home longer: because they can't access the housing market or can't find enough secure employment. "Young people are trapped into depending on their families because there aren't enough jobs for them to

earn in their own right,” said AYAC National Director, Leo Fieldgrass. “We also need to do more to address the severe shortage of affordable housing, which is holding many young adults back.”

The McClure report expects that young people under 22 years will be in education or employment. The youth peaks feel this rests on a false assumption that current education and training systems are working adequately. “Simply churning young people through a training system with no guarantee of jobs at the end is not a sustainable long-term employment strategy”, said Youth Action NSW Managing Director, Katie Acheson. “Recent evidence of rorting of the training system by fraudulent providers shows it’s not working properly”, added YACWA CEO, Craig Comrie.

“One strong step the government could take to address youth unemployment would be to reinstate the Youth Connections program,” said YACVic CEO Georgie Ferrari. YANQ Director, Siyavash Doostkhah added, “Youth Connections helped around 30,000 vulnerable young Australians back into study and training each year, and showed a much higher success rate than Work for the Dole”.

“The report presumes that young people are not willing to engage in education, training and employment, but research shows that young people are increasingly wanting to engage in these activities and do not want to be on welfare” said YNOT CEO, Joanna Siejka.

The peaks are also worried that young people with disabilities will be worse off under the new model and will lose their independence if their parents receive payments intended for them. “Young people with disabilities crave independence and adult life as much as their peers,” commented Youth Coalition of the ACT Director, Emma Robertson. “A model which directs payments to their parents instead would rob them of independence and dignity”.

The peaks raised additional concerns about how the new model would impact upon young Indigenous people and young carers.

In response to Minister Morrison’s comments today on youth employment, the peaks call on the Australian government to better engage with young people and the sector that supports them, to design a comprehensive youth jobs plan. Such a plan should create real, meaningful and rewarding opportunities for vulnerable young people. It should also be designed in genuine consultation with young people and the services that support them. At present there is no formal mechanism for the government to engage with young people, since the government ceased funding to the Australian Youth Forum (AYF) and the Australian Youth Affairs Coalition (AYAC).

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