



Submission to the McClure Review Consultation

August 2014

Provided by the
Youth Affairs Council of South Australia Inc.

The Youth Affairs Council of SA (YACSA)
was established by the youth sector in 1980
and is the peak body representing the views and interests
of young people and the youth sector in South Australia.

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Introduction

The Youth Affairs Council of South Australia (YACSA) is the peak body in South Australia representing the interests of young people, youth workers, organisations and networks throughout the non-government youth sector. Policy positions are independent and not aligned with any political party or movement. YACSA's aim is to encourage young people, and those working with them and for them, to achieve meaningful improvements in the quality of young people's lives.

The Youth Affairs Council of South Australia commends moves to create a fairer and less complex income support system, particularly for young people. However, we believe that recent changes to the income support system by the Abbott Government will curtail many of the mooted reforms contained within this report, particularly in regards to increasing personal, familial and community resilience and capacity.

YACSA strongly opposes the government's transparent cost-cutting agenda replete with non-payment periods, reduced access to payments and a redefinition of the age of independence, all set within a support service landscape decimated by funding reductions in the 2014 budget. The changes proposed by this report if undertaken in the current and proposed income and social service support environment has the very real potential to increase disadvantage amongst already vulnerable young people.

Ensuring that we support young people, particularly those who are disadvantaged and vulnerable is the responsibility of government and as such we urge that more thought and evidence underpin changes to the income support system to decrease the short and long term negative impacts on young people.

Young people in context

YACSA advocates for the fundamental right of all young people to participate in and contribute to all aspects of community life, particularly decision making processes which impact upon them directly. Young people's involvement in society is vital in ensuring the development of relevant, forward-thinking and representative policy, programs and services. YACSA advances that young people are the experts in their own lives, and it is young people to whom decision-makers should turn when considering solutions to the problems young people face.

However, it is more often the case that young people are excluded from decision making, particularly where those decisions affect them the most. Young people are expected to assume many responsibilities in our society and that same society can devalue their contribution and marginalise their role as stakeholders in civil, political, economic, social and cultural life, simply because of their age.

We live in a world where our perceptions are often shaped by the media and by our politicians, who provide us with an on-going, often negative commentary that serves to limit the roles available to young people. Young people are variously portrayed as the victim, the criminal, as lazy, despondent, and disconnected or the symbol of "what is wrong with the world today." Young people are seen as "adults in the making", which suggests they are somehow less capable, less insightful, less intelligent and less valuable than adults. This gives rise to the notion that young people are unable to make proper decisions or contribute in a meaningful way until they are older.

YACSA advocates strongly for young people to receive the support they need, when they need it, and that their needs, opinions, knowledge, experience, and participation are acknowledged.

Key points

Within this submission we have chosen to address those discussion points contained within the review that most closely relate to or will impact upon young people. The following presents the key areas of the YACSA response to the McClure Welfare Review and is underpinned by recent and proposed unprecedented changes to the welfare system by the Federal Government:

- The recent Federal Budget outlines changes that have the potential to be devastating for young people and increase disadvantage and poverty amongst this population in both the short and longer-term.
- While YACSA supports moves to create a fairer and less complex income support system, recent proposed changes by the Federal Government including a return to 'mutual obligation' rhetoric (re-igniting perceptions of contributors and non-contributors) will be unlikely to improve or generate greater personal and community capacity or resilience.
- These changes are being promoted as a way to get 'lazy' young people to go out and get a job but current jobless figures and vacancy figures demonstrate that there are over 700,000 people looking for work and only 146,000 vacancies.
- Employment pathways and VET programs are vitally important and can be targeted in the areas of most need but both have been de-funded by the Federal Government.
- Changes to eligibility criteria for young people to access the higher rate of Newstart and Austudy will result in greater financial and social hardship for people already struggling to live on income lower than the poverty line.
- The six month waiting period that individuals under the age of thirty will have to wait to access benefits will be deleterious for some young people and experiences of dire disadvantage will grow exponentially, and;
- The use of involuntary income management has no appreciable benefits according to evidence to date and will only inspire greater levels of stigma and disempowerment.

Significantly, income and being able to financially participate in the world around you is a substantial social determinant of health and leads to greater social connectedness and community resilience. Many of the Abbott Government's recent changes will impede many of the reforms advanced in the McClure review and will more importantly, impact negatively on young people both now and into the future.

Recent Federal Budget changes

The recent Federal Budget contains measures for projected savings that are set to disproportionately affect young people in South Australia, particularly people who are already disadvantaged. This includes dismantling many of the safety nets, programs and services that were designed to assist those who are most vulnerable and disadvantaged to engage in study and work and to assist when not in work or study.

We are now facing more exclusionary eligibility criteria for welfare payments, an increase in the age that an individual can access Newstart, people in receipt of Disability Support Pension (DSP) being asked to work a greater number of hours and the introduction of a United States-style welfare non-payment period for Newstart or Youth Allowance for those individuals under the age of thirty. This is further compounded by university deregulation, VET apprenticeship training defunding and the defunding of education and training pathways such as Youth Connections.

The Federal Government has crafted the notion that we have an entire generation of people, particularly young people who have become lazy¹ and entitled and that changes have to be made to ensure that everyone does the 'lifting' necessary to bring the country back into surplus. This point has been laboured by Government who want to appear to be spreading the pain of the recent budget amongst the entire population. However, detailed examination of the effect of the budget policies has shown this assertion to be incorrect and according to modelling developed by NATSEM², the bulk of the budget's pain will be felt most strongly by young people, low income families and single parents³. In other words, those people who are already struggling and can least afford further disadvantage.

These changes, if adopted, will reconfigure the welfare system and reframe our historical safety net. For young people in particular, the new vision for the welfare system and social services advanced by the Federal Government removes supports for young people in key stages of their lives which has the potential to negatively impact upon them both now and into the future.

Mutual Obligation

The proposed changes have inspired a sense of déjà vu in many people with the current rhetoric mirroring many of the previous policies under the Howard Government. In 1996 the John Howard led Federal Government introduced 'mutual obligation' and instituted a welfare system that altered the historic social contract and reframed our ideas around looking after those who were disadvantaged in our communities. Not surprisingly, the concept of mutual obligation was rejected by many, mainly due to an acknowledgement that the policy was based on the assumption that almost everyone, regardless of their differences, abilities or backgrounds can be self-reliant if provided the opportunity⁴.

While the notion of the unemployed giving something back to the community may appear to have some merit, Kinnear⁵ suggests that policies surrounding unemployed people giving something back to the community in return for benefits are based on a false distinction between the 'givers' (working taxpayers) and the 'receivers' (non-working, non-taxpayers). What seems to have gone unnoticed by the Federal Government and the Howard Government before it is that those in receipt of income support have most likely paid taxes in the past and will undoubtedly pay taxes in the future. Furthermore, *all* Australians pay taxes in various forms such as the GST and the taxation of some benefits.

The dichotomy surrounding notions of 'contributors' and 'non-contributors' which underpins most of the proposed changes is illustrated perfectly with the reverence that we pay to those of pension age. Discourse surrounding those in receipt of the pension as 'deserving' and having contributed to what Australia is today is commonplace regardless of whether pensioners have actually worked or contributed in any measurable way. In stark contrast, mutual obligation policies and requirements

¹ M Blenkin, 'Easy access to welfare is over: Kevin Andrews', News.com.au, 10 May 2014, Available from: <http://www.news.com.au/national/breaking-news/young-on-dsp-to-face-work-ability-scrutiny/story-e6frfku9-1226912746397>

² National Centre for Social and Economic Modelling. 'NATSEM Independent Modelling of 2014-15 Federal Budget', The University of Canberra, <http://www.natsem.canberra.edu.au/storage/2014-15%20Budget%20Research%20Note.pdf>, viewed 5 August 2014, 2014.

³ M Grattan, 'Low earners do most in budget lifting, says NATSEM modelling', the Conversation, 20 May 2014, available from: <http://theconversation.com/low-earners-do-most-in-budget-lifting-says-natsem-modelling-26981>, 2014.

⁴ A Yeatman, 'Mutual Obligation: What kind of contract is this?', in *Reforming the Australian Welfare State*, ed. P Saunders, Australian Institute of Family Studies, Commonwealth of Australia, 2000.

⁵ P Kinnear P 'Mutual obligation: a reasonable policy?' in T Eardley and E Bradbury (eds) *Competing Visions: Refereed Proceedings of the National Social Policy Conference 2001* Social Policy Research Centre, University of New South Wales, Sydney pp 248–63, 2002.

focus only on working age recipients of benefits which seem to seek atonement for their dearth of contribution to the building of this nation⁶. This rhetoric is rife surrounding mutual obligation policies including most recently with the Federal Government iteration of mutual obligation causing Treasurer Joe Hockey to refer to working taxpayers as 'lifters' and the non-working, non-taxpayers as 'leaners'⁷.

Exclusion periods

The Federal Government has proposed a six month exclusion period for those under the age of thirty years who seek access to income support payments. This exclusion from income (which the Government hopes will motivate 'lazy' young people into learning or earning opportunities) will instead increase the risk of significant hardship for all young people, particularly those who are already disadvantaged and vulnerable.

Not surprisingly the potential for increased hardship under these new requirements has also been noted by the Department for Social Services which expects that there will be approximately 500,000 young people who are impacted negatively by the proposed changes. The Department for Social Services recently told a Senate Estimates Committee that the 2014 budget includes around \$230 million to assist those affected by the changes to welfare with food, utility bills, and other subsistence services⁸.

Again, these changes are based on the assumption that an exclusion period will force young people to seek work (or seek study opportunities) rather than be left with no income.

National and South Australian jobless figures

With a proposed system that has defunded training and employment pathways programs and will deprive young people of income for six months or more, it would be expected that these changes are based on evidence that Australia has a robust employment market in which young people can easily find suitable employment. In reality, the situation is far more dire. According to ABS figures in June⁹, 2014, the overall unemployment rate nationally is now 6%, and 13.5% for 15-24 year olds. In addition, in May 2014¹⁰ there were only 146,100 job vacancies and 722,000 people looking for work. There are a further 875,200 who are underemployed and are looking for more hours¹¹.

In South Australia, the jobless rate has recently jumped to 7.1%, which is the highest rate in the country and the youth unemployment rate is even higher at 20.7%¹². Clearly Australia has a shortage of jobs and penalising young people who are not able to find suitable employment (as well as

⁶ P Kinnear P 'Mutual obligation: a reasonable policy?' in T Eardley and E Bradbury (eds) *Competing Visions: Refereed Proceedings of the National Social Policy Conference 2001* Social Policy Research Centre, University of New South Wales, Sydney pp 248–63, 2002.

⁷ J Hockey, 'We are a nation of lifters, not leaners: an abridged version of Treasurer Joe Hockey's budget night speech', the Australian Financial Review, 14 May 2014, available from: http://www.afr.com/p/national/budget/joe_hockey_we_are_nation_of_lifters_emUX2Sg4Gm8S6T7L59KNvL, 2014.

⁸ E Griffiths and N Woodley, 'Welfare cuts may leave 500,000 young people in need of emergency aid: Department of Social Services', ABC News, 5 June 2014, available from: <http://www.abc.net.au/news/2014-06-05/500000-australians-may-need-emergency-aid-after-budget-cuts/5501532>

⁹ Australian Bureau of Statistics (ABS), *Labour Force, Australia*, Jun 2014, May 2014. ABS cat. no. 6202.0. Canberra: ABS, 2014.

¹⁰ Australian Bureau of Statistics (ABS), *Job Vacancies Australia*, May 2014. ABS cat. no. 6354.0. Canberra: ABS, 2014.

¹¹ Australian Bureau of Statistics (ABS), *Underemployed Workers*, September 2013. ABS cat. no. 6265.0. Canberra: ABS, 2014.

¹² Skills for All, 'Labour Market Information and Statistics', South Australian Government, <http://www.skills.sa.gov.au/workforce-information/labour-market>, viewed 17 July 2014, 2014.

excluding them from an income for extended periods) will do nothing to enhance their personal capacity or limit their risk of long-term unemployment. The Government has systematically dismantled many of the supports that were available for the most disadvantaged young people, leaving them with fewer options and opportunities.

Specific answers to the discussion questions posed in the review report

In what circumstances should young people be able to access income support in their own right?

The Federal Government has re-framed and re-drawn the boundaries regarding who is considered a dependent in Australia. While it is generally considered within a range of Australian legislation that an individual is an adult at the age of 18 years (and that the financial responsibility of the individual's parents ends at that time), proposed changes now expect and assume that people under the age of thirty years can have their existence subsidised by parents and or family members until they find employment or training.

As YACSA has outlined several times previously, this assumption is simply not true and many young people do not have families or extended networks that can support them financially while they study or look for work.

Importantly, one of the greatest disadvantages facing young people is the disparity of income compared to the wider population. As a result of high levels of youth unemployment and diminished income support payments, young people living in low-income households face a significant risk of poverty and disadvantage. Levels of income, including Youth Allowance and youth wages are lower than those received by the rest of the population, once again supported by the assumption that young people have family who will subsidise their existence.

This situation was compounded with the 2014 Federal Budget announcement that the eligibility age for Newstart will now rise from 22 to 25 years. This means that young people who would have previously qualified for the higher rate of Newstart Allowance when they turned 22 will now be forced to wait a further three years before being eligible to receive an additional \$48 per week.

Unfortunately, what seems to have escaped the notice of some decision makers is that young people do not receive subsidies on the essentials of life; they are expected to pay the same amount for utilities, rent, petrol, health-care and food that older Australians pay. This is of great concern to YACSA as the rate of income available via Youth Allowance does not adequately cover many of these basic elements needed to live, look for work or study and does nothing to close the disparity in income levels between young people and the rest of the population¹³.

Eligibility for the independent rate for a range of income support payments should be based on an understanding that not all young people have familial supports to call on for financial assistance and should be based on personal circumstances and not based on age.

How could Rent Assistance be better targeted to meet the needs of people in public or private rental housing?

YACSA concurs with Recommendation 102 of the Henry Review (Australia's Future Tax System Review) and believe that the maximum rate of Rent Assistance should be increased (indexed based on state

¹³ E Han, Tough choices for students on Youth Allowance, April 17, 2012, available from: <http://www.smh.com.au/national/education/tough-choices-for-students-on-youth-allowance-20120416-1x3vd.html>, 2012.

and national rent market prices) to enable people with low incomes to access the private rental market and to broadly be able to afford a dwelling of adequate standard. Currently, young people are amongst the hardest hit by the inadequacy of Rent Assistance. It has been found that two out of three independent young people, who are either looking for work or studying, while receiving Austudy or Youth Allowance are still in rental stress after receiving Rent Assistance¹⁴.

In what circumstances should income management be applied?

YACSA strongly opposes the use of involuntary income management particularly on already marginalised and disadvantaged populations. The often lauded successes of this invasive, discriminatory and paternalistic policy are not backed up by any solid evidence and the personal stories of people subject to income management are replete with experiences of disempowerment and feelings of discrimination¹⁵. In fact, YACSA members who are subject to income management processes in the City of Playford have described the stigma and negative self-esteem that this policy inspires and how this impacts upon their self-agency.

In 2012, the first evaluation report of the income management program originally instigated as part of the Northern Territory Emergency Response (NTER) was released. Despite reports of great successes in income management and calls for the approach to be broadened to include greater numbers of income support recipients, real successes on the ground have not been uncovered in the results of the evaluation. In fact, compulsory income management has been flagged by evaluation respondents as contributing to significant feelings of disempowerment and unfairness¹⁶. If one of the pillars of this reform draft is the strengthening of individual, family and community capacity, YACSA does not believe that this will be facilitated by such a paternalistic and disempowering social policy.

What is the best way of ensuring that people on income support meet their obligations?

Again, YACSA strongly opposes the use of involuntary income management on young people and other income support recipients. Income Management has not been shown to provide any appreciable positive benefits to those who have been subject to it involuntarily.

If a broader application of income management were to become a reality, YACSA would be opposed to any strict punitive compliance system. Survey data released in 2005 demonstrates that young people in receipt of income support (45.6%) are more likely to be breached than other groups and these young people are more likely to come from households under financial stress¹⁷. This breaching can lead to a number of adverse impacts including an inability to buy food and pay for utilities and rent which increases the risk of homelessness, an inability to pay for medical care or medications, and an inability to pay the most rudimentary costs of job seeking.

¹⁴ T Archer, 'Fixing Rent Assistance', *Insight*, Issue 6, 2012.

¹⁵ J.R Bray, M Gray, K Hand, B Bradbury, C Eastman, and I Katz, 'Evaluating New Income Management in the Northern Territory: First Evaluation Report', Department of Families, Housing, Community Services and Indigenous Affairs, <http://caepr.anu.edu.au/sites/default/files/announce/12/NIM%20First%20Evaluation%20Report.pdf>, viewed 29 July 2014, 2012.

¹⁶ J.R Bray, M Gray, K Hand, B Bradbury, C Eastman, and I Katz, 'Evaluating New Income Management in the Northern Territory: First Evaluation Report', Department of Families, Housing, Community Services and Indigenous Affairs, <http://caepr.anu.edu.au/sites/default/files/announce/12/NIM%20First%20Evaluation%20Report.pdf>, viewed 29 July 2014, 2012.

¹⁷ T Eardley, J Brown M Rawsthorne, K Norris and L Emrys, *The Impact of Breaching on Income Support Customers*. Social Policy Research Centre: University of New South Wales, 2005.

Young people on income support should be adequately and appropriately supported to comply with obligations based on an understanding of the negative impacts of this policy.

How can transition pathways for disadvantaged job seekers, including young people, be enhanced?

Transition pathways for disadvantaged job seekers are a vitally important way to prepare some young people - who are disengaged from study and employment - to enter into employment or access and successfully complete training opportunities. Programs such as the recently defunded 'Youth Connections' program has been crucial in supporting the most vulnerable and marginalised young people to prepare for working or for study. Youth Connections is a program that was developed to assist young people, 15 to 19 years who had not completed, or were at risk of not completing Year 12 (or equivalent qualifications) to transition to further education, training or employment.

In 2013, a destination study that investigated the current educational and financial position of 206 young people (who received a 'final outcome' from the Youth Connections program in 2011) was undertaken. According to the study:

- 94.2% of respondents reported that they either stayed in education or were in employment
- 53.8% of respondents reported that they were not receiving any Centrelink income assistance (a majority of those were receiving Youth Allowance)
- Two years after Youth Connections, 81.5% of respondents reported that they were still in education or in employment.
- Seventeen of the respondents reported undertaking a traineeship or an apprenticeship
- Of the respondents who undertook a vocational education pathway, 70 respondents reported TAFE Certificate Level 2 or higher. Two respondents reported receiving a Diploma and 45 participants reported a high school education attainment of Year 11 or 12¹⁸.

Youth Connections is a successful program that has supported 30,000 young people each year and with a national youth unemployment rate of 13.5%, with many regions as high as 20% (20.7% in South Australia¹⁹), programs such as this are more important than ever²⁰.

As these national programs assist the most marginalised and vulnerable young people to 'learn or earn', YACSA urges the Federal Government to support successful ventures such as Youth Connections with adequate long-term funding.

How can vocational education and training into real jobs be better targeted?

Compounding the defunding of transition pathways programs, the Federal Government has also announced a 23% reduction in VET funding to the states between 2014/15 and 2017/18. On the ground, these cuts will result in the closure of ten VET programs over the next five years in South Australia and equate to the loss of 20,000 training places.

¹⁸ Youth Connections, 'Destination Study Where are they now? Survey data from Youth Connections clients who participated in Youth Connections in 2011',

[http://ja.com.au/sites/default/files/\[user\]/files/events/Destination%20Study.pdf](http://ja.com.au/sites/default/files/[user]/files/events/Destination%20Study.pdf), viewed 7 August 2014, 2013

¹⁹ Skills for All, 'Labour Market Information and Statistics', South Australian Government, <http://www.skills.sa.gov.au/workforce-information/labour-market>, viewed 17 July 2014, 2014.

²⁰ Pro Bono Australia, 'Youth Employment Program on the Chopping Block', Pro Bono News, 8 April 2014, available from: <http://www.probonoaustralia.com.au/news/2014/04/youth-employment-program-chopping-block#sthash.xCu2SR2M.dpuf>, 2014.

The defunding of important programs that help create pathways into employment or training for our most vulnerable and disengaged young people is bewildering and will have significant impacts on their ability to access training and employment opportunities. This will be made worse by the potential changes to welfare, increases to the cost of TAFE and university courses and the increasing cost of going to the doctor and buying pharmaceuticals.

The reduction of VET training opportunities (the equivalent of 20,000 training places) will mean in real terms that there will be fewer young people learning a trade which is an historically important pathway to employment for many young people.

In fact, the Federal Minister for Trade and Investment, the Hon Andrew Robb and the Assistant Minister for Immigration and Border Protection, Senator the Hon. Michaelia Cash recently announced that due to an increase in foreign investment in hotels, resorts and tourism, a number of trades have been added to the Skilled Occupation List (SOL) to meet demand. Trade roles such as chefs, bricklayers and wall and floor tilers have been added to the SOL to meet the needs of the Australian economy both now and into the future²¹. With such a marked increase in demand for trades, VET places will be more important than ever.

YACSA advocate strongly for the valuable role that transition programs and VET programs play in assisting young people into employment and for the strong coordination role of the Federal Government in ensuring that this program is better targeted in areas of most need. The programs could be better targeted in areas of high employment and increased disadvantage (by partnerships between communities, schools, employers, training organisations and State and Federal Government's) but this will only occur if the Federal Government supports VET through funding and national coordination.

What can be done to improve access to literacy, numeracy and job relevant training for young people at risk of unemployment?

Despite the lauded successes of the Australian Job Network (Job Services Australia) and rhetoric surrounding a tailored service to job seekers, high caseloads usually means the impacts of the Job Services Australia on individual job seekers can be limited²². Due to funding and contract arrangements with Government, training and assistance by Job Services Australia providers is often delivered in a one size fits all manner and positive results for job seekers in preparing them for employment (and actually securing employment) has been varied²³.

For job relevant training to be most effective, actual individual and tailored training on a case by case basis needs to occur. Again, programs like Youth Connections and other community focussed training programs are better placed to offer individual and intensive support for young people to develop the skills that they need to prepare for and secure employment.

How can a focus on 'earn or learn' for young Australians be enhanced?

Engaging young people in education or employment is a positive goal which limits the risk of long-term unemployment. However, for such a policy to be effective recognition of the barriers of

²¹ The Hon Andrew Robb AO MP, In-demand trades added to the skilled occupation list', Minister for Trade and Investment [Media Release], available from:

http://www.trademinister.gov.au/releases/Pages/2014/ar_mr_140609.aspx, 9 June 2014.

²² L Fowkes, 'Rethinking Australia's Employment Services', Sydney: Whitlam Institute, http://www.whitlam.org/_data/assets/pdf_file/0004/181183/Rethinking_Australias_Employment_Services.pdf, viewed 5 8 2014, 2011.

²³ Ibid, page 11.

individual unmet needs and circumstances must be the basis of the policy and the ways in which programs and supports are funded and delivered²⁴.

Young people need support, not coercion and retribution. There needs to be tailored, flexible, accessible and innovative approaches that support young people to re-engage with study, training or employment (such as Youth Connections). These approaches must acknowledge the needs of young people and base services on what they want for their future jobs and careers. Services need to be well-funded, offer long-term support and be delivered via youth friendly service providers²⁵. YACSA emphasises that this is critical to take 'earn or learn' beyond a hackneyed slogan to an accessible and successful pathway to education or employment.

How can disadvantaged job seekers be encouraged to participate in their community to improve their employment outcomes?

It is important not to underestimate the effect of income on the ability and motivation of individuals to develop a greater level of social connectedness. Low levels of personal income contribute significantly to social and financial exclusion, which determines how you are able to financially participate in the world around you²⁶.

With Youth Allowance for single people living away from home being only 32% of minimum wage²⁷ and almost \$300 under the poverty line weekly earnings²⁸, Youth Allowance recipients already find it difficult to live successfully and independently. By the Government increasing the minimum age at which an individual can apply for Newstart to 25 (despite Newstart also being \$248.46 under the Poverty Line) and potentially introducing a six month exclusion period to access income support, greater numbers of young people up until the age of thirty years will face increasing hardship on an allowance that is inadequate to live independently while looking for work or studying.

Personal income determines standards of housing, living conditions, money to pay bills and utilities, the quality of the food we eat, access to quality health care, access to quality education, our mobility and our ability to participate in our community²⁹.

If the rates of income supports are not raised and changes to income support eligibility and exclusion periods come into effect, the severe financial hardship that this will cause will act as a significant barrier for young people and other income support recipients to participate in their communities.

What strategies help build community resilience, particularly in disadvantaged communities?

Resilient communities are those which are knowledgeable, well organised, connected, healthy, engaged in the development of social policy, have access to health care, services and supports and have access to employment opportunities and a reasonable livelihood³⁰.

²⁴ N Lammas, 'Beyond Learn or Earn, Young People tell how policy can better support those who need it most', Australian Youth Affairs Coalition, 2012.

²⁵ Ibid, page 5.

²⁶ R Cannon, The Social Determinants of Health, SACOSS Information Paper, December 2008.

²⁷ Fairwork Ombudsman, 'Minimum Wage', The Australian Government, 2014.

²⁸ Melbourne Institute of Applied Economic and Social Research, 'Poverty Lines: Australia', ISSN 1448-0530 December Quarter 2013, , <https://melbourneinstitute.com/downloads/publications/Poverty%20Lines/Poverty-lines-Australia-Dec-2013.pdf>, viewed 17 July 2014, 2013.

²⁹ R Cannon, The Social Determinants of Health, SACOSS Information Paper, December 2008.

³⁰ International Federation of Red Cross and Red Crescent Societies, 'The road to resilience: Bridging relief and development for a more sustainable future: IFRC discussion paper on resilience – June 2012', Geneva,

With the spectre of increasing disadvantage in Australia (particularly for young people), as a result of the proposed changes to income support eligibility, several barriers will stand in the way of any attempt to build community resilience, particularly within already disadvantaged communities.

Rising unemployment in South Australia will impact on communities with the jobless rate jumping to 7.1%³¹ (the highest rate in the country) and the youth unemployment rate even higher at 20.7%³². This demonstrates a less than robust employment market in which young people are already having difficulty finding employment. It is these young people who will bear the brunt of the proposed changes to income support that will see reduced access to higher rates of income and complete exclusion from income for six months or more. How will low or no access to income impact on the health and wellbeing of individuals and communities?

YACSA emphasises the devastating impact that many of the Federal Government's proposed changes will have on young people and the impact that this will have on building more resilient individuals and communities.

Conclusion

The McClure Review report highlights many potential changes to the income support system in Australia with a view to making it a less complex and more sustainable system for the future.

While the Youth Affairs Council of South Australia commends moves to create a fairer and less complex income support system, particularly for young people, we believe that recently announced changes by the Federal Government will impede many of the mooted reforms contained within this report, particularly in regards to increasing personal, familial and community resilience and capacity.

YACSA through this review urges Government to develop social policy based upon all available evidence. When Government makes policy decisions that potentially prolong the time period that young people receive low rates of income support or leave young people without money for six months or more (particularly in a weak employment market) these policy decisions can only lead to significant disadvantage.

To ensure that unemployed young people do not face further experiences of disadvantage, baseless and reactionary policy decisions that run the very real risk of significant and long term impacts on young people should be roundly rejected.

[http://www.ifrc.org/PageFiles/96178/1224500-Road%20to%20resilience-EN-LowRes%20\(2\).pdf](http://www.ifrc.org/PageFiles/96178/1224500-Road%20to%20resilience-EN-LowRes%20(2).pdf), viewed 17 July 2014, Geneva, 2012

³¹ J Gothe-Snape, "Unemployment rate in South Australia hits highest level since 2001", The Advertiser, April 10 2014, available from: <http://www.adelaidenow.com.au/news/south-australia/unemployment-rate-in-south-australia-hits-highest-level-since-2001/story-fni6uo1m-1226879883515?nk=bfea29fb84461f176793c687fc55c673>

³² Skills for All, 'Labour Market Information and Statistics', South Australian Government, viewed 17 July 2014, <http://www.skills.sa.gov.au/workforce-information/labour-market>, 2014.