

AASW Opinion Piece

Budget shadow tells the real story: Youth will continue to struggle

There are some confusing messages from the media about the winners and losers in this Budget. For instance the [Fairfax Press](#) thought young people were winners because they weren't going to be kicked as hard in the 2015 budget as they were in the 2014 budget. The [ABC](#) thought that on balance young people's position was neutral. What they failed to see was that the young unemployed and students will continue to receive the grossly inadequate Youth Allowance, which currently pays just \$30.49 per day for a single person over 18 living away from home.

Mature reflection on a budget requires looking at what the Government tells you to look at, and at its shadow – that which the Government would like to remain hidden. The deepest shadows this year are those in areas which neither the Government nor the Opposition wish us to gaze.

One such shadow is the level of payments for Youth Allowance, Newstart, Austudy and Abstudy. With bipartisan support the rate of all these allowances has been falling since the late 1990s compared to pensions. We are effectively building an underclass during a period when our country has never been richer and more affluent.

Programs such as SBS' Struggle Street do not show the long hard grind of families and individuals striving to overcome poverty and difficult backgrounds in order to make satisfying, useful lives in our community. These are the people who rely on Youth Allowance and Newstart when times are tough and on Youth Allowance, Austudy and Abstudy while they seek to improve their lives by studying. Maintaining these allowances at well below the poverty line kicks them twice and, as such, the Government and Opposition's silence on them is a disgrace.

The Government should be doubly disgraced by its budget announcement to spend \$24.9 million to save \$6.9 million under its [further strengthening the job seeker compliance arrangements](#). As the Australian Association of Social Workers (AASW) pointed out in a [submission](#) to the Senate last year, an approach like this is unlikely to substantially help because the government does not know or understand the reasons behind the high rates of non-attendance at compulsory appointments. Ill thought through job seeker compliance arrangements are also likely to specifically and needlessly harass youth who have come from disadvantaged families including those who are leaving the care of the State.

Another deep budget shadow involves the failure to address the inadequacies of Commonwealth Rent Assistance scheme (CRA). The Government's [McClure report](#) on welfare reform found that CRA is both inadequate and poorly targeted. Yet the budget is strangely silent on any changes to this payment that is relied upon by one million singles and families. As the McClure report found, "income support recipients have to cover more of the costs of rent from their income support and family assistance payments, which reduces the income available to cover other living costs."

Meanwhile the Treasurer is spreading the "spend, spend, spend" message. To those who are struggling as a result of the inadequacies of this budget, this is an insult. They will get very little benefit from the changes in tax arrangements for small businesses that allow immediate deductions of any asset costing less than \$20,000 (which will cost \$1.8 billion). Their children will not benefit from early childhood education (child care package) because they will struggle to meet the work criteria. And if they happen to be experiencing the horrors of family violence, the services they might have attended to help them out of extreme disadvantage are likely no longer being funded by this government. The changes in tax arrangements for small business

may or may not help stimulate the economy. What would have certainly stimulated the economy is to increase Commonwealth Rent Assistance and Allowances by a similar amount; to provide services to women to escape family violence so they can build the security that will allow them to participate in society, or to help people experiencing accommodation stress in to secure housing. These are just some of the measures that would have reduced poverty and given a clear message that this government had really changed direction and was committed to fairness.

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15 May 2015