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YACWA breaks down #Budget2015



YACWA Members,

As you know last night the Federal Government handed down it's second Budget. We have taken the time to break down key commitments and measures that will impact directly on young people and the youth sector for you.

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After young people were a clear and direct target of last year's budget we are pleased that this year has seen positive steps forwards including a Youth Connections replacement and other youth employment/education strategies.

However, the Government is retaining punitive welfare measures that will put young people at risk of homelessness. YACWA will continue to advocate against these measures in the coming weeks - you can see our initial media relase online **here**.

Feel free to get in touch if you have any questions we can assist you with or if you want to share your story about how the budget will affect you.

Craig Comrie CEO

Education

Higher Education Participation Program – Adjustment

Measure: \$5 million reduction in funding in the 2015-2016 financial year.

Impact: This program targets those Australians from disadvantaged backgrounds to ensure that those who are capable have the opportunity to study at university and succeed at doing so.

A \$5million reduction in funding for this program will make it more difficult for young people from disadvantaged backgrounds to access tertiary education. This measure could increase the gap in earning potential between young people from disadvantaged backgrounds and their peers.

Improving the Quality of Teachers and Teacher Education Courses

Measure: \$16.9million investment over four years to improve student learning outcome through improving the quality of initial teacher education.

Impact: Improving the quality of teaching will benefit young people through improved education, and ultimately employment, outcomes. There is, however, some uncertainty regarding how this will impact the Federal Education Department supported program *Teach for Australia*.

VET FEE-HELP – Enhanced Compliance Regime

Measure: \$18.2 million over four years

Impact: The VET sector is a significant provider of training services to young people and it is important that they are maintained at a high standard. These investment measures have the potential to have a positive impact on young people through ensuring the integrity of the VET sector and protecting students from incurring unnecessary costs.

To see the full Education Budget commitments head to the following link: http://www.budget.gov.au/2015-16/content/bp2/html/bp2_expense-09.htm

Employment

Beacon Foundation – Grant Funding

Measure: \$950,000 grant to the Beacon Foundation to extend their Real Future Generation Program until 2016.

Impact: This program is targeted specifically at young people to assist them to develop career skills to effectively transition from education to employment. This grant only allows the program to be extended until January 2016. As a foundation which focuses on the most vulnerable young people in society the cessation of this program will lead to a gap in services which is likely to cause negative employment and social outcomes for those involved.

Growing Jobs and Small Business – Engaging Early School Leavers

Measure: \$13.5 million over four years, to start January 2016.

Impact: This budget measure directly targets young people aged 15-21 years (inclusive). It strengthens activity requirements for all early school leavers to ensure they stay in full time education or a combination of education and part time work. There is some scope for this to improve the employment outcomes of young people however there is uncertainty as to what exceptions will be provided for vulnerable young people unable to meet activity requirements due to geographic location or personal circumstances. It is important that any measure of this kind has provisions to recognise the unique disadvantages some young people face.

Growing Jobs and Small Business – Further Strengthening the Job Seeker Compliance Arrangements.

Measure: \$24.9 million over 4 years to strengthen the job seeker compliance framework, to begin on 1 July 2015.

Impact: This measure will extend the "no show, no pay" principle which has the potential to unfairly punish vulnerable young people who are unable to attend an appointment or activity through no fault of their own, for example lack of transport.

Growing Jobs and Small Business – Wage Subsidies

Measure: Expanded eligibility for the Youth Wage Subsidy to include eligible job seekers aged 15-29 years of age after six months in *jobactive*.

Impact: Through encouraging employers who chose to employ long term unemployed young people this measure has the potential to reduce the current level of youth unemployment.

National Work Experience Program

Measure: \$18.3 million over 5 years to vary existing unpaid work experience arrangements, allowing job seekers to undertake up to 25 hours of unpaid work experience for up to four weeks where there is the likelihood of employment as a result.

Impact: These measures will significantly affect young people as they are overwhelmingly the most likely to take up unpaid work experience opportunities. It is unclear as how the "likelihood of employment" will be assessed to ensure the work experience undertaken is of high value and does not take advantage of young inexperienced workers.

To see the full Employment Budget commitments head to the following link: http://www.budget.gov.au/2015-16/content/bp2/html/bp2_expense-10.htm

The New Youth Employment Strategy: Youth Transitions

The budget outlines provisions for a new Youth Employment strategy which spans a number of departments.

The following measures are being undertaken;

Human Services - \$212 million over four years to provide a new intensive support service to assist young people aged 15 to 21 who are at risk of long-term unemployment.

Social Services – intensive support for vulnerable job seekers. \$105.7 million over five years to improve employment, educational and social outcomes for parents and young people who are unemployed, have a mental health condition are refugees or vulnerable migrants.

Social Services - revised waiting period for Youth Allowance.

How the Youth Employment strategy will affect young people;

This program will replace the services cut under the defunding of the Youth Connections program in the 2014-2015 budget. The new program is likely to achieve positive employment outcomes for young people through targeted case management and a regional approach. The inclusion of targeted assistance for those with mental illness, young refugees and vulnerable migrants has the potential for significant improvements in outcomes for those young people who are most vulnerable, in much the same way as its predecessor Youth Connections did. One of the challenges

of this program is that it will not be up and running until January 2016 leaving a 12month gap in services since the defunding of Youth Connections. This leaves young people without employment support services for 12months.

The proposed waiting period for income support for young people has been reduced from 6months to 4 weeks and the age threshold reduced to 25. Even a four-week wait has the potential to put young people under severe financial stress increasing the risk of homelessness and long-term unemployment.

Social Services

ABSTUDY

Measure: \$10million over five years to extend the ABSTUDY Under-16 Boarding Supplement to approve hostels beginning 1 July 2015.

Impact: Young people from Aboriginal and Torres Strait Islander backgrounds, particularly those from remote communities, are for a range of reasons, likely to achieve lower educational outcomes than their peers. Extending this funding will help to assist young people from Aboriginal and Torres Strait Islander backgrounds to actively engage in education. This has the potential for wider benefits to employment and social outcomes. However, it is important to recognise the unique experiences of young people from remote communities and the tendency towards better outcomes if connections with their communities are maintained.

Growing Jobs and Small Business - Increasing the Age of Eligibility for Newstart Allowance and Sickness Allowance

Measure: Eligibility requirements for Newstart Allowance and Sickness Allowance will change from 22 to 25 years of age from 1 July 2016. Those aged 22-25 currently receiving those allowances will continue to do so.

Impact: These changes are based on the assumption that those ages 22-24 are in a significantly different position to those aged over 25. In most cases young people aged 22-25 are already incurring very real adult costs. Changing eligibility requirements could put undue financial pressure on young people, particularly those most vulnerable.

National Partnership Agreement on Homelessness-Extension

Measure: \$230million over two years to extend the National Partnership Agreement on Homelessness to 30 June 2017

Impact: Young people, particularly those facing mental illness and those in the LGBTIQ community, are most at risk of homelessness. Providing certainty for the ongoing provision of these services will have a positive impact on the youth services sector and clients who access their services. The ongoing provision of services in this area gives those experiencing homelessness the opportunity to build a stable living environment. A stable living environment provides a basis upon which to build community connections and achieve improved employment and education outcomes. As such it is important that this agreement is funded beyond the 30 June 2017 end date to ensure there is ongoing access to support services.

To see the full Social Services Budget commitments head to the following link: http://www.budget.gov.au/2015-16/content/bp2/html/bp2_expense-20.htm

Human Services

Strengthening the Integrity of Welfare Payments

Measure: \$1.7 billion over five years to fund enhanced fraud prevention and debt recovery capability.

Impact: The vast majority of young people access income support and welfare services legitimately. It is important that all young people feel supported when they find themselves in financial difficulty and the increased emphasis on integrity measures could act to place further shame on young people who access income support.

To see the full Human Services Budget commitments head to the following link: http://www.budget.gov.au/2015-16/content/bp2/html/bp2_expense-15.htm

What we didn't see in the budget

- Increases in mental health funding, particularly for young people or those from disadvantaged backgrounds.
- Any housing affordability measures or further youth homelessness initiatives.
- Improved education programs on sexual health and healthy relationships.

To see full details of the 2015 Federal Budget head to the following link: http://www.budget.gov.au/

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