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YNOT Executive Summary: Public Hearing on the Adequacy of Newstart and related allowances.

Thank you for the opportunity to contribute to the conversation on the adequacy of Newstart.

YNOT is the peak body representing the interests of 85,000 young Tasmanians aged 12-25¹, 60 member organisations, and the Tasmanian youth sector more broadly.

Our mission is to work with young people, the Tasmanian youth sector, the community and all levels of government to increase the participation and contribution of young people in the State.

As the peak body and leading voice for young Tasmanians, we welcome the opportunity to share the views and opinions of young people regarding the adequacy of Newstart and related payments, particularly Youth Allowance.

However, in all honesty we are perplexed as to why we are still having a conversation about the adequacy Newstart and Youth Allowance. There is a plethora of evidence already available that tells us that these income support payments are too low, that they have not kept up with the cost of living and that they are forcing people to live below the poverty line.

YNOT joins ACOSS, youth peak bodies around the country and others in calling on the Government to raise the rate of Newstart and related payments.

As the peak body for young Tasmanians we regularly engage with young people on issues that impact their life – on issues that are important and relevant to them.

We have heard firsthand the financial stress and impossible challenges young people experience living on grossly inadequate income support.

Young people have told us that they are forced to make difficult decision between paying for their rent or paying for food, electricity, heating, transport, phone credit, internet or medical treatment – decisions that no one should have to make.

It's a balancing act, and there's always something that must give.

¹ Australian Bureau of Statistics 2001.0 Census of Population and Housing, accessed 10/11/2018

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Sadly, we have heard reports of young Tasmanians going hungry; skipping meals all together or relying on free food programs from community services to fill their empty stomachs.

We have heard reports of young Tasmanian's borrowing money from others to pay their bills, becoming entrenched in an ongoing cycle of debt that is near impossible to break.

Alarmingly, we have heard reports of young people forgoing medical, dental and optical treatment resulting in poor physical and mental health and wellbeing outcomes.

We hear about the barriers young people face in finding work because they can't afford appropriate clothes for interview, public transport, internet access or phone credit – all of which are essential in finding work in today's world.

As a society we should be supporting our young people to flourish, to be actively engaged in community life and to have the access to the resources they need to reach their full potential – to live with dignity and security, and to put their best foot forward in finding employment in an incredibly competitive and over-crowded job market.

Inadequate Newstart and Youth Allowance payments contribute to young people living in poverty and experiencing significant disadvantage, stigmatisation and social isolation.

A 2018 report by ACOSS and the University of NSW 'Poverty in Australia' suggest that those experiencing poverty at the highest rates are individuals relying on Government allowances – 64% of people on Youth Allowance and 55% of people receiving Newstart.

Young people should not be forced to live in poverty as they look for work, complete their apprenticeship or continue their studies. They should not just merely survive, they should be supported to thrive.

Importantly, we also need to change the narrative about Newstart being a transitional support payment for people during periods of short-term unemployment.

June 2019 Department of Social Service data suggests that the average length of time an individual receives Newstart benefits is just over 3 years (162 weeks)².

The average length of time an individual receives Youth Allowance is over a year for job seekers (70 weeks) and close to one and a half years for students and apprentices (75 weeks)².

This means that individuals receiving Newstart and Youth Allowance are forced to live in poverty for extended periods of time, impacting all facets of their life.

We believe the rate of Newstart and Youth Allowance must be raised immediately to reflect the cost of living.

Ends

Ms. Tania Hunt, CEO, YNOT, 0427 466 189

² Department of Social Services (DSS) Demographic Data, September 2019. Accessed 1/11/2019

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