



**Australian Government**

**Department of Families, Housing,  
Community Services and Indigenous Affairs**

Committee Secretary  
Senate Standing Committees on Community Affairs  
PO Box 6100  
Parliament House  
Canberra ACT 2600

Dear Committee Secretary

**Social Security and Other Legislation Amendment (2012 Budget and Other Measures) Bill 2012**

I am writing in response to the submission provided by the National Welfare Rights Network (NWRN) in relation to the Senate Standing Committees on Community Affairs inquiry into the *Social Security and Other Legislation Amendment (2012 Budget and Other Measures) Bill 2012*.

In particular, NWRN raised some concerns in relation to Schedule 3 of the Bill which makes changes to the child age eligibility rules for Family Tax Benefit (FTB) Part A. On page 10 of the NWRN submission, it states:

Most obvious, in terms of eligibility, is that the Parental Income Test (PIT) will act to disqualify many young people from any entitlement. This could result in the young person having no visible, or actual means of support. The young person may need to make a claim for Youth Allowance under the 'unreasonable to live at home' requirements, though there are very strict criteria attached to the granting of this payment.

Parents may be unwilling, or unable to financially support young people. Some young people find that they are simply unsuited to further education and a school environment. They may experience significant mental health problems or mild intellectual disabilities, yet they are now supposed to fend for themselves under these new arrangements.

The loss of family income may create or exacerbate family tensions or neglect, and could also place vulnerable young people at risk of homelessness.

It is important to clarify that young people and their families who are not able to access Youth Allowance fall into one of two categories:

- they family has sufficient means to support the young person and does not need Youth Allowance, or

- the young person is not undertaking an approved activity and is not qualified for Youth Allowance. This group can remedy their situation by commencing study or job search activities.

The Youth Allowance Parental Income Test is designed to assess whether the parent has sufficient resources to support their dependent children. As such it is not accurate to say that a young person who cannot access Youth Allowance due to parental income testing has "no visible or actual means of support". Moreover, while the parent was receiving FTB for the young person (currently up to \$2,000 a year), the young person also relied on their parents for support. The FTB Part A base rate is not intended to fully meet the costs of children and the FTB amount would not have been the only resource employed by the parents to provide that support.

If parents are refusing to support their child, then this would have already applied when the family was claiming FTB. In this situation, the young person would need to consider whether they should to test their eligibility for Youth Allowance on the "unreasonable to live at home" provisions.

I trust this information will assist the Committee's consideration of the Bill.

Yours sincerely

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