



Senate Select Committee on COVID-19
Committee Secretary
Department of the Senate
PO Box 6100
Parliament House
Canberra ACT 2600

28th May 2020

Dear Committee Secretary,

Young Australians and the response to COVID-19

The Australian Youth Affairs Coalition (AYAC) welcomes this opportunity to provide our submission to the Select Committee on COVID-19.

In addition to the issues presented in this submission, we would like to highlight the urgent need for the Committee and the structures of Government, to hear directly from young people about the immediate and long-term impact of COVID-19 on their lives and their futures.

We call for the Australian Government to guarantee that young people will be a priority focus of our economic recovery in response to COVID-19. While young people are being disproportionately impacted by COVID-19, they are also the solution to our long-term economic wellbeing in Australia. Investing in young people now will ensure our economic and social fabric is the strongest it can be leading into the future.

Urgent action is needed to mitigate the grim reality of significant and prolonged youth unemployment due to the COVID-19 crisis, and damaging flow-on effects such as mental ill-health and homelessness. We call for investment to implement or scale existing recommended solutions; in demand-side strategies such as job creation through infrastructure projects and industry partnerships; and in collaboration with young people to develop innovative new approaches.

We would welcome the opportunity to meet with the Committee and discuss our submission further.

Yours Sincerely,

Nadine Liddy and James McDougall

AYAC Co-Chairs

1. Background

The Australian Youth Affairs Coalition (AYAC) is the national peak body for youth affairs in Australia, representing young people and the services that work with them. AYAC has broad networks with Australia's diverse youth sector, young people and youth-led organisations with more than 70 member organisations in all states and territories.

Despite the withdrawal of Federal Government funding in 2014, AYAC remains Australia's national peak body representing young people and the youth sector and is currently playing a central role in supporting and coordinating advocacy responses in the context of COVID-19.

The COVID-19 pandemic is presenting significant challenges and acute uncertainty for all Australians and is a particularly critical time for Australia's young people and AYAC members. Young people are disproportionately impacted by the COVID-19 pandemic as they navigate unprecedented disruptions to education and training, employment and social participation – at a time when they are establishing life-long foundations and navigating transitions for successful economic, social and civic participation. The long-term implications will be felt most acutely by those young people who are already experiencing systemic inequality and exclusion.

Snapshot of current impacts on young people:

- The official youth unemployment rate is 13.8 %, more than double the national average and at this early stage of the pandemic already mirrors what was seen following the GFC (ABS, 14 May 2020; Parker et al, 2016).
- In March 2020 youth underemployment was already at 18.2% and is likely to rise significantly (Birch, 2020).
- Young people constitute 54% of the casual workforce and more than 25% of these are ineligible for the JobKeeper payment (Dimov et al, 2020).
- Sectors such as hospitality, retail, the arts and recreation that employ 45% of young people have been among the most impacted by COVID-19 (Dimv et al, 2020).
- 33% of people who have accessed superannuation early are under the age of 30 resulting in a loss of retirement income of an estimated \$100,000 to \$120,000 (Wright, 2020b).
- It is estimated that already more than 10% of residential tenants have requested rent reductions with many in rental arrears, potentially resulting in a rental debt crisis that will disproportionately impact the more than 55% of tenants under the age of 35 (Ziffer, 2020).
- The proportion of 18 to 24 year olds experiencing severe psychological distress as a result of COVID-19 has increased from 14% (Feb, 2020) to 22.3% in April (ANU, 2020).
- Modelling in Victoria alone suggests a 30% increase in mental illness with an additional 82,000 young people aged 12 to 24 years expected to require treatment as a result of COVID-19 (Towell and McCauley, 2020).
- A predicted rise of 50% in suicide rates in the wake of economic deterioration, with more than 40% of those among young people (O'Sullivan, 2020).

- 46% of children and young people are at risk of adverse effects on their educational outcomes and their health and emotional wellbeing as a result of being physically disconnected from school (Duffy, 2020).

2. Discussion – young people, economic participation and Australia’s economic recovery

While the COVID-19 pandemic will substantially change the lives of all Australians for the foreseeable future, young people are particularly vulnerable and already face numerous life barriers and challenges, now being sharply exacerbated by COVID-19.

The impact of COVID-19 on young people in Australia has been direct and immediate. Employment, education, housing, access to services, social connection, sporting and cultural activities have all been sharply disrupted. In the medium to long-term, the delays in critical transitions and the predicted economic downturn will disproportionately affect young people in myriad and complex ways. Many organisations and academics are predicting sustained and deleterious consequences for our current generation of young people, and those that will follow.

Current Status

Youth unemployment is already at a staggering 13.8%, more than double the national average with 15 to 24 year olds most significantly impacted (ABS, 14 May 2020). Earlier data (ABS, 4 April 2020) showed that young people were being disproportionately impacted by COVID-19 with 9.9 per cent of jobs for people under the age of 20 disappearing and 8.8 per cent of jobs for those aged 20 to 29 years. The Grattan Institute also estimate that 40 per cent of 15-19 year-olds and 30 per cent of 20-29 year-olds will lose work in the immediate term due to COVID-19 shutdowns and spatial distancing restrictions. These are the highest proportions of any age group (Coates et al, 2020).

While direct and immediate impacts are being experienced by young Australians in the short-term, it is the long-term economic outlook that is of concern to many, particularly how this will impact younger people in the coming decades. Professor Robert Breunig (ANU) commented that “...it was inevitable younger Australians would bear most of the cost of stimulus and support packages while at the same time enduring a drop in their future incomes” and that the tax debt “will fall very heavily on the future incomes of young people, which will now be lower as a consequence of the pandemic” (Wright, 2020s). Journalist Bernard Keane (2020) also recently wrote, “As the taxpayers of the 2020s, 2030s and 2040s, young people will bear the burden of paying the hundreds of billions of dollars of debt we are now incurring, through higher taxes and less government spending.”

The Grattan Institute have also highlighted the inevitable burden on young people as they move into their 20s and 30s. “...younger generations are among those hardest hit by the economic costs of COVID-19: they are more likely to have lost their livelihoods, and will also bear the long-term costs of a severe and prolonged recession if government support is not forthcoming,” (Coates et al, 2020, p.41).

Learning from the GFC

Learning from previous recessions and significant economic events is critical at this time, with clear evidence of the long-term impact of economic downturn on young people in particular. While Australia was one of the few countries in the Organisation for Economic Co-operation and Development (OECD) to emerge from the Global Financial Crisis (GFC) without experiencing a

technical recession, the impacts on youth unemployment and youth wellbeing were both significant and long-term.

Professor Jeff Borland's analysis of the GFC showed that those aged 25 to 54, who were predominantly already established in the workplace recovered relatively quickly after a few years. For those aged 15 to 24 years, the decline in the proportion of those in employment was almost double and took longer to recover. "Young Australians went into the global financial crisis doing increasingly better than older Australians and came out of it doing increasingly worse," (Borland, 2020). "There was no "V-shaped" recession and recovery for them, no snapback. "It was virtually an 'L'," Borland said recently, (Seccombe, 2020).

As an immediate impact of the GFC (2008-2009), youth unemployment rates were much higher than average rates across the workforce and by 2015 had still not returned to pre-GFC levels (Junankar, 2015). Following the GFC youth unemployment in Australia jumped from 8.9% to 13.8%, whereas overall unemployment grew from 4% to almost 6%, in the period of 2008 to 2011 (Parker et al, 2016). During this period, long-term unemployment (12 months or more) also rose and has not returned to pre-GFC levels (Junankar, 2015).

Parker et al (2015) also highlight the particular dangers of macroeconomic events, like the GFC, in the potential to "knock youth off a typical developmental track; delaying transitions, interfering with increasing independence from parents, and extending periods of career and educational uncertainty," (p. 641). Without action, the impacts of the COVID-19 crisis may leave a generation of young people without employment and adequate income leading to more mental ill-health, homelessness and a lack of hope.

The potential for a longer-term global recession is likely as a result of COVID-19 and so the lessons we learn from the GFC and even earlier economic crises will be critical in how we support young people. While short-term economic stimulus may have a limited positive effect, there also needs to be longer term solutions and a re-framing of our economy and social support sector to ensure young people are equipped for the future.

3. Solutions

While AYAC acknowledges that ensuring young people are a priority of Australia's economic recovery will require complex and nuanced solutions, we call for the Australian Government to make a commitment now to systemic and long-term investment in our young people.

Urgent action is needed to mitigate the grim reality of significant and prolonged youth unemployment due to the COVID-19 crisis, and damaging flow-on effects such as mental ill-health and homelessness. We call for investment to implement or scale existing recommended solutions; in demand-side strategies such as job creation through infrastructure projects and industry partnerships; and in collaboration with young people to develop innovative new approaches.

Young people come from widely diverse backgrounds and life experiences, and are experts in their own lives. They also have the most to gain or lose from Australia's efforts to minimise the social and economic impacts of the COVID-19 crisis. It is therefore critical that they play a central, meaningful role in decision-making about their needs – in immediate COVID-19 emergency response, and in recovery and re-imagining efforts that will affect their futures and the prosperity of our whole community.

AYAC and its members would welcome the opportunity to collaborate with the Australian Government and Australia's young people to develop real solutions to ensure that current and future generations of young people can play a pivotal role in our collective economic recovery, for the benefit of all Australians.

APPENDIX A – Interconnected Issues

Outlined briefly below are some of the many priority issues facing young people in terms of immediate and long-term impacts of COVID-19. There are many more issues facing young people at this time such as education and training continuity, access to mental health services, disability supports, sexual and reproductive health services, supports for young people from refugee and migrant backgrounds, supports for young people in regional and remote areas, for young LGBTQI+ people and dedicated services for young Aboriginal and Torres Strait Islander people.

Many of these issues are interconnected and inextricably linked with the unfolding economic crisis.

1) Safe, Secure and Affordable Housing

Many young people experience great difficulty in securing safe, secure and affordable housing – an issue that is already the focus of many services. It will be critical that young people are protected from eviction from rental properties during and beyond the immediate COVID-19-related economic crisis; that young people in out-of-home care are guaranteed extended support until 21 or until they have secure and affordable housing; and that the shortage of social housing and broken social housing model that disadvantages young people are addressed.

Many young people experience additional stresses that can affect their ability to find secure housing, including trauma based mental health and AOD issues, racism and discrimination. Many are forced to leave home due to conflict and family violence – issues which are already spiking as families and sharemates are required to adhere to emergency restrictions on movement outside the home.

2) Income Support for Young People

There are multiple ways that young people have been and will continue to be challenged in finding decent employment, which are now enormously exacerbated by the COVID-19 crisis. These include the damage to so many industries that employ disproportionate numbers of young people (hospitality, the arts, tourism); the existing issue of wage theft; the precarious nature of the gig economy on which so many young people depend; the inequality in society and deficit of entry level jobs preventing young people from entering career pathways; and the below-poverty levels of jobseeker and youth allowance supports.

The impacts on young people's lives of not having an adequate income are significant, including mental ill-health, homelessness and a lack of hope.

It will be vital to extend income support payments to all young people affected by COVID-19 disruption but left unsupported by announcements to date – including young people on the disability support pension, and full-time students, international students and young workers on temporary visas who have lost jobs.

3) Equitable access to affordable, reliable and safe communications

As the COVID-19 crisis necessitates prolonged closures of schools and face-to-face youth/health services, it will be critical to ensure that all young people, especially rural and regional young people and young people from socio-economically disadvantaged backgrounds, have fair and equitable access to online education, telehealth and government services. We also know that during this period social connection using digital platforms is increasingly important for the social and emotional health of young people and without equitable access, many young people are missing out on these important developmental connections.

Access to health services, especially mental health and sexual and reproductive health, were already issues for young people before COVID-19, and will become exponentially important during this pandemic and its associated stresses. It will also be critical that young people are able to access services that they trust, ideally with a place-based approach that allows understanding of local context and follow up once isolation restrictions are loosened. However, many young people do not currently have adequate access to high-speed internet and appropriate devices, nor quiet places to study, nor privacy for health consultations.

The need for affordable home internet has been highlighted in an initiative led by Australian Communications Consumer Action Network (ACCAN)¹. A coalition of nearly 30 community organisations have called on the Federal government to take urgent action and improve access to phone and internet services in the face of COVID-19.²

According to recent research commissioned by ACCAN, two-thirds of Gen Z Australians had worked or studied from home in the last two weeks of March 2020. 41% had accessed government services or information online and one in ten had used telehealth services. Increasing numbers of young people need to work or study remotely, seek essential community and government services online, and receive critical telehealth services via phone or video calling. Access to communications is now more important than ever.

The impact of COVID-19 on employment and education has amplified the threat of digital exclusion. Young people in vulnerable and minority communities bear this risk disproportionately. With over 267,000 people receiving Youth Allowance, we know that many young people on limited incomes feel this risk. ACCAN's research found that in , 43% and 35% of Gen Z Australians reported slow internet and unreliable internet respectively in March 2020. This contributes further to the disruption the COVID-19 crisis has created in young people's work, study and social lives; however, for young people in regional, rural and remote areas, these service standards can be the norm. We know that young people struggle to access trustworthy and accurate information about the telco services they need and can afford.

¹ <http://accan.org.au/no-australian-left-offline>

² <http://accan.org.au/media-centre/1713-community-sector-organisations-call-on-government-to-act-on-communications-affordability-issues>

Digital exclusion impacts young people's ability to learn, seek employment and contribute to their communities into the future, which is why the government must take urgent action now. We call on the government to invest in strategies to keep young people connected to essential services, online working and learning, and their broader communities.

4) Service Continuity Support and Funding for Youth Services

The youth sector is striving to work collectively to support and collaborate with young people. As the effects of COVID-19 escalate, need for youth services is increasing at the same time that many organisations face downturns in grants and sponsorships, and health- and government-mandated closures of services. The closure of youth centres, schools and services leaves those most at risk without access to the support they desperately need. Where services are staying open, young people may not be aware of this, and they are not prioritised for Personal Protective Equipment (PPE).

Creative options are also necessary to ensure that youth workers are deployed so that young people who are affected by restrictions can continue to access them for support. This could include funding youth work positions in places where young people in need of support are likely to be – in police stations, in crisis accommodation for vulnerable and quarantined people, and in schools that are kept open for vulnerable families. Another possibility is funded e-YouthWork sessions provided by skilled youth workers to the young people they normally engage with through their services. These roles could be filled by the skilled youth workers who have been stood down by the closure of youth centres. This approach would also facilitate a transfer of youth work skills to key service personnel – a potential silver lining to this crisis.

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