

# Australian youth suffer dramatic decline in living standards

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Youth in Australia have suffered a dramatic decline in their financial and social position over the last 15 years, according to a report released recently by the University of New South Wales Social Policy Research Centre.

Young people up to the age of 21, and particularly 15-17 year-olds, are now far more likely to be financially dependent on their parents than in the early 1980s, says the study, undertaken with the support of the Ronald Henderson Research Foundation.

Between 1982 and 1996, the proportion of dependent young people increased from 79 percent to 96 percent among 15-17 year-olds and from 38 percent to 62 percent among 18-20 year-olds. In other words, nearly all teenagers are now reliant on their parents until they are 18 and nearly two-thirds until they turn 21.

For those aged 21 to 24, the proportion remained at the high level of 30 percent. Thus, nearly one in three still have to live off their parents at least until they are 25.

One major factor has been that far fewer youth are working full-time, because of the loss of apprenticeships and other jobs. The proportion of 15-17 year-olds engaged in full-time work fell from 22 percent to 8 percent, while for 18-20 year-olds, the level dropped from 57 percent to 36 percent.

But an even greater factor is that youth wages have fallen to the point where full-time work is no longer the avenue to financial independence it once was. In fact, where young people are working, they have suffered the sharpest fall in financial independence.

Among those in full-time employment, dependency rates increased from 11 percent to 68 percent for 15-17-year-olds and from 3 percent to 16 percent for 18-20 year-olds. Among the younger age group, nearly all those working used to earn enough to live; now only

one-third do so.

Youth wages have been systematically slashed over the past two decades. This was highlighted by a recent Australian National University study showing that, in real terms, for males aged 15 to 19, full-time employment income fell by 60 percent, or \$96 a week, between 1976 and 1995. For 20-24 year-olds, the decline was \$147 a week.

Urged on by business organisations, the Howard government plans to cut youth wages even further. Workplace Relations Minister Peter Reith has introduced legislation to allow employers to reduce the pay of 217,000 young workers presently on adult rates, bringing them into line with more than 400,000 on junior wages, often half the rate.

The government has also followed the Labor governments of Hawke and Keating in abolishing or gutting unemployment benefits and student allowances for youth. Labor scrapped the under-18 dole, reduced benefits for 18-20 year-olds and introduced means tests based on parental income, a test that the Howard government has extended to student allowances.

This latter measure effectively requires students and unemployed youth to live off their parents. They may be 18 and legally regarded as adults, entitled to vote, drive and drink, but they are denied the right to live independently.

For wealthy families and their children these problems do not apply, but they have severe consequences for working class families.

The Social Policy Research Centre report cites a number of previous studies linking increased financial dependency to the erosion of family living standards, heightened tensions between family members, homelessness and crime. One study showed that family resources are being stretched to meet the needs of

children for longer; another showed that mothers and wives are being forced to make particular sacrifices.

Several studies point to a two-fold connection to increased homelessness. First, increased family tension, and conflicts produced by economic scarcity, drive young people out of their homes. Second, where parents cannot afford to assist, young people lack sufficient income to afford secure accommodation.

Recent studies also suggest that much crime is committed by young people, mostly involving stealing and drug dealing, to supplement their incomes and, in some cases, for survival. One report pointed to an expansion of a "drug culture" with youth dependent on dealing to overcome the lack of legitimate income.

For working class and middle class youth an historic reversal is taking place. The promise of greater opportunities and independence offered in the post-war period has been replaced by the prospect of prolonged hardship and poverty not experienced by any generation since the 1930s.

The report mildly suggests that the government take these consequences into account when considering policy changes, such as eliminating adult wages for youth. Yet it also documents the fact that these processes are not confined to Australia. It refers to studies in Britain demonstrating the detrimental impact of "a deliberate policy of prolonging the dependence of the young unemployed on their families" through lower youth wages, reduced social security payments and lessened student allowances.



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