

# YAPA Policy Position

## Transport concessions for young people

This policy position refers to concession fares for young people on

- private buses
- government buses (STA - State Transit Authority)
- trains (SRA - State Rail Authority)

### Principles

1. Concession fares should be targeted to people on low incomes
2. Transport facilitates access to other life opportunities such as education and employment. When young people don't have access to transport their life opportunities become more limited
3. Concession fare eligibility should be widely promoted
4. Concession cards should be easily accessible to those eligible to receive them.

## Importance of transport to young people

Young people use transport for many reasons including work, looking for work, studying, training, social and support networks, health and fitness, volunteering, relaxation and entertainment.

All of these activities benefit young people and the broader community. **When young people do not have safe, affordable and accessible public transport their life opportunities become more limited.**

Young people are a significant stakeholder group in any review of transport fares because 11-20 year olds are the single largest group of users of State Transit and private buses in NSW. (Source: Transport Data Centre – Bus users in Sydney, December 2002, p6)

## Concession fares and social justice

YAPA believes that social justice, as defined in numerous State Government policy documents, must be adopted as the framework for transport fares.

In particular, social justice initiatives for young people such as transport concessions must be targeted to those on low incomes.

“Transport concessions are the way the NSW Government ensures that **low-income groups** have more choices about actively participating in our community through greater access to transport” (Review of Public Transport Concessions : Public Transport Authority 1999)

As outlined in the NSW Government's *Social Justice Directions Statement, Fair Go, Fair Share, Fair Say* "The Government's social justice strategy is based on the four interrelated principles of equity, access, participation and rights. The ways and areas in which the Government acts on these principles must correspond to people's needs and aspirations, **especially those who are on low incomes**, new to this country, caring for children in difficult circumstances, or living with ill health or a disability".

The current system of transport concessions is in a real state of disarray. There is no clear or simple framework for the provision of concessions and those that are provided are not always granted to the individuals in greatest need.

**The current system of transport concessions is inequitable and does not fulfill the social justice objective it claims to meet.**

YAPA believes that transport concessions must be offered to young people on **low incomes**, in particular :

- Young apprentices and trainees
- Young students at TAFE and university
- Young people on aged based rates of pay
- Young job seekers
- Young people in alternative education and employment programs such as JPET and CDEP.

YAPA does not support discrimination on the basis of geographic region. We believe that all concession fares available on State Rail and State Transit buses should equally be available on the private bus network.

We therefore support the recommendation outlined in the Parry Inquiry Final Report and the Review of Bus Services in NSW Final Report that "the same concessions should be available on government and private operator regular route services" (p75).

As outlined in the Review of Bus Services in NSW Final Report "to ensure an equitable system, a consistent bus fare scale should be progressively implemented across all metropolitan bus services and operators should be required by contract to offer the same core fares, concessions, and ticketing arrangements (pgxxii). YAPA believe that fare equity must be introduced as a matter of fairness and urgency.

It is important to note that other government concessions for low income groups, such as utilities and rates are offered regardless of geographic region.

It should also be noted that the State Transit Authority (government buses) is reimbursed for providing concession fares to students, apprentices and trainees while private buses do not receive this subsidy.

Currently, concession fares are not equally available on government (STA) and non-government (private) buses.

## Apprentices and trainees

All 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> year apprentices and trainees are eligible for a half price concession fare on the State Rail Authority and public buses provided by the State Transit Authority for trips between home, work and study. STA buses cover parts of Sydney and Newcastle.

Young apprentices and trainees who live in other areas of NSW and who can only catch a private bus do not get any concession. They have to pay full fare.

Young apprentices using private buses are forced to pay a significant amount of their income (often \$50-\$60 per week) on transport costs. These young people receive extremely low wages. For example, the weekly wage received by a 1st year indentured apprentice in the Building and Construction Industry is \$224.80.

The number of young people affected by this policy is detailed in the table below

<b>Age</b>	<b>Number of young apprentices and trainees in Newcastle STA bus concession area</b>	<b>Number of young apprentices and trainees in Newcastle Sydney STA bus concession area</b>	<b>Number of young apprentices and trainees in other regions No bus concessions</b>	<b>Total number of young apprentices and trainees</b>
Aged 19 years or less	1,320	4,170	102,860	108,350
Aged 20 to 24 years	1,540	5,690	95,020	102,250

*Source : National Centre for Vocational Education Research. Based on March 2003 estimates. Apprentices and Trainees in training as of 31<sup>st</sup> December 2002 by client postcode by age group.*

YAPA believes that young people should be encouraged to participate and continue in meaningful employment opportunities such as apprenticeships and traineeships.

The NSW Government Youth Policy commits the Government to “supporting young people to achieve their educational and employment goals “ (Working Together : Working For Young People p5) and to “developing effective responses to the specific needs of young people in accessing and undertaking educational and employment opportunities “ (Working Together : Working For Young People p10)

The current lack of transport concessions on private buses mean that many young people simply cannot afford to pay for their transport costs in addition to their other living costs and are forced to drop out of employment as a result.

<b>Recommendation</b> <b>1</b>	That the NSW Government extend concessions to all 1 <sup>st</sup> , 2 <sup>nd</sup> & 3 <sup>rd</sup> year apprentices and trainees, regardless of their place of residence. Concessions available on government buses must be fully available on the private bus system.
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## **TAFE and university students**

### **TAFE & University students**

TAFE and university students travelling by government buses have access to concession fares at all times, plus a range of special tickets such as Travel Ten and Weekly Travelpass. Those forced to use non-government buses can only access to concession fares when travelling to and from scheduled study classes Monday to Saturday.

This means that students who live in areas serviced by government buses have the benefit of concessions when looking for work, going out with their friends, visiting family, etc. However, students living in areas serviced by non-government buses do not have this benefit.

The NSW Government Youth Policy estimates that 31% of young people aged 15-24 in NSW attend a post-secondary educational institution: 17% attend university and 12% attend TAFE (Working Together : Working For Young People p8)

Student income support levels are extremely low, and for 18-24year olds based on a parental means test.

The maximum rate of income support for students under the Youth Allowance is \$163.25 per week with a maximum rate of Rent Assistance of \$49 per week, this is generally only available to students whose parents combined income is less than \$28 850 per annum. Most students receive far less than the maximum rate.

<b>Recommendation</b> <b>2</b>	That the NSW Government extend concessions to all full time students, regardless of their place of residence. Concessions available on government buses must be fully available on the private bus system at all times.
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## **Young people on junior rates of pay**

Young people on junior rates of pay (junior wages)

Young people aged 16 years and older who receive junior wages are not eligible for any concessions on any form of public transport.

Junior wages are based on the assumption that young people have lower living costs than working adults. However, young people do not receive discounts on accommodation, food, petrol or transport fares.

Young people on junior wages receive extremely low wages. For example, Junior wages for a clerical and administrative employee start at \$206.45 per week. People on junior wages clearly lack the income to pay full fares for transport.

<b>Recommendation</b> <b>3</b>	That the NSW Government grant concessions to young people on age based rates of pay (junior wages). These concessions should be available on the STA, SRA and private bus systems.
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## **Young job seekers**

The NSW Half Fare Transport Concession Scheme, in operation since 1979, provides a half fare concession scheme for those on the full rate of Commonwealth benefits (Source : Ministry for Transport Concession Fact sheet)

This concession scheme previously provided a valuable safety net for young job seekers, at a time when the Commonwealth Government classified young adults as independent at age 18 .

In recent years however, the Commonwealth Government has redefined young job seekers as dependent on their parents (regardless of whether they live at home or not) until age 21, and young students as dependent on their parents until age 25.

This means that their income support payment is based on a parental means test. If their parents' combined income is more than \$28,850 they are not eligible for the maximum (full) rate of benefit and they therefore lose their eligibility for a concession card.

This change in Government policy at a Commonwealth level has unintentionally altered the original aim of the NSW Government policy outlined in the NSW Half Fare Transport Concession Scheme, that is, to provide a concession for young job seekers on low incomes.

Many young job seekers receiving very low levels of income support, desperate to look for work, simply miss out on transport concessions.

Centrelink now requires job seekers to travel up to 90 minutes one way to attend mutual obligation requirements such as training courses.

These fares typically cost around \$20 per trip for those not eligible for a concession fare. For example a return trip from Katoomba to Parramatta costs \$19.60.

The high cost of transport fares makes it extremely difficult for young people to look for work without a transport concession.

Even those on the “maximum” rate of income support face considerable difficulty in meeting their basic living costs. In fact numerous studies have shown that young people on income support receive payments significantly below the Poverty Line.

The maximum rate of Youth Allowance is \$163.25 per week, with a maximum rate of Rent Assistance of \$49 per week totals \$212.25 per week.

If a young person is ‘breached’ their rate of payment is reduced and they lose their concession card. Young people are not eligible for a concession card until the breach ceases to have an effect on the rate of payment.

NSW Government transport policy adds to the punitive measures imposed by Centrelink, so that young people are expected to continue looking for work on a reduced rate of payment without access to concession fares. YAPA has been informed about situations where young people have been ‘breached’ and lost their concession card because they have been unable to afford the cost of transport to attend an interview.

The NSW Government must assist young people to gain employment by the provision of concessions to all job seekers.

<b>Recommendation</b> <b>4</b>	That the NSW Government extend concessions to all full time job seekers, not just those receiving the maximum rate of benefit.
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## **Young people in alternative programs**

### **JPET**

A program for which concessions are available is the Jobs Placement Employment and Training program (JPET). JPET is a Commonwealth funded program which helps disadvantaged young people, aged 15-21 years, who are homeless or at risk of homelessness. (FaCS : Moving forward with JPET, p3)

JPET clients are eligible for a concession fare on trains and both government and non-government buses. However many JPET services and clients are not aware of their concession eligibility and continue to struggle to pay full fares.

<b>Recommendation</b> <b>5</b>	That the NSW Government continue to grant concessions to JPET participants and that JPET services and clients are made aware of their transport concession eligibility.
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### **CDEP**

A program for which concessions are not available is the Community Development Employment Project (CDEP).

CDEP provides employment for Indigenous people in a wide range of community projects and enterprises. CDEP is open to Indigenous people who are eligible for Centrelink payments such as Newstart, Youth Allowance and Sole Pension. CDEP participants receive an extra \$10.40 payment per week for participating in the program.

Young people participating in CDEP are some of the most marginalised young people in NSW. In many cases their education has been extremely disrupted and they continue to be discouraged from participating by a transport concession regime that is clearly inequitable.

<b>Recommendation</b> <b>6</b>	That the NSW Government grant concessions to young people in CDEP programs and ensure that services and clients are aware of their concession eligibility.
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## **Background : young people and concessions**

In consultations conducted by YAPA with young people the most consistent issue raised was concessions. There was much confusion among young people regarding eligibility for concession fares, how to get a concession card and when to use a concession card.

Young people who are unable to access concession fares face considerable hardship as a result.

YAPA has collected 70 case studies from young people in these circumstances. When asked about the impact of transport fares on them and their family some of the comments from young people included:

*“If I pay full fare for travel I can’t buy food.”*

*“I’m unable to save to buy a car because I spend so much on public transport.”*

*“It’s hard to pay rent to my mum.”*

Young people also stated that the cost of public transport, resulting from a lack of appropriate concessions leads to increased family tensions, inability to adequately look for and continue work, and an inability to buy necessary study materials.

Young people who lived in areas where there were no government buses had much more difficulty accessing concession fares than those living in the city where there were government buses.

Non-government buses don’t provide the same level of concessions as government services, thus disadvantaging young people who live outside Sydney. For example, young people who attend TAFE full-time are not able to use their TAFE concession cards on the weekend when using non-government buses, but they can get concessions all the time if they live in an area covered by government buses. The different policies on when young people can use concession cards is unclear even between different bus drivers in the same company.

Young people felt that it would be a much more simple and fairer system if access to concessions was consistent across both government and non-government buses. Some young people consulted said they had 3 different concession cards for each bus company they used.

Many young people who were eligible for concessions, such as those receiving Youth Allowance, did not know they were eligible and were paying full fare on public transport. They said that the Centrelink Officer had not told them they were eligible. Centrelink policy states that cards are only issued on request and are not issued automatically.

Other young people who attended TAFE and were eligible for a concession card on non-government buses said that it was a hassle to get a concession card. They said it involved filling in too many forms, sometimes having to pay money and having to go and see all different people, including the bus company and the TAFE administration office.

In some areas bus companies have developed schemes where young people can receive concessions all the time, young people thought these schemes were a good idea. Many young people were just not aware of where to go to get a concession card. Again, young people said that there should be one concession card for all government and non-government buses and this card is automatically given on enrolment in school, TAFE, university, etc.

## Transport concessions available to young people

Status of young person	Government buses	Private buses
Full time university students.  TAFE students attending at least 20 hours per week	Full range of concessions and discount tickets on all routes at all times	Concessions only available to/from place of study for scheduled classes, Monday to Saturday and if aged 30 years or under.
TAFE students under 18yrs attending 20hrs over 4 days	Free rail travel between home and study for journeys commencing before 9.30am	Free travel on private bus to and from study if more than 3.2km walking distance
Trainees and apprentices aged 16yrs and older	Half fare concessions available to/from work, study and home – for 1 <sup>st</sup> , 2 <sup>nd</sup> and 3 <sup>rd</sup> year apprentices.  Half fare on weekly travel passes.	No concessions available
Young people on age based rates of pay (junior wages)	No concessions available	No concessions available
Young unemployed	Under 21yrs : only available if eligible for the maximum rate of Youth Allowance (ie. combined parental income is below \$28,850)  Over 21 years : available unless earning over \$62 per fortnight  No concessions available if 'breached" by Centrelink	Under 21yrs : only available if eligible for the maximum rate of Youth Allowance (ie. combined parental income is below \$28,850)  Over 21 years : available unless earning over \$62 per fortnight  No concessions available if 'breached" by Centrelink
Yong people in JPET programs	Concession fare available	Concession fare available
Young people in CDEP programs	No concessions available	No concessions available