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To Whom It May Concern,

### **Submission to the Inquiry into Intergenerational Welfare Dependence**

The Australian Psychological Society (APS) welcomes the opportunity to make a submission to the Select Committee on Intergenerational Welfare Dependence's Inquiry into Intergenerational Welfare Dependence.

We also refer the Committee to the long-standing APS [Position Paper on Work and Unemployment](#) and also to three relevant previous APS submissions: our 2010 paper developed in response to the (then) *Social Inclusion Board's 'Cycles of Disadvantage' Inquiry*, our 2014 submission to [A New System for Better Employment and Social Outcomes](#), and most recently our submission to the current [Senate Inquiry into the Future of Work and Workers](#).

The APS takes a Social Determinants of Health (SDoH) approach when considering issues of health and wellbeing, acknowledging the impact of factors such as poverty, homelessness, access to quality employment and the availability of services on both parenting practices and children's development and wellbeing.

Psychologists acknowledge that the social gradient in health reflects material disadvantage and its effects on wellbeing, including insecurity, anxiety and lack of social integration. Living in poverty impacts on mental health, and those with pre-existing mental health issues are more likely to experience disadvantage, be on low incomes and live in poverty. The social and economic conditions that affect whether people become unwell, and whether they develop mental health problems, are also well known, and point to the importance of living conditions that adequately meet people's basic needs.

### **Responding to the Terms of Reference**

The APS is not in a position to comment specifically on all the Terms of Reference, but is concerned that a focus on welfare 'dependence' risks individualising what is a broader social, economic issue, and can shift the responsibility from government and community to those most vulnerable. We encourage the Committee to see welfare provision as an essential safety net for those experiencing disadvantage and poverty.

Furthermore, while psychologists acknowledge the many benefits of employment and the detrimental effects of unemployment on health and wellbeing, the APS cautions against promoting engagement in employment as a panacea for poverty and disadvantage.

While reliable and secure access to reasonable quality employment can offer a number of psychological benefits (British Psychological Society, 2017), whether the experience of work is beneficial or detrimental depends on key factors such as the quality of the work experience and internal and external stressors which can put health at risk (Butterworth, Leach, Strazdins, Olesen, Rodgers, & Broom, 2011).

The experience of unemployment is widely known to be inextricably tied to poverty and disadvantage, especially for families. However, it is important to distinguish between association and cause; while long term unemployment may be associated with poor health and wellbeing outcomes, it is likely that poverty and stigmatising models of delivering welfare and services, along with the actual experience of not being employed, contribute to these poor outcomes.

The evidence does not support the position that welfare recipients are responsible for their situation and employment status, as postulated in the 'Employment resistant personality thesis' cited in the Committee's Discussion Paper. This notion risks perpetuating misperceptions about welfare recipients which are likely to undermine, not assist their employment prospects and outcomes for their families. False beliefs about poverty that blame the poor are hallmarks of a society not doing enough to help the impoverished when in fact, research shows that the ways in which we structure our economies and business practices— including low wages, lack of workers' benefits, and insufficient community resources—are significant contributors to poverty (Psychologists for Social Responsibility, 2010).

### **Parenting and improving child outcomes**

The stated focus of the current Inquiry is on families and improving outcomes for children. The APS is well aware of the impact of the quality

and type of parenting and nurturing on the life chances of children. While being disadvantaged does not necessarily diminish the quality of parenting, caregivers do need sufficient education, time and support to ensure children's health and wellbeing (Harper 2004). Persistent poverty, exclusion and disadvantage may increase the stresses and strains on caregivers and reduce the resources and supports they need to optimally nurture child development (AIHW, 2017).

While some research has found that children living in jobless families had poorer cognitive and social-emotional outcomes, the evidence about the relationship between poverty and child outcomes suggests that it is not completely clear whether it is low income itself, or the complex set of circumstances that lead to poverty, that often result in poorer developmental outcomes (Baxter, Gray, Hand, Hayes, 2012).

Recent evidence points to the effectiveness of early intervention policies and programs that aim to improve parenting practices. Population-based approaches to preventing child maltreatment for example, focus on optimising the conditions - across the entire population - that promote healthy family relationships and support child development, in a way that normalises parenting support (Sanders, Higgins & Prinz, 2018).

Policies designed to alleviate the negative effects of poverty by increasing the disposable incomes of low-income families, particularly for those with very young children have also been recommended (Warren, 2017). Measures that may go some way towards improving long-term outcomes include family tax benefits, parenting payments, paid parental leave or access to high quality child care to facilitate parental employment (Warren, 2017).

### **Evidence on welfare conditionality measures**

Proposals to increase welfare conditionality as a way to improve child welfare and wellbeing via measures such as income management are highly contested. Available evidence suggests that, rather than improving outcomes for welfare recipients, income management encouraged increasing dependence upon the welfare system (Bray, Gray, Hand & Katz, 2014).

There is insufficient evidence to support further expanding policies of conditional welfare (Australian National Audit Office, 2018), and the APS is concerned that extending this to groups identified in the Discussion Paper (parents, those with caring responsibilities and those with a disability) could exacerbate vulnerability and be experienced as stigmatising.

### **Evidence-based approaches to supporting child and family outcomes**

The APS recommends the following as important for supporting the participation of disadvantaged families in paid employment and in their communities more broadly:

- Support employment and training options for mothers of younger children. Research has revealed a strong sense from participants (both jobless and employed) that education was the most important factor in improving employment prospects (Hand, Gray, Higgins, Lohoar & Deblaquiere, 2011).
- Address public transport safety and accessibility as this is linked to engagement in paid work, especially outside of normal hours.
- Any welfare reforms disproportionately impact on women and those who are beneficiaries of their caring (children, those who are sick or have a disability, older adults), and so these socially and economically essential caring responsibilities need to be better supported rather than undermined by any changes.
- The short-term goals of addressing the immediate care needs of children through financial supports for parents can be met concurrently with working towards the longer-term goals of supporting pathways into employment via a new strategy that provides support for parenting skills and framing these as a stepping stone into employability. This would mean emphasising such skills as time management, emotional awareness, responsiveness, patience, group work, and persistence, which are all necessary for good positive parenting as well as for preparing for entry into the workforce, or future study.
- The APS considers that focusing solely on engagement in employment undermines other forms of civic participation such as caring and volunteering, so a more inclusive understanding of full participation needs to be more clearly acknowledged and fostered.
- Increasingly there is a focus on how disadvantage is experienced at a neighbourhood or community level. This shift in focus recognises the important role of place or community in creating, sustaining or disrupting disadvantage. Investments in place-based interventions, such as neighbourhood or community renewal, Communities for Children and Community Hub models, are an attempt to ensure scarce resources are targeted to communities most in need. It is

important that initiatives to build capacity are identified by local communities, and that participation by those who are unemployed is voluntary and not linked to income support payments.

- Engagement with employers is key to addressing unemployment. It is important that the Government work with employers to ensure job opportunities are flexible, secure and offer quality employment, that workplace discrimination is addressed in all its forms, and that a minimum wage consistent with optimising health and community participation is achieved. 'The real disincentive to work arises not from giving money to people who don't work, but taking it away from them when they do' (Martin, 2017, p.207).
- The benefits of a Universal Basic Income or Basic Income Guarantee should be examined including the potential benefits and risks of different models of application, particularly as they relate to marginalised groups such as those living with a disability and those with caring responsibilities. Canadian researcher and GP Dr Danielle Martin (2017) cites emerging evidence that such measures yield both significant health benefits and an increase in productive work (so it does not appear to remove the incentive to work as feared).

While it is important to support the role of human agency and maximise the potential of individuals and families to counteract adversity, including unemployment, having limited social or material resources makes participation and engagement in the workforce very difficult. Welfare does not create disadvantage, it supports people through it. The APS recommends that the guiding principle for any welfare reform should be reference to the responsibility of Government to provide an adequate safety net for those most vulnerable (to decrease poverty and increase individual and community wellbeing).

For further information about our submission please contact me on 03 8662 3327.

Yours sincerely,

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