

# Family joblessness and pathways to employment



While Australia has a high overall level of employment compared to other OECD countries, it also has one of the highest levels of joblessness among families with children.<sup>i</sup> In 2007, close to 15% of Australian children lived in a household where no one was working, compared with an 8.7% average across the OECD. This is the fourth highest and is mainly attributed to the high prevalence of unemployment among sole parents.<sup>ii</sup>

Family joblessness refers to families with dependent children under 16 who have had no reported income from employment in the previous 12 months. At February 2011, there were 255,000 jobless families in Australia.<sup>iii</sup>

A lack of paid employment is the most important cause of child poverty. According to a 2007 report by UNICEF, between 12 and 15% of Australian children live in poverty.<sup>iv</sup>

Family joblessness that persists for two years or more is of particular concern, not only because of the impact on the adults, but because of the potential negative impact on children

## KEY POINTS

- Australia has one of the highest levels of family joblessness of all rich countries.
- Family joblessness significantly increases the risk of children living in poverty.
- Persistent joblessness raises the risk that the children living in these families will grow up to be jobless.
- There appears to be a high degree of cross-over between jobless families and the clients of child and family services. This overlap provides many opportunities for child and family services and job services providers to better support jobless families into employment.
- Disadvantaged job seekers need to be connected to quality jobs with advancement prospects, rather than casual, inappropriate, short term positions with no future prospects.
- Getting more people into secure, reasonably paid jobs is a critical step in breaking the cycle of disadvantage.

due to poverty. These negative effects take the form of higher rates of poor health and disability and lower educational attainment. Persistent family joblessness also raises the risk that the children will themselves grow up to be jobless. Getting more people into secure, reasonably paid jobs is therefore a critical step in breaking the cycle of disadvantage.

The Benevolent Society has a long history of working to support disadvantaged children and families experiencing multiple and complex problems, including joblessness. This snapshot presents the key themes discussed in a report that The Benevolent Society commissioned to examine the barriers to employment for jobless families, current government initiatives and policies, as well as opportunities to better promote pathways to employment among parents in jobless families. The report was based on a review of relevant literature and government reports, and interviews with key industry experts, job services providers and staff within The Benevolent Society.

This publication is intended to stimulate debate about opportunities for government, job services providers and child and family services to work collaboratively to assist jobless families. To date, these systems have tended to operate independently, most likely as result of being funded from different tiers of government or departments within government. To date there has not been strong recognition of the overlap of client groups and the need, and opportunities, for collaboration to better assist these families.

### Acknowledgments

The report *Our clients are your clients – bringing services together to tackle family joblessness* was written by Toni Wren, Employment and Social Policy consultant. ([www.toniwren.com](http://www.toniwren.com)).

## CHARACTERISTICS OF JOBLESS FAMILIES

Nearly three quarters of jobless families are sole parents. Compared to families in general, jobless families are more likely to have children under five years and to have more than one child. They are also more likely to be headed by parent who is under 30 years, with year ten or below as their highest level of education.

Jobless families are also less likely to have access to motor vehicles or to a computer and the internet at home. They are more likely to report poor health and/or disability.

Aboriginal and Torres Strait Islander children are three times as likely to be living in a jobless family than non-Aboriginal and Torres Strait Islander children.

## BARRIERS TO EMPLOYMENT

The Australian Social Inclusion Board categorises barriers to work for jobless families into internal and external factors. The individual or internal factors include:

- health problems (mental and physical)
- disability
- poor education, literacy, numeracy skills
- children with health or behavioural problems
- domestic violence (ongoing and/or while escaping and re-establishing a new household)
- housing instability/homelessness.

### The Benevolent Society

The Benevolent Society is Australia's oldest charity. Established in 1813 we have been caring for Australians and their communities for nearly 200 years. We are a secular, non-profit, independent organisation working to bring about positive social change in response to community needs. Our purpose is to create caring and inclusive communities and a just society.

Structural or external factors include:

- tax and transfer systems that may provide a disincentive to employment (income support is withdrawn as recipients enter paid work)
- lack of affordable child care
- lack of affordable transport to education or employment
- work places not suitable for combining with child caring role
- lack of internet/computer access.

In addition, a report by Centrelink about the Local Connections to Work program found social isolation to be the most common barrier to employment among job seeker participants.<sup>v</sup>

## KEY FEDERAL EMPLOYMENT SERVICES AND INITIATIVES

This section briefly maps the current employment services system for jobless families and/or disadvantaged jobseekers, in order to identify gaps and opportunities to better promote pathways to employment.

### Job Services Australia (JSA)

Job Services Australia is the Australian Government's national employment services system. It was introduced on 1 July 2009, following a review of Job Network, the previous employment service, which identified the need to improve employment services and provide a greater emphasis on skills development and training for jobseekers. At March 2011, there were 106 JSA provider delivering services to approximately 750,000 people from approximately 2000 sites across Australia.

In relation to jobless families, it is important to note that most jobless families are headed by a sole parent claiming Parenting Payment Single. Until their youngest child turns six, they are not required to also look for work. When their youngest child turns six, they are required by Centrelink to agree to an Employment Pathway Plan and to meet participation requirements but they can stay on Parenting Payment Single until their youngest child turns eight.

### Dedicated jobless family projects

The Federal Government has also funded a small number of initiatives aimed at providing holistic services to jobless families in five locations. Significant resources have been invested in providing individualised case management to such families, with low numbers of cases (around 15-20) per support worker.

The initiatives include *Family Centred Employment Projects* in three locations: Broadmeadows in Victoria, Goodna in Queensland, Mansfield Park/ Angle Park in South Australia; the *Kwinana Jobless Family Project* in Kwinana, Western Australia and *PATHS (Providing Assistance Through Holistic Servicing)* in Bundaberg, Queensland.

While evaluation results from these projects are not yet available, some trends are emerging across the five programs:

- Caseloads need to be low, no more than 15-20 families, in order to address the complex and multiple barriers to employment.
- Engagement needs to occur through 'soft entry points' such as the local church, rather than through mainstream JSA providers who struggle to engage successfully with such families.
- It is necessary to address the issues in the whole family, not just the unemployed adult, as they may be acting as powerful barriers to employment.
- Social isolation is a significant barrier to employment.
- A long term commitment is needed as it takes time to build trust between service providers and with clients.
- The pathway to employment tends not to be linear, but rather stop-start with additional supports needed along the way.
- The quality of Vocational Education and Training (VET) is inconsistent and some employers do not recognise Certificate III courses delivered by some providers.<sup>vi</sup>
- Aboriginal and Torres Strait Islander families require specialist services.

## Teenage Parent and Jobless Family Measures

In the 2011/12 Federal Budget, the Government announced new participation requirements and additional services for teenage parents, through the *Teenage Parent Measure*, and for jobless families without income for more than two years, through the *Jobless Family Measure*. They are part of a number of related initiatives intended to promote long term economic participation among people living in communities with high rates of disadvantage.

These initiatives are being trialed over a three to three and a half year period in ten Local Government Areas: Logan and Rockhampton (QLD), Playford (SA), Bankstown, Wyong and Shellharbour (NSW), Greater Shepparton and Hume (VIC), Burnie (TAS) and Kwinana (WA).

### Teenage Parent Measure

This started in January 2012 and applies to teenage parents (19 or under) who are receiving Parenting Payment, whose youngest child is under 6 years of age, and who have not completed year 12 or an equivalent qualification.

Once their youngest child turns six months, they need to attend a general information interview with Centrelink. When their youngest child turns one, they will then be required to attend Centrelink to discuss and develop a 'participation plan' that focuses on them attaining Year 12 or its equivalent and on early health and education of their children. This may include linking them to support services provided by local *Communities for Children* programs.

Participants will need to comply with their plan or face losing their income support. It is estimated that the trial will reach 4,000 teenage parents in the ten areas over the three years.

### Jobless Family Measure

This is a three year trial starting in July 2012 that applies to Parenting Payment recipients whose youngest child is under 6 years of age, and who

have been on income support for two years or more, or are under the age of 23 years, and not working or studying.

Parents will be required to attend annual interviews at Centrelink when their child turns one. These will focus on child health, development and wellbeing. When their child turns four, interviews will focus on the importance of pre-school in their child's development. They will be required to attend workshops with Centrelink to develop an Employment Pathway Plan that focuses on their child's transition to school and their return to work.

Unlike the teenage parent measure, Centrelink will not require evidence of compliance with the plan and there will be no sanctions for these parents if they fail to comply with the activities in plan. It is estimated that this trial will assist 22,000 parents per annum.

In associated announcements intended to provide better support jobless families in the ten trial areas:

- The *Communities for Children* program, which provides prevention and early intervention services to families at risk of disadvantage, has been extended so that they operate in all ten areas and specifically with teenage and other jobless parents.
- The additional childcare subsidy (JETCCFA<sup>1</sup>) has been extended from up to 26 weeks to up to 52 weeks for parents who are engaged in employment activities.
- A Local Solutions Fund of \$25 million over four years will commence in July 2012. Local organisations will be able to bid for innovative projects to boost engagement, capability and workforce participation among disadvantaged target groups in these areas.
- Additional Centrelink staff resources have been deployed in each location (Government Action Leaders and Community Action Leaders) and Local Advisory Groups

<sup>1</sup> Jobs, Education and Training Child Care Fee Assistance (JETCCFA) provides extra help with the cost of approved child care for eligible parent(s)/guardian(s) undertaking activities such as job search, work, study or rehabilitation as part of an Activity Agreement (with Centrelink), to help them to enter or re-enter the workforce.

comprising 10-12 community members with particular expertise in local issues relating to education, employment, families and early childhood learning are being established. These groups will provide advice as to the allocation of the Local Solutions Fund.

### Other related initiatives

There are many other employment-related initiatives and while they do not specifically focus on jobless families, they do target disadvantaged jobseekers many of whom are likely to be in jobless families.

#### Job Services Australia Demonstration Pilots

In recognition of the need to improve employment services for the most disadvantaged jobseekers, the Government has funded demonstration projects in 20 areas to run from late 2011 to mid 2013. The projects will test out innovative ways of working with 5,000 Stream 4 jobseekers, including those unemployed for more than two years, mature aged people, homeless, youth and Aboriginal and Torres Strait Islander job seekers. Stream 4 jobseekers; those identified as the most disadvantaged jobseekers with complex and multiple barriers to employment.

#### Indigenous Employment Program

This program began in 2011 and will run until 2015. It assists employers to recruit, train and provide sustainable employment for Aboriginal and Torres Strait Islanders. The objective is to contribute to the Government's goal of halving the gap between Indigenous and non-Indigenous employment within a decade.

### THE ROLE OF CHILD AND FAMILY SERVICES: OUR CLIENTS ARE YOUR CLIENTS

There appears to be a high degree of cross-over between jobless families and the clients of child and family services. 'Child and family services' refers to child welfare and family support services delivered by the government and not-for-profit

sectors.<sup>2</sup> Services are generally delivered as part of large federally and state funded programs.

Among clients of child and family services, there is a high prevalence of factors associated with family joblessness such as domestic violence, social isolation, low educational attainment and housing instability. Some of the families living in the ten socio-economically disadvantaged areas where the Federal Government is now trialling a number of initiatives targeting teenage parents and jobless families, will also be clients of child and family services.

This overlap provides many opportunities for child and family services and job services providers to better support jobless families into employment. For instance, there may be opportunities for child and family services to extend the work already being done to address vulnerabilities such as domestic violence or social isolation which are known to act as barriers to employment. Job services providers, on the other hand, could gain from the expertise of child and family services in engaging disadvantaged families.

Similarly, government could better support jobless families through increased and better targeted investment to address barriers to employment and by changes in program design.

The section below presents a number of opportunities which The Benevolent Society believes warrant further exploration and discussion.

### PROMOTING PATHWAYS TO EMPLOYMENT FOR JOBLESS FAMILIES

#### Opportunities for child and family services include:

Child and family services have the potential to promote pathways to employment both indirectly through tackling some of the identified barriers, as well as directly through linking clients with job services and training providers.

<sup>2</sup> The Benevolent Society is a child and family service provider. We do not currently provide employment services.

Opportunities include:

- **Reduce barriers to employment by addressing issues such as domestic violence and social isolation**

Child and family services provide support to families to address many of the factors which can act as barriers to employment. Within The Benevolent Society, for example, all programs work to reduce social isolation experienced by families. While employment is not the primary objective of addressing social isolation it has the potential to contribute to this outcome.

- **Engage jobless families via child and family services**

Child and family services have extensive experience with outreach to, and engagement with, disadvantaged families and can offer pathways to employment for these families.

- **Collaborate with integrated and co-located employment services**

Child and family services can and do work collaboratively with programs that offer integrated employment services to jobless families. There is, however, considerable scope for greater integration and better linkages between the two types of services in order to better address the needs of these families and promote seamless service delivery.

- **Improve the education and employability skills of mothers**

While improving the education and employability of mothers has not historically been a focus of child and family services, these services are ideally placed to provide or partner with others to deliver training programs. One of the biggest challenges is lifting the literacy and numeracy levels among jobless families. Any training offered must take into account the child care responsibilities of participants.

- **Employ jobless families and drive more effective employment and training programs for them**

A lack of Australian work experience and employer references is a major barrier for many jobless families, either because they come from overseas or because of long periods spent outside the labour market. There are many ways in which child and family services could offer supported transitions to employment within their own organisations (such as through work tasters, work experience, student vocational placement and employment in a social enterprise), as well as, possibly, opportunities for direct ongoing employment.

### Opportunities for government include:

It is important that the federal and state governments work together to better support jobless families. Below are a number of examples of ways in which governments could better support jobless families.

- **Increase investment in programs which specifically target internal barriers to employment such as domestic violence and social isolation**

Reducing barriers to employment has the potential to benefit the individual and community as a whole both socially and economically.

- **Increase investment in programs for jobless families**

There are currently only a small number of programs for jobless families which provide an integrated service for the entire family. More dedicated programs are needed to assist the large number of jobless families with multiple and complex barriers to employment.

- **Provide individualised case management**

Initiatives targeting jobless families must offer intensive, individualised case management to address the needs of the participants and their families.

- **Reduce caseloads in employment and training services**

Caseloads for those working with disadvantaged jobseekers should be no more than 15-20 per caseworker, in order for them to provide the intensive support required.

- **Provide access to quality jobs**

There is a need to connect disadvantaged job seekers to secure jobs with advancement prospects, rather than casual, inappropriate, short term positions with no future prospects. Jobs must also take into account that the majority of jobless families are headed by sole parents with child care responsibilities.

- **Encourage flexibility and collaboration among JSA providers**

The Australia Social Inclusion Board has expressed concerns that JSA is too highly prescribed and competitive a system, which inhibits flexibility in serving clients and discourages collaboration with other providers at a local level.

- **Ensure access to affordable child care**

For families to transition to work they must have access to affordable and appropriate child care.

*The Henry Review (2010) recommended that child care subsidies should cover at least 90% of child care costs for low income families. And the full cost of child care for children whose parents are jobless.<sup>vii</sup>*

- **Remove disincentives to work**

The impact of the Effective Marginal Tax Rates and loss of concessions linked to income support payments can be a particular consideration for single parents taking up employment. One way this could be ameliorated is extending the eligibility period for access to non-financial benefits such as the Pensioner Concession Card.<sup>ii</sup>

- **Invest in research and evaluation**

Current jobless family projects need to be evaluated to determine what specific components generate success and how they can be delivered in a cost effective manner. Research is also needed into examples of best practice where successful collaboration between child and family services and job service providers has been achieved.

### Opportunities for job service and training providers include:

- **Improve the quality of vocational training**

Most jobless families need vocational training, but the quality of the available training is inconsistent. Only one third of courses are completed; there are concerns that some providers do not meet employer or jobseeker needs and the link between completing a training course and getting a job is weak.

- **Improve the education and employability of mothers**

In addition to the issues raised already, employment preparation programs which offer learning by doing, instead of replicating a traditional classroom setting, are likely to be more effective with parents who have a poor history of success in school.

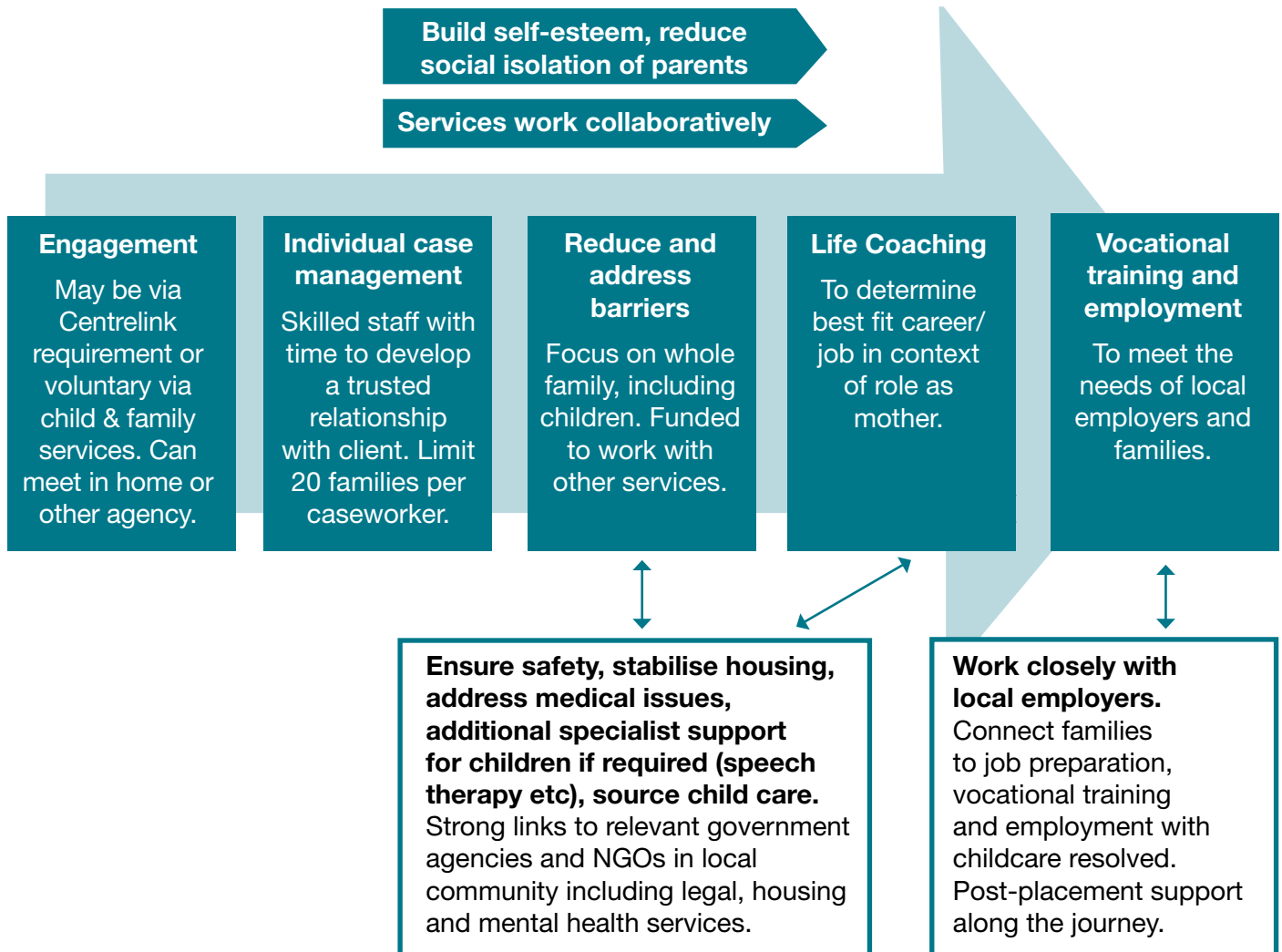
- **Deliver programs to build self-esteem**

Anecdotal evidence suggests that many mothers in jobless families need to build their self-esteem if they are to compete successfully in the labour market, however there are few such programs on offer. This could be achieved through life coaching and mentoring.

- **Provide work experience with local employers**

The prospect of a real job with a local employer is a powerful motivator for many job seekers.

## Summary of Promising Practice



## For more information

- For a full copy of the report, Our clients are your clients – bringing services together to tackle family joblessness, visit [www.bensoc.org.au](http://www.bensoc.org.au).
- Social Inclusion Board report, Addressing barriers for jobless families – [www.socialinclusion.gov.au](http://www.socialinclusion.gov.au)
- The Department of Education and Workplace Relations – [www.deewr.gov.au/employment](http://www.deewr.gov.au/employment)

<sup>i</sup> Whiteford, P (2009), *Family Joblessness in Australia*.

<sup>ii</sup> Australia Social Inclusion Board Report (2011), *Addressing barriers for jobless families*.

<sup>iii</sup> *Building Australia's Future Workforce, Better Futures for Jobless Families, DEEWR 2011-12 Budget Fact Sheet*

<sup>iv</sup> Abello, A. and Harding, A (2009), *Income Mobility and Financial Disadvantage: Australian Children; Agenda 13(1)*, 31 -48; 2006 in *The Benevolent Society's Social Issues Papers 10: Income and economic participation*.

<sup>v</sup> *Taskforce on Strengthening Government Service Delivery for Job Seekers (2011)*.

<sup>vi</sup> *Data and findings derived from interviews with Broadmeadows and Goodna FCEP workers, August and September 2011*.

<sup>vii</sup> *Cited in Australian Social Inclusion Board Report (2011), Addressing barriers for jobless families*.