



Low Expectations

Submission to Senate Community Affairs
Legislation Committee for inquiry into Social
Services Legislation Amendment (Youth
Employment) Bill 2015

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Anglicare Australia

Anglicare Australia is a network of over 40 independent local, state, national and international organisations that are linked to the Anglican Church, and are joined by values of service, innovation, leadership and the faith that every individual has intrinsic value. Our services are delivered to one in 40 Australians, in partnership with them, the communities in which they live, and other like-minded organisations in those areas. In all, almost 13,000 staff and more than 7,500 volunteers work with over 600,000 vulnerable Australians every year delivering diverse services, in every region of Australia.

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The Anglicare Australia network, working with young people

Anglicare Australia appreciates the opportunity to comment on the Social Services Legislation Amendment (Youth Employment) Bill 2015.

Anglicare Australia is a network of 40 social service organisations, with 35 members across every Australian state and territory, and five associate members in New Zealand, Papua New Guinea and Singapore.

Anglicare members are independent organisations that provide social services in their respective communities. They choose to come together as part of the Anglicare Network to strengthen their effort in responding to the multiple and complex needs of people and families across Australia, to match local presence to national strength and ultimately to bring positive change to Australia.

The Anglicare Australia network has extensive links with young people excluded from and marginally attached to the workforce. Member organisations provide youth housing (including linked education and housing services, such as Foyer programs), homelessness services, Out Of Home Care in foster care and institutional settings, Alcohol and Other Drug support, mental health services (including participation in and management of various *headspace* services), financial counselling, emergency relief, single parent support, family counselling, disability housing and support services, migrant and refugee settlement services, young parent programs in partnership with Aboriginal communities, and numerous generic youth services. They have created a range of opportunities for young people to contribute to the public debate about wellbeing, employment and inclusion.

The Anglicare network includes a number of specialist agencies working with young people in and out of care, out of work, in need of housing, education and work. It also includes large social service organisations that provide the full range of services as above, which extend to people of all ages, backgrounds and circumstances.

In 2014, Anglicare Australia, through its network, conducted a national survey on young people's experience of belonging, *being a/part*. Then in August 2015, Anglicare Australia ran an Out of Home Care Forum, which has set a collaborative work program for the network for the next two years.

Concerns with the Youth Employment Bill

The biggest concern we have with the Social Services Legislation Amendment (Youth Employment) Bill 2015 is that it appears to be based on an assumption that young people will not seek work, nor hold work, unless their access to inadequate income support is further limited and delayed.

Anglicare Australia commissioned research analysis of our network evidence from the Australian Centre for Community Services Research, on how best to support young people in finding and keeping work. *Beyond Supply and Demand*, the resulting paper provides a trenchant criticism of those presumptions. It made the following points:

This dominant supply and demand narrative, which implies that some unemployed people are undeserving, lazy and too particular about the work they are prepared to do, has been challenged by researchers and welfare advocacy groups who note that such rhetoric ignores the effects of cycles of disadvantage and the importance of community and family connections. Critics note the tensions between the short-term goal of getting people off of welfare, and the longer term goal of sustainable labour market attachment.

(Goodwin-Smith and Hutchinson 2015.)

We note the Minister, in his second reading speech, describes the purpose of the bill as “about sending the right message to young people, about encouraging them and incentivising them into work together with a package of measures that is all about removing disadvantage so that young people can get into work and choose work not welfare.”

As both the Parliamentary Library (Dr Matthew Thomas, May 2015) and Goodwin-Smith and Hutchinson point out, there is no evidence the perverse incentive of withholding income for non-compliance results in people getting into work more quickly, let alone finding a sustainable job.

Anglicare Australia questions

- the introduction of a one month waiting period - which suggests young people do not need an income when others do
- extension of the category of ‘youth’ from 21 to 25 years, thereby increasing or prolonging the impoverishment of young people out of work
- the introduction of a rapid activation pre-benefit activities in order to require young people to show they are willing

as they all appear to be based on presumptions that young people who are without work or full time education need to be driven to make a greater effort by both minimising their income and requiring them to take an increasing array of actions, which may or may not truly assist them in finding work.

The evidence from our network is more nuanced than that. It is the individual circumstances of young people, their history and their capacities that are the key to their connection with and participation in the wider society. Essentially, and not surprisingly, young people respond better to opportunities and encouragement than they do to a regime of punishment and compliance.

The New Zealand model

The government's invocation of the New Zealand model needs to be treated with some caution, noting – as various other contributors to this inquiry have done – that the New Zealand system allows people to claim payments earlier than the maximum waiting period of a month. Quoting again from the Parliamentary Library Budget Review:

The imposition of an extended up-front waiting period for income support is a novel measure in international terms. The New Zealand requirement for some claimants of working age payments to undertake pre-benefit activities within a 28-day period has been compared to a one-month waiting period. However, claimants who successfully complete the requisite activities within 28 days can receive their payments earlier and all eligible recipients will receive back pay to the relevant commencement date.

Parliamentary Library Budget Review (June 2015)

This demonstrates the key difference between a punitive approach, as this legislation seems to take, and one more focussed on partnership. And while there are numerous exemptions for people in special circumstances in the Youth Employment Bill, dealing with inequities through special provisions creates a raft of additional problems.

It is also important to remember the New Zealand model itself has complexities that the Minister's speech does not acknowledge, as the recent *Vulnerabilities Report* of the New Zealand Council of Christian Social Services makes clear:

So who are the NEET youth that are getting through and what are the lessons learned so far? Feedback from member agencies suggest those young people who come through are generally those who manage 'moderately well in school' found training and jobs, or places at tertiary institutes and have family support. The road seems far harder for young people who struggle their way through school, have family issues, and have no clear pathways after school. A recent conversation with a provider of alternative education talked about the difficulty providing alternative education when many of the young people at NCEA level 2 [the National Certificate of Educational Achievement for secondary school] are still working at year 7/8[level]. If we add reports of youth homelessness, couch surfing and transience, we see more

clearly the reasons behind an intractable NEET rate for some groups of young people. Much more work is needed to support at risk youth before issues spiral out of control.

Vulnerabilities Report New Zealand Council of Christian Social Services (July 2015)

Evidence from the Anglicare Australia network - a partnership approach to employment and education

Anglicare Australia members, along with most social service agencies, are committed to implementing evidence-based and evidence-informed policies. The time has long passed where we just presume what we do will be effective, or we just invest public and philanthropic funds into providing services that we think are good.

In the area of youth work, like others across the sector and our funding partners, we seek to build the strength and resilience of people we work with, provide employment and educational opportunities, recognise the complex difficulties and challenges that so many of them face. And we have demonstrated success where we focus on working in partnership with the people at the centre of the work.

Housing and education

A number of Anglicare members run youth housing programs that link housing with attending school or TAFE. St John's Ladder program in Port Adelaide and Anglicare WA's Foyer Oxford in Leederville, Perth, are both examples of that approach. Residents know they can have secure housing, and that a part of the deal is that they enrol and go to TAFE. It is a combination of support and expectations, and is based on treating people with respect. Importantly, the expectations – in regards to the education for example – link directly into the ambitions and the capabilities of the young people themselves.

Pathways to employment

Similarly, EQubed in the Broadmeadows area of Melbourne, a very high youth unemployment zone, works intensely with young people in building their confidence and capacity. It has also brokered a training and employment program for 30 of those young people with large pharmaceutical companies in the area. They have created line-of-sight employment; where entry level work, a way into the workforce, becomes available to young people who would otherwise consider themselves excluded. Importantly, as echoed in the analysis of *Beyond Supply and Demand*, those young people are then supported in that work. Once again, there is an expectation of the young people participating in the program, they can and will make the effort, but it is the support they get that allows them to sustain that effort. It is not the risk of losing an income or a benefit that keeps them turning up.

Scaffolding

Anglicare member, The Brotherhood of St Laurence, is an internationally renowned organisation that has worked with and researched the barriers to employment and the strategies that can assist people into social participation and work over many years. It has been running a social exclusion monitor, which Michael Horne described in some detail in *Staying Power* (Anglicare Australia's 2011 State of the Family report). Horne showed how the monitor identifies those barriers to employment, and pointed to the scaffolding that helps people get through them: an inclusionary approach which sees education, housing and community connections as the essential underpinnings for economic participation.

Some of that scaffolding is quite simple. Youth Connections was a very successful program that had concrete results for young people alienated from or at risk of falling out of secondary education. Anglicare members across the country ran or worked in partnership with Youth Connections. It is widely understood that education is one of the fundamental building blocks for future employment and independence. The comment from the *Vulnerabilities Report* from New Zealand (above) emphasises that assertion and connects it directly to the failure implicit in this Youth Employment Bill. Unfortunately the Labor government which set up Youth Connections did not commit to its ongoing funding and the Abbott government, in its first Budget, could not in turn find funding to continue it. Youth services and youth advocates, and young people with the lived experience of battling and trying to make do, strongly sought a policy change. But they were not successful.

If we are looking for what measures would be effective in ensuring young people stay engaged in education and then move into sustainable and expanding work, a service built upon the successful elements of Youth Connections would trump a cut in income or a month long waiting period every time.

Respecting young people

How Australian society cares for the young people in its care is particularly indicative of its failure to understand them in their complexity. For many reasons - including insecurity, lack of close family support and the consequences of trauma - the educational outcomes for young people in Out Of Home Care are significantly below those of young Australians overall, as demonstrated by the *Children in care report card* published by Anglicare Victoria (2015). But there are not adequate educational and personal support resources available to those young people to help them through school. Then, when they are 18, and so technically no longer in state care, they lose support and back up altogether. That seems particularly unhelpful when compared with the increasing age and ongoing "adulthood" of young people who can still live with their family.

Anglicare Australia's 14th State of the family report, *being a/part* (2014), reported on a national survey of young people's experience of belonging. The survey included a significant number of young people who grew up in Out Of Home Care. The key finding of that survey was the positive, life-changing role that significant adults – such as youth workers – potentially have in the lives of young people who have survived childhood adversity and lived without much family support.

One chapter of *being a/part* was written by the Youth Movement Initiative, a group of care leavers from Bendigo in Victoria. In reflecting on their transition into independence, they pointed to the lack of respect and partnership they experience in growing up in care, as well as the economic uncertainty and the lack of life skills they face on leaving care. Most powerfully, they write about the lack of trust invested in them by society, the lack of space to discover and explore their own interests, and the low expectations that people have had of them throughout that time.

One might want to argue the Youth Employment Bill is about something very different to the experience of these most vulnerable young people. But in presuming an effective incentive for people to find work is withholding an already inadequate income from them, and then requiring them to demonstrate their compliance to a set of potentially irrelevant employment testing measures, the government is echoing the misunderstanding, mistrust and neglect that the Youth Movement Initiative write so clearly about.

This Bill is unlikely to improve the wellbeing of the people it affects; rather it reinforces the view that in being in need of support they have shown themselves to be unworthy.

The Problem of Special Pleading

Many of the young people the Anglicare network works with would be exempt from the provisions of this Bill. But they would need to know they can apply for the relevant exemption. They would have to apply in a timely way of course. They might need support in the first instance in order to successfully demonstrate their special disadvantaged or incapacitated status.

The reality is that not everyone would successfully negotiate those requirements, or could believe it would be worth making that effort, and that their circumstances would be believed and understood.

But the other side of the coin is just as important. Many young people would be on the borderline of being 'job ready' – however that is determined – or would be found perhaps able to live at home supported by family (to some extent), or that while they are a carer of another family member don't qualify as the *primary* carer. Care leavers might well be exempt from the provisions of this Bill, but those living in or seeking to escape dysfunctional families may not. Or if needing to escape a dysfunctional family was to qualify you for an exemption to this extended waiting period, who would make the decision on what constitutes an 'adequately' dysfunctional family? And if homelessness is another category for exemption, what constitutes homelessness in these circumstances?

The more the inequity of the overarching regime give rise to exemptions, the more insidious, burdensome, arbitrary and judgemental the process for making those decisions becomes.

The Minister's speech refers in different ways to people choosing an easy life on welfare. It is an ideological or perhaps psychological view of young people, which is not reflected in the experience of our member organisations and the younger people they work with.

On an administrative note, bringing in a number of measures and then exempting many classes and groups of people from those measures does not work to simplify the system nor to reduce red tape, which are both key goals of the government's welfare reform agenda.

Fundamental issues that compound the challenge faced by young people

Australia's economy has changed over the past 20 or 30 years, and the nature of work, employment training and entry level jobs in particular have changed with it. Anglicare Australia recognises the government has introduced a number of constructive measures over the past year or two that better recognise the complex challenge of connecting to the world of work that so many young people now face. But neither those measures nor this Bill can address the biggest challenges.

Inclusive growth

Youth unemployment is high and is staying high. The Foundation for Young Australians, in its latest report, has found there is now a five year gap between young people graduating and getting their first full time job. So for young people who are doing well, who most probably have a secure home and family behind them, the passage into independence and sustainable employment is uneven. For those less blessed, however, things are much much harder. The Youth Coalition of the ACT found only two out of 300 jobs available in the Territory could be seen as entry level, with the average salary across all those positions being \$140,000. One constituent reported two responses to 120 job applications.

The Brotherhood of St Laurence's Youth Employment Monitor points to the persistence of youth unemployment and underemployment and the long shadow of the GST

Australia's young men and young women are experiencing joblessness differently. Today, teenage boys and young men who are in the labour market are more likely to be unemployed. Meanwhile, young women are more likely to be underemployed – to have some work but wanting more hours, and so not counted in the official unemployment rates.

As the two sexes face different hurdles in their job search, the 2008 global financial crisis continues to cast a long shadow. The overall youth unemployment rates for those aged 15 to 24 years sits at above 13 per cent – a level not experienced here since the early 2000s.

(Brotherhood of St Laurence Youth Unemployment Monitor November 2015)

Speaking generally, according to the DSS, in 2013, 66% of people living on Newstart Allowance have been unemployed for more than a year.

The key point here is the shortage of appropriate jobs. Australia's long term social wellbeing and economic future must incorporate pathways into sustainable jobs for young people presently trapped on the edges of the workforce. More important than this legislation in realising a national commitment to full employment is the development of policy to grow local industry and employment in areas of high unemployment. Insisting young people out of work just try harder to find a job and live on a lower income is, to put it bluntly, barking up the wrong tree.

Affordable Housing

The second of the three key nationwide challenges is the shortage of affordable housing. Anglicare Australia's annual Rental Affordability Snapshot has demonstrated year after year that for people living on benefits such as the Youth Allowance, there are virtually no remotely affordable rooms available for rent anywhere in Australia. In our latest Snapshot in April this year, nationally, we found only 8 private rentals out of 65,614 that were affordable by young people living on Youth Allowance.

Secure and affordable housing is the basis on which education, social connection and moving into employment are based. The consequences of homelessness, housing stress and housing insecurity on young people are to make education and employment training immeasurably harder to sustain.

Inadequate Income

Finally there are fundamental flaws in this Bill in that it is built on the absolute misconception the Youth Allowance is in itself enough to live on when it is patently inadequate (as for that matter is the significantly higher Newstart Allowance) and that limiting people's access to this inadequate support will somehow ensure they work harder to find work.

One of Anglicare Australia's significant pieces of recent work was a national survey on food insecurity among Anglicare's Emergency Relief clients across Australia – *When there's not enough to eat* (2012). There were many profound findings relating to the experience of living with anxiety, poverty, housing stress and food insecurity. One was about the measurable evidence of families, even children, going without food. There was some scathing criticism of what was seen as an insipid approach – arguing as we did that one of the roots of this problem was an inadequate income. The point was made that a clever single parent could get by quite well if she just gave her children a healthy lunch each day of a green apple and a peanut butter sandwich. The reality, however, is that such a solution would be neither practical nor effective. It is a flip response to complex circumstance.

Similarly, in this Bill, the argument that by making people wait a month without income they will somehow try harder to qualify for the Youth Allowance and, by keeping people who are older on this lower income they will be further encouraged to find work is to ignore the circumstances of the people it affects and focus instead on a simple and imaginary world where anything is possible if you are just made to try.

Anglicare Australia has commissioned several research papers that look at the implications of inadequate income: *When there's not enough to eat* and *Doing without* (2012), and growing inequality *Living Standard Trends in Australia* and *Who is being left behind?* (2015). Those projects are full of evidence that an inadequate income limits social participation, adds to ill health, compromises personal relationships, and makes finding and keeping employment more difficult.

Households relying on the lowest payment such as Newstart and Youth Allowance have been falling behind all other Australians for the past twenty years (at least), but projections based on government policy and moderate growth show a significant absolute fall in their living standards over the next ten years. Given how far behind these people are starting, compared to others in the community, it is unconscionable to have policy settings in place that accentuate this difference

(Anglicare Australia *Who is being left behind?* 2015)

Rarely did the numbers for our research allow us to look specifically at the impact of inadequate income of young people on the Youth Allowance itself. It is a fact, however, that the Youth Allowance is the substantially lowest income support provided in Australia, and the fall in living standards that young people on this Allowance face over the next few years is appreciable. It is becoming, by design, a poverty trap. A decision then to extend the age group whose income support is limited to this allowance can only be understood as a cost-saving measure. It is clearly very damaging for those people who may now be reliant on it for several more years.

Until income support is set at adequate levels, those young people who do not have access to other support or funds will, as Anglicare Sydney (2015) found, be at great risk of deep and persistent disadvantage. They will remain less likely to be employed or enrolled in education, more likely to be caught up in the criminal justice system, and more likely to be excluded from mainstream society.

Conclusion

There is every reason to seek to engage with young people who are neither in training or education. That is a welcome principle which the Minister refers to in his speech. However, the punitive approach to compliance encapsulated by the Bill, and the delayed access to income support, when combined with grossly inadequate income, the shortage of suitable work and the absence of affordable housing, are ingredients that will work against us reaching the goal of inclusion and engagement that we seem to share.

END

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