

PeakCare Queensland Inc.

Submission in response to

A New System for Better Employment and Social Outcomes

August 2014



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Part One:

INTRODUCTION

The report entitled, *A New System for Better Employment and Social Outcomes: Interim Report of the Reference Group on Welfare Reform to the Minister for Social Services* was released in late June 2014. The Minister for Social Services, the Hon. Kevin Andrews MP, commissioned the report to provide advice about the welfare system, its efficient and effective delivery, its interaction with workforce participation, and supports for those who cannot work. The reference group, chaired by Mr Patrick McClure AO, prepared the interim report with the objective of gathering comments about proposed directions to inform their final report.

PeakCare Queensland Inc. (PeakCare) notes the reference group's statement that "the broader social support system should work in tandem with the income support system to help those most in need". We are supportive of the government's initiative to review Australia's social support system and of reforms that will deliver systems and services that understand and support individual, geographic and structural factors that, from time to time or for extended periods of time, impact adversely on children, young people, families and communities vulnerability and the consequent need for a compassionate social support system.

PeakCare welcomes the opportunity to make a submission in response to the interim report.



Part Two:

About PeakCare and our interest in reforms to Australia's social support system

PeakCare is a peak body for child and family services in Queensland. Across Queensland, PeakCare has 61 members, which are a mix of small, medium and large, local and statewide, mainstream and Aboriginal and Torres Strait Islander non-government organisations that provide family support, child protection and out-of-home care services (eg. foster and kinship care, residential care) to children and young people who are at risk of entry to or in the statutory child protection system and their families. In addition, PeakCare's membership includes a network of 19 individual members and other entities supportive of PeakCare's policy platform about the safety and wellbeing of children and young people, and the support of their families.

PeakCare's interest in social support system reform is multi-layered. It relates to ensuring that the needs of vulnerable and at risk families who require targeted assistance to improve family functioning and meet their children's¹ physical, emotional, educational, health and cultural needs are met. Where particular children's safety and wellbeing needs are not being met and the State intervenes, there are a number of intersections with the social support system. Children at risk of entry to or in the child protection system are some of the most vulnerable children in society and demand policies and a social service system that supports, protects and enables them to be cared for within supportive families and communities. For those children's parents, multiple and/ or complex individual and structural factors (eg. mental health, substance use, socio-economic disadvantage and poverty, inadequate housing, domestic violence) are known to undermine their capacity to care for and protect their children. For foster and kinship carers, the demands (and joys) of caring for children placed in their homes often mean they are unable to be in the formal workforce due, for example, to school suspensions and exclusions or attending to health and therapeutic appointments. For young people in and transitioning from the child protection system to independence, there are numerous intersections with income support and the broader social support system. These young people need to engage in clear systems that build their capacity to participate in civil society, be educated, live in good health and appropriate housing, and engage in suitable, sustainable employment opportunities.

PeakCare supports the interim report's guiding principle around social and economic participation through measures that build individual and family capability. It is vital families on low incomes are supported to reduce the risk of long term social and economic disadvantage for themselves and future generations.

PeakCare concurs with the report that individuals and families should be able to easily access, navigate and understand eligibility requirements, the intention of payments and enable the meeting of reasonable and fair responsibilities associated with income support. As the report states, income support payment and associated services are intended to help people meet daily living costs, increase their participation in work and social activities, and build individual and family functioning.

¹ Unless otherwise stated, the terms 'child' and 'children' have been used to refer to children aged 0 to 18 years.

PeakCare commends the value that the interim report places on early intervention to improve capacity, identify risk earlier and provide assistance. As the Australian Council of Social Services (ACOSS) highlights, ensuring children have opportunities to gain future financial security is vital and needs urgent attention given child poverty in Australia is the “fifth highest in the OECD and 286,000 children are living in poverty in sole parent households. Increasing support for these families must be a high priority in the reform process”².

The reality is that for the income support system to work in tandem with the broader social support system and provide assistance to those children, families and communities who are most in need, individual, local, state and commonwealth level factors must be in sync.

This submission now turns to a discussion of three elements asserted in the interim report as core to a new system for better employment and social outcomes. These are:

1. Mutual obligation
2. Simplification
3. Early intervention supports and services.

² http://www.acoss.org.au/media/release/payment_reform_must_reduce_poverty_complexity_and_exclusion_from_employment

Part Three:

Elements underpinning proposed directions

PeakCare holds reservations about three elements asserted in the interim report as core to reforming Australia's income support system.

Mutual obligation

The interim report asserts that mutual obligation is necessary for societies to function effectively and by meeting mandated conditions, individuals, children and families will have improved outcomes. The concept is used to support arguments that government assistance is not an entitlement but rather a contract where the individual recipient is mandated to comply with a prescribed set of conditions. Because it is not applied in a mutual or reciprocal manner, regimes are paternalistic and compliance conditions are generally punitive. It is the more powerful partner – government – setting the conditions of 'mutual' obligation as well as enforcing perceived non-compliance. Rather than sharing responsibility, the onus and responsibility disproportionate weigh on income support recipients. Fair and equitable implementation of the principle could mean that individual and community capacity was supported in a partnership of equal engagement.

As the interim report queries, individual circumstances should be recognised for their impact on workforce participation. In 2001, the Human Rights and Equal Opportunity Commission pointed out that equitable treatment of income support recipients should include the exercise of a reasonable level of consent in accepting the conditions for receipt of entitlements, so as to align an individual's capacity with appropriate supports³. Approaches to responding to the nature and complexity of these circumstances, coupled with acknowledgement of the impact of structural and historical factors, demand a balance to the emphasis on compliance to ensure the mandatory conditions do not become counterproductive as some have argued has happened with the 'Work for the Dole' program. Borland and Tseng's research study found that "...far from improving outcomes for the unemployed - Work for the Dole caused participants to spend longer amounts of time on welfare payments"⁴.

Other factors which mutual obligation need to take into account are the shortage of jobs, job insecurity, ever increasing casualisation of work, shortage of family-friendly work places and costs to gaining employment such as relocation or child care. Increasing employment participation, strengthening families and alleviating welfare dependency lies in addressing the complexities of people's lives and ceasing a punitive approach that further disadvantages the already disadvantaged.

³ Australian Human Rights and Equal Opportunity Commission (2001) *Mutual obligation, welfare reform and Indigenous participation: a human rights perspective*, Sydney, Australian Human Rights Commission.

⁴ <https://theconversation.com/work-for-the-dole-doesnt-work-so-why-is-it-coalition-policy-784>

PeakCare supports ACOSS's position that "Simply increasing job search requirements and increasing punishments without added investment will make it tougher for people looking for work, and skews the mutual obligation model against the very people the employment services system is meant to support"⁵.

Simplification

The interim report advocates a simplified income support system, which is recognised as much needed. PeakCare's concern is that in emphasising simplification, the complexities and causation of the barriers and disadvantage people experience are under-emphasised. An effective and fair system requires a comprehensive and tailored approach to address disadvantage and place children, young people, families and communities in a position to build their capacity.

A simplistic view says that keeping income support rates low discourages welfare dependency and encourages self-sufficiency. Being in receipt of unemployment benefits however is closely linked to being in poverty. A recent report⁶ emphasises there is higher financial stress and deprivation amongst unemployed households. For example, 45% of unemployed households experience at least three financial stressors (out of 9) compared to 8.8% for all households, 16.6% of unemployed households went without meals and 13.5% could not afford to heat their home.

People experiencing multiple and complex disadvantages are limited in their ability to enter or fully participate in the workforce, often live in low socio-economic areas, have lower levels of education, and experience higher levels of social exclusion. Multiple disadvantages can also reduce mobility to access training and job opportunities either through incapacity to afford transport or relocation costs or limited transport options especially in regional, rural and remote areas.

Rather than pursuing a cost cutting agenda, an investment agenda can assist people into sustainable employment, afford study and training pathways to appropriate employment, and put families in a position to adequately meet their needs and the specific needs of their children. For the next generation, such investment supports lifelong benefits to health, educational attendance and completion, and preparation for ongoing study or training, the cornerstones for building capacity to gain employment.

Early intervention supports and services

The interim report stresses the relevance and need for intervention early in children's lives, and earlier in the trajectory of family problems. Again, these propositions are commendable but realising early intervention is dependent on a viable network of non-stigmatising, relevant and helpful child and family welfare supports and services across metropolitan, regional, rural and remote locations.

⁵ http://www.acoss.org.au/media/release/one_sided_obligations_will_make_it_tougher_for_people_looking_for_work_acos

⁶ Phillips, B. & Nepal, B. (2012) *Going Without: Financial Hardship in Australia*, University of Canberra, Canberra.

Income support intersects with other policy domains such as housing, transport, education, training, family support, disability, health and child care - areas which have been identified as impacting on the capacity of individuals to participate in the workforce. The community and social supports required to address the disadvantage faced by individuals, families and communities are delivered by a range of local, state and commonwealth government agencies, non-government agencies and private businesses. Inquiry-driven and other reform strategies at state (eg. child protection, investment in social services) and Commonwealth levels must therefore be coherent across that jurisdiction as well as consistent across spheres of government to avoid unintended consequences. Unless there is an adequate platform of universal and early intervention services and equitable access to those services, improved outcomes will not be achieved.

PeakCare supports the need to invest in children and their families to strengthen capacity and lifelong outcomes which can include reduced crime and increased levels of schooling, workplace productivity and adult health. In this instance, the interface between income support reform and early childhood and school related reforms is particularly relevant to the links between school readiness, school completion and participation in future study and employment. Early intervention includes investing in young children, improved and flexible education systems, coordinated youth services and expanded family support programs to assist disadvantaged children and families in building resilience and escaping poverty, which in turn benefits society and the economy. Young people on income support require better integration with external services to enable them to move forward and have repeatedly emphasised the need for services to work more collaboratively to ensure coherent and integrated systems of support⁷.

⁷ Lammas, N. (2012) *Beyond Learn or Earn: Young people tell how policy can better support those who need it most*, Australian Youth Affairs Coalition, Surrey Hills.

Part 4: Conclusion

A key goal of the inquiry is to identify improvements to ensure the social support system is sustainable, effective and coherent, and encourages people to work. The reference group has met with stakeholders to gather firsthand views and feedback about the current system, undertaken an analysis of the current system, considered factors and trends that influence the system, as well as previous reviews and reforms. Consultations have occurred and are planned during the next phase of the review.

PeakCare urges the reference group to acknowledge that robust, transparent and accountable findings, conclusions and recommendations are also informed by independent national and international research. Reference to research evidence is absent or appears disregarded in a number of interim report proposals. Expanding income management, for example, is premature given the limited research and conflicting evidence to date about significant outcomes or to validate the costly expenditure. Still predominantly in communities with high percentages of Aboriginal and Torres Strait Islander peoples, income management is also contrary to reports that call for approaches that empower Indigenous people and communities to take control of their lives and be self-determining.

PeakCare concurs with the comments by ACOSS that this review should be considered as an opportunity to reduce poverty, system complexity and exclusion from employment⁸. Employment generates benefits for individuals, their families and the broader community. The benefits of work go beyond financial rewards into other areas such as health, social connectedness and psychological wellbeing. These benefits are not only felt by the person working, they extend to family members. Self-sufficiency and self-determination are not individual pursuits. Rather, children, young people, families and communities require a range of tailored and targeted social service system supports to address individual, geographical and structural barriers, operating in tandem with the income support system.

⁸ http://www.acoss.org.au/media/release/payment_reform_must_reduce_poverty_complexity_and_exclusion_from_employment