



Melbourne City Mission's response to

A New System for Better Employment and Social Outcomes

Interim Report of the Reference Group on Welfare Reform
to the Minister for Social Services

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About Melbourne City Mission

Melbourne City Mission is one of Victoria's oldest and largest community services organisations (established 1854). Its mission is to work alongside people and communities who are marginalised, to support them to develop pathways out of disadvantage.

Melbourne City Mission's service platform spans all ages and life stages across the greater metropolitan area. Key areas of work include early childhood development, family support, justice services, homelessness services, disability services, employment, education and training, aged care and palliative care. Melbourne City Mission also has significant expertise in place-based solutions to disadvantage, underpinned by well-developed, high-functioning partnerships with universal services, other community services organisations, public service agencies and the three tiers of government.

Melbourne City Mission's key interest is in long-term outcomes – in particular, supporting people to forge and sustain positive and meaningful connections to family, community, school and work. This one-on-one work is complemented by the work we do at the systems level to try and mitigate structural inequality.

Key principles underpinning this submission:

- Deep exclusion – or disadvantage – reduces opportunities for individuals and society.
- Meaningful participation provides a pathway out of disadvantage. Education is a vital part of that pathway, creating opportunities to connect/re-connect with community and develop the skills, confidence and capabilities to make key transitions, for example, into the labour market.
- Where disadvantage is deep and persistent, the re-engagement process may be slow and/or difficult. To enable and sustain participation, policies and programs need to comprehensively address the personal and structural barriers to participation. Longer-term investments in intensive wrap-around supports may be required where there is evidence of complex trauma, particularly where children and families are involved.
- Capacity building activities can play a significant role in fostering social and economic participation, both in prevention and early intervention contexts and where exclusion/disadvantage is entrenched. However, Melbourne City Mission advocates for participation requirements to be developed in the context of a civil society framework¹.
- A civil society framework should also inform all other aspects of welfare reform – for example, proposed changes to the rate structure of payments. Adequate income support is an essential platform for actualisation of civic rights and responsibilities, community engagement and social and economic participation.

The body of this submission elaborates on each of these principles.

¹Melbourne City Mission makes a distinction between ‘civil society’ and ‘civil society organisations’. ‘Civil society organisations’ play a key role in sustaining a democratic ‘civil society’. Effectively functioning democracies are underpinned by guaranteed rights upheld by legal processes and an alert and active citizen body. Consequently, when we refer to a ‘civil society framework’, we are referring to human rights protections (institutional and legal), citizen engagement (including participation in decision-making processes), capacity building/empowerment of vulnerable and disadvantaged segments of the community, and advocacy and community education (including human rights education).

Pillar One: Simpler and sustainable income support system

Simpler architecture

Melbourne City Mission agrees that the current income support system is confusing, inconsistent and complex to understand and navigate.

For people with disability, young people and families:

- Governments add to the confusion by applying different age criteria to programs and services. These inconsistencies make it difficult for people to navigate the system, understand their rights and responsibilities and access entitlements, particularly in times of crisis. This can be particularly difficult for families of children with disability and people with cognitive disability. It is also difficult for people from culturally and linguistically diverse (CALD) backgrounds.
- The complex mix of ages and eligibilities create traps, gaps and mismatches – Melbourne City Mission concurs with the Reference Group’s assertion that the *“many different income support payments and supplements can create confusion and lead to inequities ... The complexity of the system means a person might find themselves receiving a payment which provides a lower level of assistance than another payment to which they may also be entitled.”*

Fair rate structure

Younger age recipients

The Interim Report proposes a tiered working age payment structure and suggests that *“recipients of the lower payment rates could include students and single unemployed, particularly those of younger age”*.

Whilst Melbourne City Mission supports early intervention to divert young people from long-term engagement in the welfare system, we believe that:

- Adequate income support is critical in the transition to social and economic participation.
- The level of income support needs to be such that young people:
 - can meet their daily living needs
 - have the resources to access education, training and work
 - can participate in civil society opportunities.

Melbourne City Mission notes that the Interim Report does not speculate about what the payment levels would be in a tiered system – this would seem to be crucial information when considering the fairness of the proposal – but, in any case, **Melbourne City Mission does not support a tiered working age payment structure, on the basis of equity².**

Young people pay the same costs for food, clothing, petrol and housing (for example) as the rest of the community but, under a tiered structure, would have fewer material resources to do so, with potential unintended consequences (for example, further disengagement from civil society, unsafe living arrangements, and/or barriers to accessing learning and development opportunities).

Lowering the rate of income support as part of a strategy to ‘incentivise’ young people to move from welfare to work is missing the mark. In Melbourne City Mission’s experience, young people don’t aspire to being ‘disadvantaged’ and living on the dole. They see paid employment as part of their future and are highly motivated to pursue that pathway, however, the number of entry-level jobs for young people who have little or no workplace experience has been shrinking. The barriers to labour market participation are even greater for those who have had a disrupted or incomplete secondary education and lack foundation skills.

In other parts of this submission, Melbourne City Mission highlights the importance of education and Vocational Education and Training (VET) pathways to mitigate barriers to labour market participation. Additionally, Melbourne City Mission advocates for measures that stimulate participation opportunities for young people, including employer incentives.

What do we mean by ‘youth’? The need for clear (and just) policy parameters

Melbourne City Mission also notes with some concern that the Interim Report does not specifically define ‘youth’ or ‘younger age’.

Currently there are multiple, contradictory and inconsistent age criteria across different policy jurisdictions **and** within the existing income support system, however, the upper limit of ‘youth’ has typically hovered around 24 – 25 years of age.

Melbourne City Mission notes that in the recent Federal Budget, *“in a policy first, 30 [was] defined as the upper age of youth³”*. Whilst this shift has occurred in the context of young people leaving home later than previous generations, Melbourne City Mission shares concerns that this has *“real consequences: for family finances, parent-child relationships and the way young people themselves imagine their place in the world, their rights and responsibilities, as well as their sense of capability, agency and autonomy⁴”*.

² In relation to equity, Melbourne City Mission **also** notes that in 1997 people on the single allowance rate of the Disability Support Pension received 91 per cent of the pension rate; in 2014 they receive only 61.6 per cent of the pension rate.

³ Mallett S (2014), Crowded housing market gives youth little chance for independence, published at <http://theconversation.com/crowded-housing-market-gives-youth-little-chance-for-independence-27975>

⁴ Ibid.

Melbourne City Mission advocates for:

- A standard definition of youth across all Commonwealth policy jurisdictions, starting with the simplification of the income support system.
- For parameters to be established that do not infantilise young people, but rather empower them to have agency and autonomy as part of their pathway to independence – we do not agree with a definition of youth that extends to 29 or 30 years of age.

People with disability

Melbourne City Mission welcomes the strong emphasis in the Interim Report on people with disability participating in the workforce according to their capacity. People with disability share the same aspirations as other members of the community – to be active and contributing members of the community. This means, for most, having a job with an income and the corresponding social and economic benefits that work brings.

The Interim Report proposes that *“Disability Support Pension would be reserved only for people with a permanent impairment and no capacity to work. This would recognise that people who can never work need pension-level⁵ assistance.”*

Melbourne City Mission is concerned this pre-supposes that people’s employment status is static and that people with very profound disability do not have the desire to work. Melbourne City Mission challenges these suppositions and notes that, with changing technologies, it is becoming increasingly possible for work to be defined differently.

It is Melbourne City Mission’s position that people who want to work should have the capacity to remain on employment supports if they are seeking work.

We note the position of peak body National Disability Services that *“in principle, it is reasonable to expect people who can work to seek work. The risk is that sensitivity to individual capacity and circumstances could be lost (or dulled) when this principle is codified in rules and translated into practice”*.

Common approach to adjusting payments

Melbourne City Mission welcomes a consistent and transparent framework to ensure a more coherent social support system over time.

This will require strong leadership and political will. Past history shows this issue is politicised at key points of the electoral cycle.

⁵ Please also see footnote 2 of this submission.

Support for families with children and young people

This section of the Interim Report is framed in the context of making payments to:

- *“low income families to provide a basic acceptable standard of living for their children and support them to build the foundational skills and qualifications they need to participate in the workforce.”*
- *“support children to finish their education and transition to the workforce.”*

Melbourne City Mission agrees that the system should assist people to build capacity to participate, but advocates for additional considerations to be built in.

Melbourne City Mission is particularly concerned by the reference to *“a basic acceptable standard of living”*. In seeking to encourage and effect transitions from welfare to work for working age adults who are deemed to have an existing or future capacity to work, it is important that the rate structure in a new system:

- Does not stigmatise families who already feel they are on the margins of society
- Enables agency
- Is sufficient for people to engage in civil society, beyond education, skills development and job-seeking activities.

Social policy – of which income support is one dimension – is *“not simply about material welfare but has an important civil and political dimension”*⁶.

⁶ H Steinert (2003) cited in Buckmaster L and Thomas M (2009), *Social inclusion and social citizenship towards a truly inclusive society, Research Paper No. 08 2009-10*, Parliament of Australia, Parliamentary Library, Social Policy Section, accessed at http://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/rp/rp0910/10rp08

Income support payments to children and young people

Melbourne City Mission works with children and young people in the following age groups and transition phases:

- Children 0 – 5 (including children with developmental delays accessing our Early Childhood Intervention Services; and children attending our childcare and pre-school services)
- Primary school-aged children (including children with developmental delays; children with disabilities; children whose siblings or parents have a disability or chronic condition; children who are at risk of education disengagement; and children experiencing family homelessness)
- Young people of secondary school age (including young people with disabilities; young people whose siblings or parents have a disability or chronic condition; young people who are disengaged from mainstream education; young people who are experiencing family conflict or family violence and are at risk of individual or family homelessness; young people in the homelessness system; young people who have been involved with statutory services, including residential care and juvenile justice; and young people who are refugee minors)
- Young people post-school age (including young adults with disabilities who are accessing support services to meet their individual needs, goals and aspirations; young adult learners who are re-engaging with education and working towards pre-accredited and accredited qualifications; young adults engaged with employment services; and young adults at risk of, or experiencing, homelessness).

A significant proportion of these children and young people come from families experiencing socio-economic disadvantage, locational disadvantage and/or some other form of social exclusion. At the current time, income support is broadly provided in the form of:

- Family payments
- Direct payments to young people who are living independently.

Additionally, young people with a disability who meet the criteria for the Disability Support Pension can currently access a direct payment (at youth rates) from the age of 16 years.

Independent access to income support

The Interim Report poses the question: *“In what circumstances should young people be able to access income support in their own right?”*

Melbourne City Mission believes that it is vital that vulnerable young people (for example, young people escaping family violence) have access to direct payments. Adequate, independent income support is a critical enabler for young people to be safe and to re-engage and pursue a pathway to full social and economic participation (so that they can make a sustainable transition out of the system to independence).

Family reconciliation will not be safe, appropriate or possible for every young person whose homelessness is a consequence of family conflict and breakdown, however, Melbourne City Mission notes that families are dynamic and relationships are fluid – this is particularly so for families with adolescents. With timely, appropriate support strategies, many family relationships **can** be repaired and some young people **are** able to return home safely.

Melbourne City Mission believes that the administration of the DHS Centrelink 'Unable to Live at Home' allowance (UTLAH) should reflect that. For young people in the early stages of family disengagement and homelessness, Melbourne City Mission advocates for the existing point-in-time UTLAH assessments to be regularly reviewed, as part of a comprehensive family reconciliation review and early intervention strategy⁷.

A foundational strategy of Melbourne City Mission's pilot program, Detour, is partnerships with DHS Centrelink that harness Centrelink's capacity as a 'high impact early intervention point', enabling assertive referral pathways from Centrelink to early intervention. Under this approach, young people who are able to be reunited with family and communities are 'fast-tracked' into the Detour early intervention program, rather than 'fast-tracked' into the homelessness system.

More information about Detour is provided later in this submission, and additional detail about our position on the UTLAH is available upon request from Melbourne City Mission.

Supporting families to ensure children and young people complete their education and transition to work

The Interim Report asks: *"How can we better support families with the costs of children and young people to ensure they complete their education and transition to work?"*

In Victoria, low-income families have typically had access to a payment known as the Education Maintenance Allowance. This payment provides more than 200,000 Victorian students with up to \$300 to help cover the cost of books, uniforms, excursions and, increasingly, computers.

This allowance was ceased in the most recent State Budget. The Victorian Government stated that it *"had to relinquish the allowance to secure the Gonski school funding deal with the Commonwealth"* but that it would *"continue to support the most vulnerable in our community, including through the increased [federal] funding going directly to our schools"*⁸.

Melbourne City Mission is concerned that, going forward, families may not be adequately supported in relation to their children's education costs given the withdrawal of state payments such as the Education Maintenance Allowance even though there is no long-term commitment at the Commonwealth level to the full implementation of the Gonski recommendations.

To effectively support vulnerable families to ensure their children complete their education, it is vital that Commonwealth's welfare reform agenda acknowledges and responds to shifts in school funding policy. The 'knock-on' effect of changes (such as the cessation of Victoria's Education Maintenance Allowance, as part of a Commonwealth-State deal) should be built into the rate struck for the proposed child payment (one of the four primary payments proposed in the Interim Report).

⁷ As part of Melbourne City Mission's Detour model, this includes direct coaching support, active referrals and telephone/online coaching.

⁸ Topsfield J (2014), 'Parents fear loss of state allowance will affect children's education', *The Age*, 21/07/14.

Pillar Two: Strengthening individual and family capability

Mutual obligation

Melbourne City Mission agrees that the system should assist people to build capacity to participate. However, to effectively engage people and sustain a pathway to full social and economic participation, participation requirements and activities need to be just and meaningful:

- **A just approach**

Melbourne City Mission believes that the following principles, adapted from a Youth Affairs Council of Victoria youth engagement framework, are critical in the context of mutual obligation:

- Empowerment (participation promoting greater control – this speaks to earlier points made by Melbourne City Mission in this submission, with respect to dignity and agency)
- Purposeful engagement (participation creating valued roles, addressing relevant issues and influencing real outcomes)
- Inclusiveness.

Melbourne City Mission's experience in the re-engagement space (for example, as a Registered Training Organisation and as a Job Services Australia provider) indicates that a 'hard stick' approach doesn't work. Without genuine empowerment, *"participation can quickly become a token exercise or even a means of maintaining power relations; and without meaningful participation, empowerment can remain an empty, unfulfilled promise."*⁹

- **A meaningful approach**

The Interim Report acknowledges that, whilst some recipients of income support will require minimal support to get 'job ready', others face significant personal and structural barriers to participation. A range of re-engagement strategies will be required.

Melbourne City Mission has worked extensively in the re-engagement space. In our view, it is critical that mutual obligation activities are aligned to an individual's interests and aspirations and are part of a pathway to real employment opportunities. Coercion to undertake activities that are considered ineffectual or irrelevant to individual goals and aspiration will inevitably be counterproductive.

⁹ Cornwall and Brock (2005), cited in Pettit J (2012), *Empowerment and Participation: bridging the gap between understanding and practice*, United Nations, UN Department of Economic and Social Affairs, Division for Social Policy and Development, accessed at <http://www.un.org/esa/socdev/egms/docs/2012/JethroPettit.pdf>

Income management

The Interim Report acknowledges that government-funded evaluations of income management have had mixed findings, but asserts that income management:

- Can promote personal and family responsibility
- Plays a role in community capacity building
- Can be used to build capabilities as part of a case-management approach to assist the large number of disadvantaged young people not fully engaged in either education or work.

In relation to the first point – promoting personal and family responsibility – whilst Melbourne City Mission has no direct experience of income management initiatives, through our partnership work in Shepparton in regional Victoria, Melbourne City Mission has some familiarity with one current income management trial. We understand that whilst there are some cases of involuntary income management in this trial, there are also cases where individuals and families have entered into voluntary arrangements.

Where individuals and families have exercised choice, Melbourne City Mission is respectful of that and does not seek to diminish that choice. However, as a general comment, Melbourne City Mission:

- **Is concerned that income management sends mixed policy messages** – on one hand, government is seeking to reduce welfare dependence but on the other, it is setting up a system of dependency. Practically, on the ground, income management may work for some individuals and families, but ultimately it makes people depend on the system and the state to manage their affairs. For this reason, we do not support income management being *“incorporated into a package of support services available to job seekers who need to build foundational skills and stabilise their circumstances, as a platform to move into work or study”*.
- **Challenges the assertion that income management “as part of a case management approach” is useful**, and expresses concern at the prospect of government investing further in income management approaches which have *“mixed findings”* whilst defunding evidence-based case management programs like Youth Connections and Centrelink’s Case Coordination Program and Local Connections to Work Program.

Financial literacy, budgeting and personal responsibility (e.g. taking action to resolve legal issues, such as unpaid fines) form a key part of Melbourne City Mission’s early intervention and re-engagement work. Income management has the potential to significantly undermine the work that we and other community service organisations undertake to support people to transition to independence and break the cycle of disadvantage.

We hold particular concerns about young people and income management. We know that a young person gains very different capabilities as they move through adolescence and into early adulthood, as they undergo physical, psychological and cognitive changes. Policy needs to acknowledge and reflect these developmental changes. From an equity perspective, we would argue that young people in receipt of income support should have the privilege of learning from mistakes like any other young person.

Melbourne City Mission is concerned by local reports that, in relation to the Shepparton trial, some young people who have participated in income management and then transitioned out, have done so without having received any support to develop financial literacy or budgeting skills during the period of income management.

Early intervention

Melbourne City Mission supports a focus on early intervention. From our perspective, this is not a contested area of public policy – there is an extensive evidence base that demonstrates the value, impact and return on investment.

The key issue from Melbourne City Mission’s perspective is a commitment to making this policy ‘real’. Local, State and Commonwealth policies are littered with references to early intervention and whilst early intervention approaches **are** funded, on balance funding is highly targeted to ‘squeaky wheels’ (the crisis end of the service continuum) and quick fixes.

The need for quick wins is not analogous to early intervention, particularly in complex cases where longer-term wrap-around support may be necessary for people to break the back of disadvantage and forge a sustainable pathway to social and economic participation. This is a more expensive way of working in terms of upfront costs, though, as the Interim Report acknowledges:

- this *“needs to be weighed up against the long-term costs of not acting”*
- *“investing funds early and targeting the greatest need ... maximises the return on investment of taxpayer funds”.*

The Interim Report flags the potential for actuarial analysis of the long-run costs in social security outlays and the benefits of addressing these cost drivers for individuals and the system. Melbourne City Mission notes that a tipping point for the National Disability Insurance Scheme was the Productivity Commission inquiry into a long-term disability care and support scheme. As such, we see some potential merit in an actuarial analysis in relation to early intervention. However, in relation to the New Zealand investment model cited in the Interim Report, Melbourne City Mission:

- Expresses caution about picking up models from overseas and expecting that they can be directly transferred to an Australian context (Neighbourhood Renewal is a salient example).
- Seeks more robust information about the New Zealand model – the Interim Report provides a narrative description of some areas of system change. The community services sector requires more specific detail about the actual model in order to engage in a meaningful policy conversation about this.
- Flags concerns about the nature of the early intervention responses described in the New Zealand case study, namely:
 - Income management: in the case study example, this has been applied to young people. In principle, as outlined earlier in this submission, Melbourne City Mission does not support income management for young people, except in extreme cases.

- Mutual obligation: in the case study example, it is not clear that the participation requirements are aligned with a young person's interests and aspirations and linked to real employment pathways – we believe these are critical parts of the re-engagement process. We are also concerned by harsh financial penalties for jobseekers who are 'non-compliant'. 'Breaching' punishes young people who are already vulnerable and can perpetuate disadvantage and disengagement from civil society – Melbourne City Mission research shows that one-in-five young people engage in risk-taking activities because of cash flow problems.

Education and training

Melbourne City Mission agrees that *“successful participation in work depends on having skills in three broad areas: core language, literacy and numeracy skills; generic or employability skills (also called core skills for work); technical or discipline specific skills”*.

The Interim Report asks: *“What can be done to improve access to literacy, numeracy and job relevant training for young people at risk of unemployment?”*

Melbourne City Mission's position is that whilst mainstream secondary school education and Vocational Education and Training (VET) prepares the majority of Australian students well for social inclusion and labour market integration, there remains a core group of younger people with multiple and complex needs who need a different model of support¹⁰.

There are a number of existing models that work successfully with this cohort, however, they are hampered, rather than enabled, by current policy settings. The Melbourne Academy case study over the page provides an insight into some of the key challenges.

Melbourne City Mission advocates for greater policy and funding recognition of flexible learning (accredited non-school models) such as The Melbourne Academy (see pages 14 – 15 for more information) and increased availability of alternative Year 12 qualifications/pathways such as the Victorian Certificate of Applied Learning (refer to case study on page 21), in order to re-engage early school leavers at risk of long-term unemployment.

Melbourne City Mission also notes that education and training policy and funding is complex, spanning multiple levels of government and multiple jurisdictions within governments. Given the Reference Group's particular interest in education and training pathways as part of the participation agenda, Melbourne City Mission is disappointed that there is not greater recognition of – and responsibility for – system challenges. **Melbourne City Mission strongly advocates for better join-up of policy reform in 'welfare' and policy reform in early childhood education, schools, Vocational Education and Training and employment across governments and within governments.**

¹⁰ In 2011, 60,000 young Victorians (20 – 24 years) had no qualification, having disengaged from education without completing Year 12 or an equivalent qualification. This figure represents 14 per cent of 20 – 24 year olds in Victoria. On an annual basis, government data shows 16,000 young people are disengaging from education in Victoria **every year**. Of the 7,000 who start in the VET system, 6,000 are disengaging after just one year.

Typically, people who access support from Melbourne City Mission face major personal barriers to participation. **As government heightens its expectations of individuals – and support agencies – it too must fulfil its role in enabling meaningful and sustainable pathways by attending to major system issues.**

Case study: The Melbourne Academy – education re-engagement

A key plank of Melbourne City Mission’s solution to disengagement is The Melbourne Academy.

The Melbourne Academy:

- Delivers a curriculum that enables young people to engage in pre-accredited programs and work towards the attainment of accredited qualifications (VCAL or VET certificates).
- Comprises six high support classrooms, each with up to 20 students, dispersed across the CBD and Melbourne’s metropolitan north-west corridor.
- Educates some of the State’s ‘highest needs’ learners, including young people who are experiencing (or at risk of) homelessness, young women who are pregnant or parenting, and young people who have grown up in families characterised by inter-generational early school leaving and long-term unemployment. (Most of the students have a two to three year gap in their education attendance history, and 90 to 100 per cent have complex trauma¹¹.)
- Embeds specialist youth workers in the classroom, to support students and teachers to overcome barriers to engagement.

Whilst the model is an effective education intervention, the complexity and number of funding arrangements present significant challenges, with regards to resourcing multiple compliance and reporting requirements. In order to respond to the needs of young people who want to re-engage with education through flexible learning programs, Melbourne City Mission has:

- Established The Melbourne Academy with separate registrations as a Registered Training Organisation, VCAL and Learn Local (Adult and Community Further Education) provider in order to attract a 'sustainable' range of funding streams.
- Coordinated a number of fragmented support services (government-funded programs) that support specific populations or service needs, to provide case management support/brokerage funding/staff resourcing to assist in meeting the needs of young people enrolled at The Melbourne Academy.

¹¹ The Victorian Department of Education and Early Childhood Development has defined trauma as “an experience or series of experiences have so threatened the individual that all usual responses are so overwhelmed”. “Complex trauma” (which happens when the people on whom a child depends are abusive and/or neglectful) affects an individual’s capacity to form relationships through life. Staff at The Melbourne Academy note that complex trauma has impacted students’ ability to establish and sustain positive relationships with peers, teachers and support staff in previous education settings, and has been a significant factor in their disengagement from mainstream education.

- Engaged with a range of Commonwealth-funded services (such as the now de-funded Youth Connections, as well as Reconnect and Job Services Australia) and State-funded programs (including Springboard and homelessness services) in an attempt to mitigate the participation barriers that challenge successful pathways.

A major resource drain is expended chasing grants, engaging philanthropy and multiple government departments, reporting against a number of income streams, compliance and administration – all of which detracts from time spent with young people in need.

Improving individual and family functioning

Melbourne City Mission broadly agrees with the Reference Group that *“families that function well generate benefits for individual family members as well as for communities and government”*.

Melbourne City Mission favours strengths-based approaches and empowerment models that address barriers to inclusion and enable people to develop meaningful pathways to participation over paternalistic or punitive measures.

Melbourne City Mission’s work in the early years space provides examples of innovative strategies to improve individual and family functioning in a way that is respectful and does not stigmatise.

Timing is critical. As stated earlier in this submission, Melbourne City Mission supports increased investment in early intervention. **Effective** early intervention takes time and requires a long-term investment – longer than governments are typically used to funding.

One best-practice example in which Melbourne City Mission is involved with sector and intersectoral partners is Cradle to Kinder. This is an integrated and co-ordinated, child-focused, family-centred service system response to vulnerable families and their children. It is a Victorian State Government-funded initiative that promotes the health, safety and wellbeing of children and assists parents to make positive changes to their lives.

Cradle to Kinder is different to other programs working with families ‘at risk’ – it is a longer-term intervention that offers tailored support to young women and their families **from pregnancy until the child commences pre-school.**

The service design shifts the focus from crisis responses to capacity building and prevention: support is able to commence during the ante-natal period and child/family focused wrap-around supports continue, as needed, for the first four years of the child’s life, in collaboration with early childhood services.

This kind of dynamic, longer-term intervention represents a real investment in vulnerable families and sets the scene for sustainable, long-term outcomes. **More detail is provided in the case study on page 16 of this submission.**

Another example of innovation is Melbourne City Mission’s new ‘Integrated Local Learning’ model. This is a contemporary approach to engaging children, young people and families in meaningful (early) education or training, to promote lifelong learning, acquire essential skills, and pathways into local jobs.

In addition to delivering a high quality early childhood education program and using the universal kindergarten platform to wrap-around integrated support services, our model implements a range of innovative strategies to engage families and the wider community, including learning and engagement programs that build the parenting skills of local residents (for instance, a new pathways course into the ECEC industry using a supported playgroup), increase attainment rates and/or literacy and numeracy through accredited training, and deliver useful qualifications that lead to real jobs and that meet Melbourne City Mission's workforce needs (local jobs for local people).

We would be pleased to provide more detail about this model to the Reference Group, upon request.

Case study: Cradle to Kinder – early intervention to improve individual and family functioning

Cradle to Kinder provides intensive ante and post-natal support for vulnerable families. The target population is:

- young pregnant women (under 25 years) up to 26 weeks if possible, and up to 6 weeks after the birth of their baby
- living within the identified Child FIRST catchment¹²
- where a Report to Child Protection has been received for their unborn child, where the referrer has significant concerns about the wellbeing of the unborn child, or
- where there are a number of indicators of vulnerability/concerns about the wellbeing of the unborn child and the woman is not involved with the Child Protection system.

Priority of access is given to:

- young women who are, or have been, in out-of-home care
- Aboriginal women
- women who have a learning difficulty
- young women and their families who have previously been receiving Cradle to Kinder services but who have moved to a new Cradle to Kinder catchment.

The program also accepts referrals for young women who are, or have been, in out-of-home care and are living in unstable housing/short term tenancy arrangements outside the catchment but within the Department of Human Services region, and exercises flexibility in accepting referrals for pregnant women with an intellectual disability who are older than 25 years of age.

Engagement with the program is on a voluntary basis. Emphasis of supports is placed on the key transition periods in a child/family's life.

The model of family/individualised support uses a strengths-based approach that focuses on building the capacity and confidence of the young parent. Our youth-focused services are linked to child-focused services, so that regardless of entry point, families and children are able to be assisted. Families are linked to relevant services with seamless referral pathways. Engagement with families using a universal platform is considered to be a safe environment by both parents and children and non-stigmatising.

¹² Child FIRST is a Victorian Government initiative to ensure that vulnerable children, young people and families are linked effectively into services. There are 24 Child and Family Information, Referral and Support Teams (Child FIRSTs) in the state.

How Cradle to Kinder is supporting people to build their capabilities – key elements of our service model:

- **Whole of Family service response** – identifies and considers family circumstances, in particular the existence and experience of the child.
- **Culturally responsive** – service provision underpinned by the Aboriginal Cultural Competence Framework to ensure cultural competence and cultural safety. An understanding of cultural identity and cultural differences in parenting practices also underpins service provision for families who are culturally and linguistically diverse.
- **Early Engagement and Relationship Practice Approach** – assertive outreach to establish critical relationships and enduring partnerships with participants that are child-focused, family-centred, responsive to family needs, and utilise a strength-based approach.
- **Longer-term intervention** – provision of ante and post natal-supports, early childhood parenting, assistance with day-to-day building of life skills, practical support and assistance, and future planning. Strategies are developed in conjunction with the participant and significant others to maintain the engagement of the family in the longer term, until the child turns four, through identification and flexible responses to the changing support needs of the family.
- **Holistic Assessment** – multi-dimensional approach based on key indicators and desired outcomes. A dynamic, informed risk and needs assessment underpinned by ongoing analysis and planning, and evidence based judgement. Identifies and addresses the ‘root cause’ of risks for each participant and their family while assisting to plan for the future identifying longer term goals and aspirations of the mother and her family.
- **Best Interests Case Practice model** –through a co-ordinated key worker approach, meets the health, safety and developmental needs of infants and young children as well as the needs of the family while also developing the young parent’s assets, strengths and ability to resolve challenges and achieve their desired outcomes.
- **A multi-disciplinary team** – comprising skilled and experienced staff from a range of professional backgrounds who demonstrate a “can do” approach in partnering with the young mother, her family, and those involved in the circle of support created for the family. Easily accessible, located where young people are.
- **Family and Community Reconnection Focus** – connecting the young mother and child to their family and the mainstream and specialist services they need, building self-determination and resilience for sustainable positive outcomes for the future.
- **Child and Family Action Plan** – developed in consultation with all key stakeholders, self-directed, person-centred and family-inclusive, creates goals and actions to achieve positive outcomes both short and long term.
- **Streamed Pathways and Flexible Support Family Support Packages, Time-limited Care Packages and Post-program Support** – defined, individualised, tailored programs to build a sustainable path for the future of the young mother and her family; provides opportunities for long-term, sustainable relationships, social networks; and assist parents to make positive changes in their lives and improve the family’s capacity to be self-supporting.

Evaluating outcomes

The Interim Report asks: *“How can government funding of programmes developing individual and family capabilities be more effectively evaluated to determine outcomes?”*

In Victoria, Melbourne City Mission has been engaged in the ‘Service Sector Reform Project’, which was commissioned by the Victorian Minister for Community Services and had Professor Peter Shergold as the Independent Project Leader. We are aware of similar community sector reform projects in other Australian jurisdictions.

Given the complexity of this area of public policy – and in light of the significant resources that have been invested in this work in a number of Australian states – Melbourne City Mission advocates for the Commonwealth to engage with the outcomes measurement work of other Australian jurisdictions as a starting point.

Pillar Three: Engaging with employers

In order for participation in re-engagement programs (such as The Melbourne Academy, documented earlier in this submission) or mutual obligation activities (such as Work for the Dole) to be meaningful, people need to know that they will be able pathway out to real jobs.

Melbourne City Mission contends that, without the jobs for people to pathway into, the Government's welfare reforms represent a 'big stick' approach without a 'carrot':

- Whilst Melbourne City Mission welcomes the Federal Government's commitment to *"creating one million new jobs within five years and two million new jobs over the next decade"*, we draw attention to (and support) ACOSS's call for a **national plan for jobs** that has investment in people at its heart.
- We note the assertion in the Interim Report that *"employers should be encouraged to make jobs available for disadvantaged groups including people with disabilities"*. Notwithstanding cuts to the Australian Public Service, government remains a major employer in our community. In relation to jobseekers with a disability – one of the most marginalised groups of jobseekers in Australia – Melbourne City Mission calls on the Commonwealth Government to lead by example and set targets for employing people with a disability in the Australian Public Service. We also advocate for Government to develop strategies to promote increased recruitment of people with a disability in organisations that receive Commonwealth funding.
- Additionally, in terms of disability employment strategy, we draw attention to the need for changes to the system architecture. Without such changes, the chances of people with disability accessing opportunities into work remain very slender. As it stands, the red tape involved for employment service providers to assist people with disabilities makes the system complex and difficult to navigate – both for job seekers and agencies.

Transition pathways

The Interim Report asks: *“How can transition pathways for disadvantaged job seekers, including young people, be enhanced?”*

Disadvantaged jobseekers typically:

- Have multiple barriers, some of which are personal (for example, lack of support networks) and some of which are structural (for example, housing instability as a consequence of inadequate supply of affordable housing). For jobseekers with disabilities, there is an additional overlay of barriers that are disability-specific, including disabling¹³ attitudes and behaviours in the workplace, inflexible and inadequate supports for daily living, and lack of appropriate job pathways, for example, from supported employment to open employment or between different career stages.
- Lack the confidence and persistence to negotiate the complex array of employment assistance programs and procedures.
- Lack the qualifications, skills and work experience to be competitive in the new economy.

Transition pathways can be enhanced by recognising and attending to these barriers.

In relation to personal barriers, Melbourne City Mission calls for:

- System approaches that motivate but do not seek to diminish or punish jobseekers.
- Greater policy and funding recognition of innovative re-engagement models such as The Melbourne Academy (which has been described on pages 14 – 15 of this submission) and increased availability of alternative Year 12 qualifications/pathways such as the Victorian Certificate of Applied Learning (refer to the case study on the following page).
- Policy join-up and system integration to realise the full value of the National Disability Insurance Scheme (for jobseekers with a disability, who are eligible for NDIS support)
- Recognition of education and development as a key part of the pathway to employment participation. Melbourne City Mission is concerned that the Commonwealth’s decision to cease funding proven engagement models such as Youth Connections represents a devaluing of an important stepping stone to labour market participation.

In relation to **structural barriers**, significant work is required at the Commonwealth level to tackle such issues as housing affordability.

¹³ Discriminatory and/or paternalistic attitudes and behaviours have a ‘disabling’ effect on jobseekers with a disability. These manifest in a number of ways. The Office of Disability Employment Policy in the United States Department of Labor describes nine broad categories of attitudinal barriers: inferiority, pity, hero worship (in which people “consider someone with a disability who lives independently or pursues a profession to be brave or ‘special’ for overcoming a disability”), ignorance, ‘the spread effect’ (in which it is assumed that “an individual’s disability affects other senses, abilities and traits”), backlash (in which “people believe individuals with disabilities are given unfair advantages”), denial (in which people tend to believe that ‘hidden’ disabilities, such as cognitive impairment, are “not bona fide disabilities needing accommodation”), stereotypes, and fear.

In relation to **system issues**, within the **current** employment services system, Melbourne City Mission notes:

- While the policy of creating greater emphasis on employment pathways and reducing welfare dependency through changes to the income support system in Australia is to be applauded, the capacity for longer-term planning which involves co-operation and partnership with complementary program providers is essential. Employment consultants have very limited time and resources to engage in longer-term planning with drug and alcohol, mental health and other specialist sector workers in order to create employment pathway goals.
- The need to achieve high star ratings in the **present** employment services system means that there is an active disincentive for employment consultants to address the needs of those with complex issues. It is simply too time consuming for consultants to engage in the sort of co-case management work that requires networking and partnership development across multiple sectors, so the result is a large number of (current) Stream 4 participants languishing in a 'pre-employable' state. Cherry-picking for only the most lucrative clients becomes the norm in these situations.

Case study – the Victorian Certificate of Applied Learning (VCAL) as a transition pathway

The Victorian Certificate of Applied Learning (VCAL) curriculum is a highly successful curriculum for re-engaging young people who have stopped attending mainstream school:

- It can be adapted to students who struggle academically **and** those who do not struggle academically but are disengaged.
- Its ability to be taught in a flexible and interest-based way means that it is ideal to teach around a range of projects that are designed to enthuse young people about learning again.
- It is an equivalent qualification to Year 10, 11 and 12, hence students are not disadvantaged by enrolling in this curriculum.
- Community VCAL contracts have allowed a number of community organisations such as Melbourne City Mission to start education programs aimed at re-engaging young people with high levels of disadvantage, some of whom the agency may have already had contact with through homelessness or juvenile justice programs. These education programs can both focus on wellbeing and welfare and still deliver a recognised curriculum, rather than a 'watered-down' version of the main curriculum.

According to the Victorian Curriculum and Assessment Authority website, VCAL now has over 22,000 enrolments. This is significantly ahead of enrolments in other states in alternative curriculums. Melbourne City Mission educators with experience teaching in a number of jurisdictions here and overseas believe that the flexibility of the VCAL curriculum, along with its equivalency with VCE, makes it the best curriculum they have come across in terms of keeping young people engaged in the learning process (where they may have otherwise well given up on schooling altogether).

Vocational Education and Training

The Interim Paper asks: *“How can vocational education and training into real jobs be better targeted?”*

Melbourne City Mission agrees that Vocational Education and Training (VET) needs to be targeted to where the jobs are and where there are skills shortages – as a Registered Training Organisation, we want to train people to pathway into **real** jobs.

However, Melbourne City Mission is concerned that in VET sector reforms, it appears that Foundation Skills training is not being given adequate policy attention. Foundation Skills training is an essential component of the VET system, preparing learners to build their literacy and numeracy skills to enable participation in higher-level certificate programs.

In examining how vocational education and training into real jobs can be better targeted, Melbourne City Mission advocates for the Reference Group not to lose sight of the pivotal role of Foundation Skills. It cannot be assumed that the mainstream school system is preparing everyone for VET pathways. This is particularly the case for early school leavers.

Labour mobility

In the Federal Budget, the Australian Government announced new measures to help connect unemployed job seekers with jobs through the ‘Relocation Assistance to Take Up a Job’ initiative.

The Interim Report describes these measures and asserts that:

“Low rates of mobility might ... be detrimental to people from disadvantaged areas. Research has found that people who remain in disadvantaged areas tend to have lower education levels and lower incomes than those who move away.”

Relocation may well appeal to some disadvantaged jobseekers, and Melbourne City Mission welcomes the availability of relocation assistance in those instances where this might be the case. However, Melbourne City Mission would not support any coercion or compulsion in relation to these measures.

In terms of policy impact, Melbourne City Mission notes Jobs Australia’s 2013 submission to the Productivity Commission inquiry into Geographic Labour Mobility, which stated: *“While the statistical evidence on geographic labour mobility is limited, the evidence that exists shows that the outcomes for individuals who do undertake this major life change are mixed.”*¹⁴

We concur with member feedback cited by Jobs Australia in its 2013 submission that *“relocating is not an option for highly disadvantaged people because it means moving away from existing family support, other social services support, and frequently away from cheap and affordable housing. The financial and other risks will generally be so high as to be both unappealing to the job seeker and unacceptable as a public policy position.”*

¹⁴ Jobs Australia (2013), *Productivity Commission Issues Paper: Geographic Labour Mobility*, July 2013, *Jobs Australia Submission: Labour mobility and relocation of job seekers*, accessed at www.pc.gov.au

Pillar Four: Building Community Capacity

The Interim Report asserts that *“a well-functioning social support system recognises that vibrant communities create employment and social participation for individuals, families and groups”*.

Melbourne City Mission agrees that:

- *“Investments by government, business and civil society play an important role in strengthening communities.”*
- *“Building community capacity is an effective force for positive change, especially for disadvantaged communities.”*

Role of civil society

Melbourne City Mission agrees that community service organisations play a key role in building community capacity.

The Interim Report asserts that *“there is growing recognition that unique and innovative solutions are required to address the complex problems facing disadvantaged communities”* and that *“innovative solutions rely on partnerships that draw on the expertise, experience and resources of the broader community.”*

Partnerships have been an integral part of the Melbourne City Mission model throughout the organisation’s 160 year history. These partnerships are with governments, corporates (business partnerships and employment links), trusts and foundations, other community sector organisations, schools, universities and think tanks, and local community groups.

The Interim Report states that *“individual philanthropists, corporate and family foundations and private ancillary funds are often better positioned to bring innovative solutions to complex social problems”*.

Melbourne City Mission agrees that these groups can play a powerful **enabling role in partnership with civil society organisations**, particularly where organisations are working on so-called ‘wicked problems’ (problems like homelessness that are seemingly intractable and resistant to traditional approaches). **The ‘Step Ahead’ case study on the following page provides a powerful example of this.**

However, Melbourne City Mission maintains that there is an enabling role for government.

For example:

- In order to effectively harness the role of philanthropy, corporate and family foundations and private ancillary funds – and other potential agents of change – there is a role for government to support partnership development and invest in sector capacity building. Melbourne City Mission sees this as a key role for the National Centre for Excellence in Civil Society that the Commonwealth Government has committed to establishing.
- Government can also foster innovation through the procurement process. A case study example from Victoria is provided on page 24.

Case study: Step Ahead – philanthropy as an enabler for innovation

Melbourne City Mission's 'Step Ahead' first opened its doors in 2004 to young people who were homeless or at risk of homelessness. It was one of the first 'foyer' models in Australia, bringing together housing, employment, education and training, life skills and personal support in the one program.

It is now accepted knowledge that homelessness and unemployment are related, and that if you address one of these problems but not the other, that you are not likely to succeed in effecting change. However, at the time of Step Ahead's inception, it was an unknown quantity. In this instance, the offer of venture capital from the Sidney Myer Foundation was pivotal to the (then) Victorian Office of Housing's decision to support a demonstration project.

A decade on, 'foyers' are not only held up by governments as a best-practice example of early intervention in homelessness, but subject to a \$34 million investment within the current term of the Victorian government (and, indeed, foyers are highlighted in the Interim Report as leading practice).

Case study: Detour – government as an enabler for innovation

Detour is an outcomes-funded prevention and early intervention pilot that is designed to get young people 'back on track ASAP' and permanently divert them from homelessness.

The Detour pilot is led by Melbourne City Mission and implemented in partnership with public service agencies (State and Commonwealth), community services organisations and universal services. It is currently being trialled at three Victorian sites (Sunshine, Shepparton and Frankston).

Detour's pilot funding comes from the Victorian Government's *Victorian Homelessness Action Plan* (VHAP). A central pillar of VHAP is a dedicated fund for 'Innovation Action Projects'. Detour was one of 11 projects funded in Stage 1 (and has since received Stage 2 funding).

A unique aspect is that, rather than prescribing service design, the Victorian Department of Human Services identified priority 'high risk groups' and put out an *Advertised Call for Submissions*. In an open request for tender process, community services organisations and universal services (for example, schools) were invited to submit proposals that demonstrated new ways to tackle homelessness based on tangible outcomes to be achieved for specific groups.

This is the first time this type of procurement process has been used on a large scale in the Victorian homelessness system, and it has been a key enabler for service innovation.

Enabling community services organisations and universal services to become co-producers in service/program design has allowed Melbourne City Mission and its Detour partners to construct fundamentally different approaches to early intervention in homelessness, to achieve a higher rate of sustainable, positive outcomes and individual success.

Evaluation by KPMG is showing early signs of cost effectiveness and innovation in addressing homelessness.

Detour highlights the role that government can play in enabling innovation in areas of complex social policy.

Conclusion

Deep exclusion – or disadvantage – reduces opportunities for individuals and society.

Melbourne City Mission reaffirms its position that participation can provide a pathway out of disadvantage **so long as that participation is meaningful and is underpinned by a just approach** – Melbourne City Mission advocates for participation requirements to be developed in the context of a civil society framework.

Additionally, Melbourne City Mission draws attention to the fact that meaningful reform cannot occur without significant structural and systems changes, not all of which are addressed in the Interim Report. As government heightens its expectations of individuals – and community support agencies – it, too, must fulfil its role. Structural issues – including job availability – must be attended to, in order to enable genuine and sustainable pathways to inclusion.