

Youth Network of Tasmania's response to the interim Report of the Reference Group on Welfare Reform 'A New System for Better Employment and Social Outcomes.'

August 2014





About YNOT

The Youth Network of Tasmania (YNOT) is the peak body for the non Government youth sector and young people in Tasmania. Integral to the work of YNOT is the youth participatory and consultative structure, the Tasmanian Youth Forum (TYF) which represents the needs and interests of young people aged 12-25 years.

Our Vision

A Tasmanian where young people are actively engaged in community life and have access to the resources needed to develop their potential.

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Introduction

The Youth Network of Tasmania (YNOT) welcomes this opportunity to provide feedback on the Interim Report to the Reference Group on *Welfare Reform 'A New System for Better Employment and Social Outcomes.'* The proposed Welfare Reform is highly relevant to young people in Tasmania and to the Tasmanian Youth Sector, as the lives of many people aged 12-25 years will be affected by the proposed changes.

Young people bring needed skills and a unique perspective to many workplaces and the vast majority of young people want to participate in stable employment and contribute to their communities. Despite this, many young people face considerable barriers to gaining employment. Research has shown that regardless of young peoples' experience, capacity, ethnicity, location, aspirations, and needs, they are generally at a disadvantage in the labour market (Greenwood 1996).

Young people are considered to be amongst the most disadvantaged cohorts in our community, many of whom face multiple barriers preventing them from fully participating in the community. Australia's youth unemployment rate has grown to 12.5% since the Global Financial Crisis (GFC) in 2008; causing 257,000 young Australians aged 15 to 24 to become unemployed. In February 2014, 425,617 Newstart and Youth Allowance recipients were looking for work, but at the same time there were only 140,800 vacancies, which potentially means there were three job applicants for each vacancy (Gilbie 2014). The average length of time it takes to become employed has also increased from 16 weeks in 2008 to 29 weeks in 2014 (Hernandez 2014). The Brotherhood of St Laurence notes that the globalised economy has made it harder for young people without work experience and university degrees to find employment (Hernandez 2014).

Among Australian states, Tasmania ranks at the bottom among Australian states on virtually every measure of economic, social and cultural performance. Tasmania has the highest unemployment rate and the lowest levels of income, education and literacy. Tasmania also has the highest rates of chronic disease, smoking, obesity, teenage pregnancy, petty crime and domestic violence, and the poorest longevity (West 2013). Tasmania also has the oldest population in the country and the population is ageing faster than any other state or territory, resulting in less employment opportunities for young people. Therefore compared to the other states, Tasmanian youth are a particularly disadvantaged cohort. Tasmania's youth unemployment rate ranges from 18.2% to 21%, the highest of any region in Australia.

YNOT believes Australia needs a new approach to assisting young people who are unemployed; by building their qualifications, skills and experience, young people have a better chance of securing a job in the modern economy. Support services are essential in assisting young people to navigate their way through the employment market and also to maintain employment, which will reduce the likelihood of young people experiencing long term disadvantage. YNOT supports the guiding principles within the Welfare Review, for example the proposal to develop a system that can provide adequate support to those who genuinely need it, but YNOT believes the process of encouraging economic participation needs to be supportive to ensure positive and sustainable outcomes can be achieved. YNOT strongly believes that any changes to the welfare system should be introduced to benefit the most vulnerable and disadvantaged people in our community. It is through genuine support that young people can navigate the employment market to find suitable employment and a future of self-reliance.

The approach needed to support young vulnerable jobseekers is a targeted and supportive service, which recognises the diversity amongst young people, which will be discussed throughout this submission.

YNOT is looking forward to further opportunities to participate in consultations relating to the Welfare Reform 'A New System for Better Employment and Social Outcomes.'

Summary of Recommendations

1. Pillar One: Simpler and sustainable income support system

1.1. Simpler Architecture

 Recommendation: That Australia needs a simpler architecture for the income support system, but this should not be at the cost of other social and employment outcomes.

1.2. Fair Rate Structure

• **Recommendation:** That any Tiered Working Age Payment that is introduced is based on the individual circumstances of a person, rather than their age.

1.3. Common approach to adjusting payments

Recommendation: That income support payments need to be adjusted to reflect
relative cost of living, including the costs required to transition to employment. These
costs should be based on circumstances, so that people in the same circumstances
are adequately supported, regardless of their age.

1.4. Support for families with children and young people

 Recommendation: That young people have access to services that assist them through the transition from school to work, regardless of their family circumstances.

1.5. Effective rent assistance

Recommendation: That Rent Assistance should be indexed to movements in the
cost of rent and recipients of Rent Assistance should not pay more than 30% of their
income on rent.

1.6. Rewards for work and targeting assistance to need

- **Recommendation:** That incentives are offered to encourage young people to work to their full capacity, enabling them to be financially independent in the future.
- Recommendation: That the needs of young people are met through youth appropriate employment services.

2. Pillar Two: Strengthening individual and family capability

2.1. Mutual obligation

Recommendation: That a Youth Transitions Service is included as a compulsory
element of a Mutual Obligation program, to assist young people to attain the
education and skills they need to find and retain work into the future.

2.2. Income management

 Recommendation: That young people are able to access resources to improve their financial literacy and budgeting skills as YNOT believes this would be more effective than quarantining income support payments.

2.3. Early intervention

 Recommendation: That early intervention programs focus on providing a supportive and intensive service to young jobseekers, encouraging positive, longterm employment outcomes.

2.4. Improving family function

• **Recommendation:** That the basic needs of young people and their families are met, to encourage the family unit to function at their full potential.

2.5. Evaluating outcomes

 Recommendation: That any evaluation process of the welfare system takes into account the needs and experience of individuals and reflects the broader context of today's society.

3. Pillar Three: Engaging with employers

3.1. Employment focus – making jobs available

 Recommendation: That government funded initiatives aimed at increasing employment rates have a strong youth focus.

3.2. Improving pathways to employment

 Recommendation: That future job service models must focus on improved client service which will increase the likelihood of employment for young jobseekers and promote a more efficient system.

3.3. Community role

 Recommendation: That the business community are provided with incentives to employ young people.

3.4. Supporting employers

 Recommendation: That services which increase young people's work readiness and productivity are provided prior to young people commencing employment.

4. Pillar Four: Building community capacity

4.1. The role of civil society

Recommendation: That the Foyer model is adopted further, as it is a highly
effective model of service delivery to young people, and results in mutual benefits for
the community.

4.2. The role of government

- **Recommendation:** That there is increased government focus on improving the educational performance gap between students.
- **Recommendation:** That the government provide more entry-level job opportunities for young people.

4.3. The role of local business

Recommendation: That local businesses partner with services such as a Youth
Transition Service, where employers offer valuable and engaging work experience
and mentoring to young people.

4.4. Access to Technology

• **Recommendation:** That young people are provided with the opportunity to access technology, which is valuable in relation to skill building and for seeking employment.

4.5. Community resilience

 Recommendation: That communities continue to grow and develop, to become self-reliant through reducing social isolation and building on the community's strengths and capabilities.

1. Pillar One: Simpler and sustainable income support system

1.1. Simpler Architecture

YNOT believes that having a simpler architecture for the income support system in Australia would make it easier for young people to understand the system. Reducing the number of payment types and supplements could be a way of making the system simpler. However, YNOT recognises that there is a risk in making the payment types so broad that income support payments do not address the individual needs and circumstances of the recipient, resulting in barriers for young people in achieving sustainable, long-term employment and self-reliance. For example, the four proposed payments (Tiered Working Age Payment, Disability Support Pension and Child Payment) do not specifically address the needs of people who are students.

Young people often pursue further study or training after Year 12 to gain a formal qualification with the aim of improving their employment and social outcomes. Throughout this pursuit many young people face financial adversity due to the fact that not all young people have their family to support them through their studies. In addition to this students generally have lower incomes due to a reduced capacity to work fulltime hours. Young people have the same living costs as any other single person or member of a couple, but they often only have access to a smaller percentage of income compared to people above the age of 25. YNOT believes that young people should not be discouraged from studying or training due to a lack of family and/or income support, as there are greater long term benefits related to skills and qualifications.

Recommendation: That Australia needs a simpler architecture for the income support system, but this should not be at the cost of other social and employment outcomes.

1.2. Fair Rate Structure

The right to income support is a fundamental right, as recognised in the International Covenant on Economic, Social, and Cultural Rights (ICESCR). The right of children and young people to income support is further explicitly recognised in the United Nations Convention on the Rights of the Child. These rights assure children and young people an adequate standard of living as well as assisting to alleviate poverty for children and young people. Despite this, around 2.6 million Australians live under the poverty line and almost one quarter of Australian people living in poverty are children and young people (Phillips, Miranti, Vidyattama & Cassells 2013).

YNOT believes that providing a Tiered Working Age Payment that supplies income support to independent young people at a lower rate than adults is not a fair or efficient rate structure. YNOT believes having a rate structure that provides payments based on age, rather than circumstances, contributes to the significant percentage for young people who are living in poverty. Young people who are living independently face the same costs to achieve a basic standard of living as an adult in the same circumstances. While there is an increasing trend for young people to live in the family home for a longer period of time, many young people are not able to be supported by their family, or to stay in the family household because of reasons such as family violence, poverty and family breakdown. Young people should receive the same rate of income support as an adult who is in the same circumstances.

YNOT also argues that any changes to income support also needs to take into account the diverse circumstances which young people face, particularly circumstances that can incur extra costs and require additional support. Examples of this are young people with disabilities, those who cannot access education, or who have experienced trauma or family breakdown. It is important that income support is enough to cover the basic needs of young people to ensure they can focus on training, study or securing stable employment.

Recommendation: That any Tiered Working Age Payment that is introduced is based on the individual circumstances of a person, rather than their age.

1.3. Common approach to adjusting payments

YNOT believes that allowances need to be adjusted in a way that accurately reflects basic living costs. Currently allowances are indexed at the rate of CPI (Consumer Price Index) but this system has proven to be inadequate. This inadequacy was acknowledged when pension indexing was amended, based on the Pension Review Report completed by Dr Jeff Harmer in February 2009. Pension rates are now indexed on the Pensioner and Beneficiary Living Cost Index (PBLCI) (ABS 2010), but allowances have continued to be index based on CPI. There is now a significant disparity between the rate of pensions and allowances (Whiteford 2012). Dr Harmer's report also found that Rent Assistance is inadequate, which is also indexed at the CPI rate, as it does not accurately reflect the increasing cost of rental housing.

Income support, regardless of its classification as a pension or allowance, should be adequate for a dignified standard of living that doesn't subject any child or young person to poverty and deprivation. The OECD and the Business Council of Australia believe current

levels of income support are not adequate to enable individuals to make the transition to self-reliance and workforce participation (Marsh and McGaurr 2013). YNOT believes that given the inadequacy of adjusting payments based on CPI in the past, CPI is not the most effective way of adjusting payments. YNOT believes there needs to be a fair, constant and equitable method to indexing income support payments.

Recommendation: That income support payments need to be adjusted to reflect relative cost of living, including the costs required to transition to employment. These costs should be based on circumstances, so that people in the same circumstances are adequately supported, regardless of their age.

1.4. Support for families with children and young people

YNOT acknowledges that there is an increasing trend for young people to stay in the family home beyond Year 12 as they often look to their family for additional support while they complete further education and training, and during the transition into the workforce. YNOT acknowledges that although families are increasingly expected to support their children for longer, many families are not able to because of the increasing costs of supporting a young person as they get older.

In the Life Chances Study it was found that 80% of 21-year-olds in high-income families received financial help from their parents, in contrast to only 19% in low-income families. Another 19% of 21-year-olds in low-income families were actually providing financial support rather than receiving it, giving substantial help to ill or unemployed parents (Taylor 2014). This research highlights the disparity between high-income and low-income families and the financial support families are able to provide to young people. Even when a young person is able to remain residing in the family home, many families are not able to provide financial to them which creates financial hardship for many young people.

Young people who do not have the option to live with their family experience greater financial hardship, which impacts on multiple facets of their lives including health, education and accommodation. Financial hardship makes it very difficult for young people to complete their education, or go onto further training or education, which makes it difficult for these people to achieve positive social and employment outcomes. When there are circumstances which result in a young person not being able to reside at home, YNOT believes young people should have access the welfare system in their own right.

YNOT supports the provision of a service to assist young people with navigation through the training and employment market such as a Youth Transition Service, as this type of service has mutual benefits for the young person, their family and the community. The ideology behind this type of service is that it fosters work readiness, establishes future careers pathways and is staged to meet the individual needs and capacities of young people which can lead the young person to a future of self-sufficiency. This service is discussed further within Pillar Two (2.1.).

Recommendation: That young people have access to services that assist them through the transition from school to work, regardless of their family circumstances.

1.5. Effective rent assistance

As mentioned previously within Pillar One (1.3.), Rent Assistance has failed to be indexed at an appropriate rate and has therefore failed to align with the cost of residing in a private rental. Young people receiving Rent Assistance have been particularly disadvantaged by this as they rely on their Youth Allowance, which is paid at a lower rate than Newstart Allowance, to contribute to the cost of rent. This reduces their ability to cover the basic costs of living, let alone the costs associated with seeking and gaining employment, such as appropriate clothing and grooming, internet access, reliable transport and mobile phones.

Inadequate rent assistance creates financial hardship for young people on income support within the private rental market and creates a greater demand for public housing. Whiteford (2011) has calculated that, after rental expenses, a single recipient of the Newstart Allowance with no employment income will only have \$17 per day for all other costs such as food, clothing, utilities, personal care, transport, medical and school expenses. In addition to this, young people are also disadvantaged when trying to seek private housing, as many private rentals will often choose tenants who are older due to their perceived stability and the fact that older people often have a rental history and a greater ability to pay a bond.

Having access to affordable and adequate housing is important so that people are able to fulfil their basic needs. Without access to housing, people often experience low self-esteem, depression, distress, mental health problems and behavioural problems because they are victims of or witnesses to abuse. On top of this, children and young people who do not have access to accommodation are at high risk of exploitation and further exposure to violence, and often have difficulty participating in school education (Human Rights & Equal Opportunity Commission 2008). These factors can make it extremely difficult for young people to achieve positive social and employment outcomes.

Recommendation: That Rent Assistance should be indexed to movements in the cost of rent and recipients of Rent Assistance should not pay more than 30% of their income on rent.

1.6. Rewards for work and targeting assistance to need

Means testing

YNOT believes that means testing needs to encourage young people to work at their capacity and make sound financial decisions, such as creating savings or making sensible purchases. Currently, the different levels of means testing can make it difficult to accumulate savings, and therefore financial stability in the future is unlikely. This is especially likely when a young person's circumstances change, resulting in them being moved to a payment with a lower threshold, and YNOT argues that this discourages young people from saving. This disincentive has multiple impacts on the lives of young people, for example creating a reliance on public housing, because many young people have a limited ability to save for a bond and are not able to participate in further training or education because they cannot afford the upfront costs for. Both of the impacts create a burden on the tax-payer and affect young people's ability to become self-reliant.

Financial literacy skills

YNOT believes that it is important that young people develop financial literacy skills to help them make sound decisions about their finances with a focus on the future and not just their current situation. YNOT supports resources such as the Money Smart website which is run by the Australian Securities and Investments Commission (ASIC), and provides tools and information about savings, loans, investments and debt. While many young people receiving income support use their money wisely, they may need additional skills once they enter the workforce and start facing other financial decisions, to ensure they can create a financially stable future. ASIC also run a program called Money Smart Schools, which is a program YNOT supports, as it provides essential budgeting skills and tools to students and is presented in a way that young people understand.

Targeted assistance

YNOT argues that the vast majority of young people are willing to work and understand the benefits of employment. Most young people do not choose income support as a lifestyle choice over paid employment, as paid employment gives greater income and other benefits such as a wider network of friends, skill development and a sense of purpose. In most cases where young people need income support, it is because they do not have the ability

to gain a sufficient income to achieve a basic standard of living. Young people often face personal barriers which prevent them from entering employment such as having left school early, geographic disadvantage, lack of resources, poor physical or mental health, cultural background and trying to navigate the transition from school to the workplace. Young people can require additional targeted assistance to help them through these issues. YNOT would support a targeted youth program similar to Youth Connections, which helps some of our most disadvantaged young people complete education and transition into the workforce successfully.

Youth-focused employment service

The Youth Affairs Council of Victoria have identified that young people often have trouble engaging with organisations like Job Services Australia because they do not provide services and are therefore not tailored to deal with their specific needs. YNOT would also support the development of a youth-focused employment service agency, that understands the issues that young people face during their transition to employment.

Support during casual, part-time or temporary employment

YNOT argues that even once young people become employed, they are more likely to be employed in casual, part-time or temporary positions which also make it difficult to generate sufficient income. In addition to this, these positions often offer little potential to develop the skills and experience that will enable a young person to gain a solid foothold in the labour market. YNOT believes that it is important for the income support system to support young people within these positions so they can still receive enough income to cover basic living costs.

Recommendation: That incentives are offered to encourage young people to work to their full capacity, enabling them to be financially independent in the future.

Recommendation: That the needs of young people are met through youth appropriate employment services.

2. Pillar Two: Strengthening individual and family capability

2.1. Mutual obligation

Mutual obligation has traditionally involved a requirement to prepare for and seek work in return for income support or other additional payments. YNOT agrees that there are benefits to welfare recipients participating in some form of social or economic activity in exchange for the payment of their benefit. YNOT also acknowledges that being in receipt of

an income support payment is not a lifestyle choice for many young Australians. Newstart is currently \$182 a week below the poverty-line, therefore it is unlikely that jobseekers would remain on income support if the appropriate jobs were available.

Australia's youth unemployment rate has grown to 12.5 per cent since the global financial crisis in 2008, causing 257,000 young Australians between the ages of 15 and 24 to be jobless (Hernandez 2014). Younger workers are also twice as likely to be seeking more hours of work compared to workers in other age groups, with more than half of those aged 17-24 indicating that they wanted more work (53%) (Cameron & Denniss 2013). These figures are concerning, which is why YNOT believes it is essential to provide young people with opportunities to acquire training and work experience as well as coaching or mentoring to enhance the employability of young people. YNOT believes that supporting young people through an appropriate mutual obligation program could be effective, providing it matches interests, needs and abilities, to ensure young peoples' capabilities are being appropriately strengthened through the program.

Case study

An example of a young Tasmanian's experience within the workforce

"I had been picking fruit for about three years and the boss told me on my third year that he didn't need any more pickers for the rest of the season. It went around to all of the workers that the boss was being paid to give backpackers our jobs that's why hardly any locals were being put on anymore. My family had been working there for many years, for example my Nan had been there since she was around 25 and she's in her mid 60's now."

Young Tasmanian Female, Aged 17

The Work for the Dole program was introduced in Australia in the late 1990's by the Howard Government. Evidence suggests that the Work for the Dole program in its original form does not effectively enhance capabilities or employability. Borland and Tseng (2004) completed research on the Work for the Dole program which was funded by the Commonwealth Department of Family and Community Services. They found that participants in the work for the dole program were no more likely to move off welfare payments within the first 12 months of the program, compared to a group of payment recipients who did not participate in the program. Borland and Tseng (2004) believe the program does not provide a sufficient opportunity for skill development to improve the employment prospects of the unemployed. Many people who are unemployed have a low level of education and few skills, as well as

other sources of disadvantage, and therefore require a substantial increase in skills to be able to obtain and retain employment. Borland and Tseng (2004) suggest that small-scale programs, targeted at the needs of local unemployed people and employers, are more effective.

The Work for the Dole program can cause, or encourage, participants to reduce their efforts in seeking employment, as many view their work placements as employment, which discourages them from searching for jobs. Participants also have less available time to complete job search activities. Research also indicates that Work for the Dole programs do not match the participant's career interests with their work placement. Many participants gain specific skills which were required by their Work for the Dole Project, but these skills did not assist them in gaining employment in their desired industry (Carson, Winefield and Kerr 2003).

However, YNOT would be supportive of a mutual obligation program similar to Youth Connections. Youth Connections helped over 70,000 young Australians who had disengaged or were at risk of disengaging from education or employment. The statistics from the program showed that around 95% of the participants completed the program and were still in work or study six months later. YNOT believes that to promote self-sufficiency, there is a need for a program that fosters work readiness and meets individual needs, and that this will assist to establish future careers pathways. The Brotherhood of St Laurence is currently trialling a Youth Transitions Service. Their early evaluations indicate that, of those who participate in our training program, 70% are successfully moving into work and or further learning (Brotherhood of St Laurence 2014).

YNOT support the Brotherhood of St Laurence (2014) in their recommendations relating to the key elements of a Youth transition program. These elements include:

- Employability Skills as employers have identified that young jobseekers are often
 not job-ready. Focusing on building 'employability' skills such as punctuality, the
 ability to work in a team and a practical understanding of workplace expectations
 would be of assistance.
- Work Experience as access to real workplace experience is critical to building
 work readiness. A Youth Transitions Service would need to connect young people to
 real-life opportunities to experience different workplace environments, volunteering
 placements and to obtain meaningful work experience based on their interests and
 abilities.

- Coaching as it assists young people in identifying their strengths and aspirations,
 which will encourage them on their journey to secure their first job.
- Vocational Guidance as it enables young people to identify, plan and work towards their career aspirations in a realistic way.
- Rapid Action as the longer young people are disengaged, the harder it is for them
 to move into work. The program would provide early intervention, and identify young
 people who need to be re-engaged, trained to develop skills and given a work
 placement.

Recommendation: That a Youth Transitions Service is included as a compulsory element of a Mutual Obligation program, to assist young people to attain the education and skills they need to find and retain work into the future.

2.2. Income management

There has been a string of reputable reports and critiques of income management arrangements completed since 2008. Each of these reports has been equivocal as to whether there were any tangible benefits from the policy of income management. The overall picture emerging from the available evidence on income management is one in which positive changes have not been widespread. There is no clear evidence that income management is responsible for a worsening of the situation in areas in which it operates (Buckmaster, Ey and Klapdor 2012) and some evidence indicates that the program may make a contribution to improving the wellbeing for some, particularly those who have difficulties in managing their finances or are subject to financial harassment (Bray et al. 2012). There has been no clear evidence presented that suggest quarantining half of a person's income support reduces unemployment or long term reliance on income support payments (National Welfare Rights Network).

The level of income support provided to young people by the state has consistently been found to be inadequate and often below the poverty line. Most young people already use their limited funds resourcefully to enable them to survive week by week (Kerr and Savelsberg 2002). Therefore, YNOT believes that imposing compulsory income management to all people who fall into the category of young people is very difficult to justify (Cox 2012). Compulsory income management can undermine the recipient's capacity to make their own choices (Cox 2014). Furthermore, enforcing compulsory income management to all young people in receipt of income support could have health impacts for those affected, it also blames some of the most vulnerable people for their own circumstances and has the potential to reinforce negative public views about young people.

Evidence suggests that income management operates more as a means of control rather than a process for building positive behaviours or changing attitudes or norms (Bray et al. 2012). Hundreds of millions of dollars has been spent on income management to date, without hard evidence to support the program's effectiveness. YNOT supports providing financial counselling to young people who have been identified as have difficulties in managing their finances, as recommended within Pillar One (1.6.). But providing a blanket approach to income management for all young people does not increase or strengthen individual capabilities (Cox 2014).

Recommendation: That young people are able to access resources to improve their financial literacy and budgeting skills as YNOT believes this would be more effective than quarantining income support payments.

2.3. Early intervention

The New Zealand Ministry of Social Development (2012) has stated that the current lifetime cost of those on welfare is \$78.1 billion and the group with the highest lifetime costs on welfare are those who go on benefits before age 18. This highlights the importance of providing early intervention for young people who receive income support. YNOT believes that sufficient investment needs to be made into early intervention programs to ensure the most effective and long-term cost efficient outcomes are achieved. These outcomes can include a reduction in the length of time individuals require welfare payments, increased levels of education, improved productivity in the workplace and improved adult health care.

The report entitled *A New System for Better Employment and Social Outcomes* discusses the investment approach that New Zealand has introduced to their welfare system which involves targeted, intensive support services for people who are at the greatest disadvantage. These services are provided while recipients meet the requirements and obligations of their income support payment, such as Work for the Dole initiatives. YNOT believes that it is important when considering different options for obligations and requirements in Australia, that early intervention and support programs to help people meet these obligations are considered. This is particularly important for young people, as discussed above.

YNOT would support an early intervention program or Transition Support Program similar to Youth Connections, as discussed in Pillar Two (2.1). A Transition Support Program has the ability to provide targeted support and resources for young people, to ensure a successful

transition to further education, training or employment, and reduce the amount of time they spend on income support.

Recommendation: That early intervention programs focus on providing a supportive and intensive service to young jobseekers, encouraging positive, long-term employment outcomes.

2.4. Improving family function

YNOT believes that supporting families to meet their basic needs is a vital aspect for families to achieve greater independence and family function. 'Maslow's Hierarchy of Needs' suggests that people have a natural drive to fulfil their potential but this cannot be achieved unless other, more basic needs are fulfilled first (in Australian Institute of Family Service 2010). Families who face multiple and complex problems, and who struggle to meet their basic needs, often exist within the broader context of poverty and disadvantage. Families who are unable to address these problems and meet their basic needs often require additional support in order to focus on achieving greater family function and social outcomes.

While it is important to support families to achieve greater family function, YNOT also acknowledges that there are instances where it is not possible for families to function with all family members living under the same roof. Young people may not be able to live at home or they may experience abuse or trauma if they are at home, which are common risk factors that lead to youth homelessness. Young people who are at risk of, or who are experiencing homelessness, are particularly vulnerable and may derive little benefit from programs to develop their skills, if they are unable to buy food or afford a safe place to live (Australian Institute of Family Service 2010).

Recommendation: That the basic needs of young people and their families are met, to encourage the family unit to function at their full potential.

2.5. Evaluating outcomes

YNOT believes that ongoing consultation in relation to such substantial changes to the welfare system would be vital to gauge the effectiveness of the reform. YNOT believes it would be important to measure more than just the number of job seeks moving off benefits. The effectiveness of the reform must be measured against the broader societal context and individual experiences.

Recommendation: That any evaluation process of the welfare system takes into account the needs and experience of individuals and reflects the broader context of today's society.

3. Pillar Three: Engaging with employers

3.1. Employment focus – making jobs available

YNOT agrees that employers play an essential role in improving outcomes for the most disadvantaged in our community, by providing appropriate employment opportunities for them. Whilst businesses and employers should already recognise their own social responsibilities to the community, it is important that they are continually educated and informed about the benefits of assisting disadvantaged jobseekers. YNOT believes that the Government has a responsibility to communicate this role, to promote the benefits and to lead by example in the development of their own workforce practices.

YNOT reminds the Reference Group that whilst disability, including mental health related disabilities, are barriers to meaningful employment for many in the community, there are also other social and personal barriers that can prevent many individuals from engaging fully in the community and workforce. For example, young Australians report the highest unemployment rate across the country, with rates as high as 21% in some regions. Many young people face multiple instances of disadvantage and consequently require extra support to gain and sustain employment. For example, there are currently 26,000 young Australians who are homeless and these young people face a significant barrier when seeking employment, as employers often consider them to be unemployable. However, in order to break the cycle of homelessness and maintain housing, young people need an income (Homelessness Australia 2011).

YNOT would support a youth-focused Australian Employment Covenant as many young people are not able to gain access to their first paid working opportunities. Young people are often overlooked in favour of their more experienced, older colleagues, and incentives such as the Restart Wage Subsidy supplement paid to those who employ older workers for at least two years, will only serve to further disadvantage young people in competing against them in the jobs market. YNOT argues that this incentive would be more effective if it were targeted at encouraging the employment of all long-term unemployed jobseekers. YNOT recommends that any program, such as this, must ensure that sufficient measures are taken to match employees and employers, and adequate support is provided to the young people. As before mentioned in Pillar Two (2.1.) it is extremely important to match the

needs, values and abilities of jobseekers with any position they are placed in, to ensure sustained employment.

Government initiatives which support businesses and corporate organisations to employ disadvantaged young jobseekers are also effective. Mentoring provided through the support of trained youth workers has proven to be the most effective approach in assisting disadvantaged, and disengaged young jobseekers. As mentioned before in Pillar Two (2.1.), programs such as the Youth Connections program, which was very successful and sought to address social and personal barriers preventing young people from gaining and sustaining employment, also provided young people with case management to support their work participation.

There are many other whole of business or organisation strategies that have been applied to specific areas of disadvantage, such as to jobseekers with a disability, which could also be extended to disadvantaged young jobseekers. For example, the Commonwealth Department of Health and Ageing have met their target of employing 10% of workers with a disability, which shows that whole of organisation or business approaches such as these can work effectively. Westpac, Telstra and the ANZ all have similarly successful programs in place. YNOT recommends that strategies such as these could be used to reduce the high rate of youth unemployment in Australia.

YNOT would also support a program to address the decline in apprenticeship and traineeship opportunities for young people. The Australian Government currently has an apprenticeship incentive scheme, but there are no additional incentives available for hiring a young person who is not participating in a School-based Apprenticeship. YNOT believes that greater incentives should be introduced for apprentices and trainees under 25 years old who are working in skills-shortage and priority-occupation areas. Without an additional incentive for hiring young people, the decline in youth employment is likely to continue (Brotherhood of St Laurence 2014).

YNOT believes that social enterprises can be very effective ways to generate new opportunities for vocational experience, building the skills of young people, and in creating growth in a variety of industries. However, social enterprises are not a quick fix way to create more jobs, as they need time to develop and become sustainable enterprises. YNOT recommends that any investment programs aimed to support social enterprise need to be set to outlast election cycles, in order to give social enterprise programs the time needed to become sustainable.

Recommendation: That government funded initiatives aimed at increasing employment rates have a strong youth focus.

3.2. Improving pathways to employment

YNOT believes that the pathways to employment for those on welfare could be improved by ensuring that disadvantaged jobseekers have access to employment support services which address the social and personal barriers that prevent them from gaining and sustaining employment. Job Service Providers require that young people attend a 15 minute appointments each fortnight, and it is common for young people to choose to not disclose personal circumstances to consultants with whom they do not have a relationship. Due to this, and the service model which focuses on administrative processes and not service to clients, there are many young people who are enrolled in training courses regardless of their need, skills, interest or abilities.

Case study

An example of a young Tasmanian's experience within a Job Service Provider:

A young person is the primary carer for her mother, who has cancer. This young woman was initially denied a Carer's payment and was required to attend vocational education. She enrolled in an Open Learning course as this allowed her to meet both her caring responsibilities and her educational requirements. However, although this was an accredited and valid form of study, this did not meet the administrative monitoring requirements of Job Service Australia. As a result she was requested to attend vocational education on site locally, which she declined due to her caring responsibilities. It turned out that the mother's condition had deteriorated in the three months that the young woman had been dealing with Job Service Australia. However, she had no knowledge that she could reapply, with the evidence she had access to and had to present in the 15 minute appointments, once a fortnight. The young woman now has a temporary exemption whilst her carer's payment is re-assessed and she is continuing her Open Learning course.

Young Tasmanian Female, Aged 18.

Enrolling jobseekers in training programs is a key way to develop their skills and prepare them for employment. However, YNOT is concerned that previously many young people have enrolled into training programs that are not relevant to their regional labour marker because it was the only affordable training option available at the time. This leaves a young person with an irrelevant qualification, if they are able to pass the training course. YNOT suggests that future State and Federally funded training courses emphasise the flexibility of start dates and offer rolling starts throughout the year. In addition, YNOT believes that

vocational education would be more effective if it were better integrated into a work placement. Currently, vocational training occurs prior to a young person entering a work placement. Instead, there needs to be a hybrid system which allows young people to work in a placement while also undertaking vocational education. This system would better equip young people with the ability to create sustainable links between learning and workplace competency.

Currently, the outcomes for Job Service Australia around education are focused on participants being enrolled in a program or studying for either 13 or 26 weeks, but this does not indicate completion. Even if participants do not pass the programs, they are often considered to have been successful, simply because they have turned up for the required time. YNOT believes that the system would be much more effective and efficient if the outcome payments were to be changed to attainment and supporting a service delivery model that provided for consultants to spend time supporting young people in their courses. For example, Open Learning colleges offer a variety of accredited training options, however, as many of these courses are 12 weeks long, the Job Service Australia do not refer participants to the course.

YNOT believes that many of the required reporting and administrative reporting requirements for Job Service Providers inhibit the service delivery to young jobseekers. Much of their appointment time with jobseekers is taken up with ensuring that their paperwork is compliant rather than focusing on the needs of the client, marketing their skills to employers and matching them with relevant labour market opportunities. For example, young jobseekers are currently expected to collect an array of documents as evidence of medical conditions. Often they do not have they the capacity or understanding of the system and do not bring what is required of them, which costs the Job Service Providers both time and money. In addition, young people under the age of 30 who access Employment Services are required to attend monthly appointments at which they discuss the previous month's job searches, and applications. These meetings are restricted in terms of time, and given current mutual obligation expectations of 40 job applications per month, it is going to be challenging for these meetings to be beneficial and complaint to reporting requirements. There is a high possibility that due to the number of job applications and searches, that many young people will be non-compliant, the consequences of which will result in penalties to their income support or extensions on their waiting period.

YNOT believes there is a working gap between Job Service Australia and Centrelink.

Currently the two agencies hold quarterly regional meeting to discuss process and distribute

information. YNOT believes that client outcomes could be improved if there was a greater focus on collaborative practice and there was an increased community presence.

Recommendation: That future job service models must focus on improved client service which will increase the likelihood of employment for young jobseekers and promote a more efficient system.

3.3. Community role

YNOT believes that the whole of the community has a role to play in ensuring that young people are employed and supported fully. YNOT believes that employers should be encouraged to provide positions to first-time job holders, graduates, and disadvantaged young people. Wage subsidies, such as the Restart subsidy, could work effectively as an incentive for employers to employ young disadvantaged jobseekers.

In some areas, particularly in which has a rapid aging population, the combined result of the ageing population and high youth unemployment has meant that many employers have not worked directly with young people for some time. As with jobseekers with a disability, many employers also have a negative attitude towards young jobseekers and are likely to employ more experienced jobseekers rather than younger people with less experience. YNOT believes that education of employers on the benefits of employing first time, younger workers, as well as how to engage and support young people would assist in decreasing the high rates of youth unemployment. The Individual Placement and Support Program which assists jobseekers with mental illness could also work effectively with young disadvantaged jobseekers.

Recommendation: That the business community are provided with incentives to employ young people.

3.4. Supporting employers

YNOT agrees that it is important for young people to participate in education and employment opportunities to their fullest extent possible. It is important that all employment or support services focus on helping disadvantaged jobseekers by first addressing any social and personal barriers that are preventing them from participating in the workforce. Ensuring that young people have been assessed thoroughly, supported adequately and matched appropriately will significantly increase the likelihood of a successful outcome for both the employer and the employee.

In the Commonwealth Government evaluation of their then Mutual Obligation pilot program, researchers highlighted several necessary considerations in assessing participants (Carson, Winefield and Kerr 2003):

- A one size fits all approach does not work and is based on the incorrect assumption that young people are a homogenous group
- Generic tasks do not provide young people with the necessary and relevant vocational skills required to obtain a worthwhile job
- Young people's skill sets, interests and attitudes need to be aligned with any employment opportunity
- It must take into account their social circumstances and capacity to participate

Additionally, feedback from youth sector workers directly supporting young people through Job Service Australia agencies have recommended that vocational training must be a combination of both generic employability skills and specific industry skills. For example, work health and safety training are useful in preparing young people across a range of work places.

YNOT believes that addressing skills shortages should be the main aim of wage subsidies focusing on industries in demand, for example, in Tasmania these industries are currently dairy and aquaculture. YNOT believes that while wage subsidises can assist in some instances, they form only a small part of the solution. Appropriate and adequate support structures and job matching are more significant considerations and are much more effective in the long term (Carson, Winefield and Kerr 2003). The pressure of having jobseekers apply for such a large number of jobs per month, will result in jobseekers applying for more jobs than are available, regardless of whether they meet qualification, training or experience requirements. This will cause a significant influx of applications to businesses, many of which may not have the infrastructure to reflect this increase.

Recommendation: That services which increase young people's work readiness and productivity are provided prior to young people commencing employment.

4. Pillar Four: Building community capacity

4.1. The role of civil society

Each night around 26,000 young people experience homelessness in Australia. Unless the cycle of homelessness is broken, many young people are likely to face a future of poverty,

homelessness and a dependency on social services (Brotherhood of St Laurence 2014). Homelessness services for young people often have had a strong focus on their immediate wellbeing needs, but less on their education and employment. Education First Youth Foyers are an effective way to contribute to breaking the cycle of homelessness. They have a core focus on education and training as a means of breaking the cycle of homelessness and disadvantage. Youth Foyers link affordable accommodation to training and employment, health and wellbeing and social participation. From the beginning, a formal plan and agreement between the Foyer and the young person is made in relation to how the Foyer's facilities and local community resources will be used to assist in the transition for that young person into adulthood. The provision of this support is important not only for the individual young people involved, but also in preventing long-term welfare dependency.

YNOT acknowledges that this model is not suited for everyone, but for certain young people it can be an effective way to improve their health, social, employment outcomes. The Foyer model is effective because it is a holistic approach to meeting the needs of young people based on an understanding of adolescent development. YNOT believes Foyers have the potential to support disadvantaged young people and increase their likelihood of building future pathways of self-reliance, with increased participation in their community. Results from the UK indicate that (Oxford Foyer):

- 95 per cent of the young people who have engaged with the Foyer move on within two years
- 72 per cent are in jobs or further education
- 68 per cent obtain formal qualifications
- 80 per cent are maintaining tenancies successfully two years after moving on

Recommendation: That the Foyer model is adopted further, as it is a highly effective model of service delivery to young people, and results in mutual benefits for the community.

4.2. The role of government

Reducing the educational performance gap, particularly for students from low socioeconomic (SES) backgrounds, is an important community capacity building initiative. This educational gap often widens throughout schooling resulting in many young people leaving school without functional levels of literacy and numeracy needed for work. The biggest return on investment in terms of future labour market productivity will be achieved through focused attention on those with the lowest level qualifications and skills. YNOT believes that improving educational outcomes for our most disadvantaged students, and

therefore improving their employability and life chances, is an essential step forward and should be a priority for the government. YNOT also believes that stimulating the availability of entry-level job opportunities for young people is another critical role for government in relation to improving unemployment rates and increase self-reliance for young people, for example graduate jobs and supporting people through government work programs.

Income management has been discussed as a community capacity building initiative. YNOT acknowledges that income management might provide some short term benefits for some people but YNOT does not support income management as a capacity building tool for young people and does not believe it provides a long term sustainable solution. YNOT believes that the true benefits from income management would derive from a focus on improving financial literacy, budgeting skills, and by addressing debt issues, rather than quarantining payments as discussed in Pillar Two (2.2.). Through the government supporting young people to develop their financial management skills, pathways for self-sufficiency and stronger communities can be created. A program YNOT would support would be programs such as Money Smart Schools which was discussed within Pillar One (1.6.).

Recommendation: That there is increased government focus on improving the educational performance gap between students.

Recommendation: That the government provide more entry-level job opportunities for young people.

4.3. The role of local business

YNOT believes that a Youth Transitions Service such as the service run by the Brotherhood of St Laurence, has the potential to enable young people who are unemployed to become work-ready and connect with employment opportunities. The service would require strong partnerships with local employers to provide young people with exposure to the world of work and connect them to employment opportunities. It would broker relationships between jobseekers and employers and be responsive to local labour market needs. It would harness local altruism, community effort and skills, and link young people with volunteer mentors. YNOT has discussed this in further benefits of a Youth Transition Service in Pillar Two (2.1.).

Recommendation: That local businesses partner with services such as a Youth Transition Service, where employers offer valuable and engaging work experience and mentoring to young people.

4.4. Access to Technology

YNOT believes that providing access to technology is important in relation to building community capacity. It is important for people within today's society to have computer literacy skills to enter the employment market. YNOT would support programs such as WorkVenture and Digital Hubs which allow for access to technology and training to increase the capacity of those engaged in the programs. While YNOT agrees that having access to and skills in technology is important, it does not necessarily lead to an increase in suitable job vacancies. Further support such as a Youth Transitions Service as discussed in Pillar Two (2.1.) would be supported by YNOT.

Recommendation: That young people are provided with the opportunity to access technology, which is valuable in relation to skill building and for seeking employment.

4.5. Community resilience

YNOT believes that addressing the geographical concentration of disadvantage would also be important in improving community resilience. The characteristic's associated with concentrated disadvantage in public housing estates include high levels of crime, unemployment, anti-social behaviour, neighbourhood stigma and poor education. It is believed that the geographical separation of disadvantaged populations from wider society means they also remain cut off from the services, opportunities and social networks that come with being more socially and spatially integrated (Morris, Jamieson & Patulny 2012). Addressing isolation and exclusion would assist young people and their family to overcome disadvantage and increase community resilience.

YNOT also believes that it would be important to encourage community participation through seeking and building upon the strengths and assets existing within the community. Community participation can lead to greater community self-help, community empowerment, stronger social networks and neighbourhood entrepreneurship. Focusing on the positive assets can help build a community, giving members hope and a positive vision for themselves. Assets Based Community Development (ABCD) is a community development tool that focuses on identifying and using the assets, talents and strengths in the community rather than emphasising the problems, needs and deficits (NSW Government). It recognises that everyone in the community has skills, abilities, talents and experience that can be used in order to make their community a better place to live (Bank of Ideas).

Recommendation: That communities continue to grow and develop, to become self-reliant through reducing social isolation and building on the community's strengths and capabilities.

5. Conclusion

In conclusion, it is crucial that young people are taken into consideration in relation to any changes made to the Australian welfare system. YNOT strongly believes that any changes made to the welfare system should be introduced to benefit the most vulnerable and disadvantaged people in our community. If changes are made to the welfare system it is important that these changes are communicated in a way that reaches young people and also that it is in a format that young people understand. YNOT also strongly believes that any changes should not be at the cost of other social and employment outcomes. YNOT supports the review of the welfare system if it is a mechanism for change to better support the people within the Australian community who are experiencing disadvantage. An increased investment in young people will enhance the likelihood for young people lead a self-reliant and successful life, resulting in the burden on tax payers decreasing and the welfare system becoming more stainable.

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