

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

A New System for Better Employment and
Social Outcomes

Australian Psychological Society

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Executive Summary

The Australian Psychological Society (APS) welcomes the opportunity to make a submission in response to the Interim Report of the Reference Group on Welfare Reform, *A New System for Better Employment and Social Outcomes*.

Our submission draws on psychological research and best practice to respond to the proposed reforms, including the long-standing APS [Position Paper on Work and Unemployment](#) and a 2010 paper developed in response to the (then) [Social Inclusion Board's 'Cycles of Disadvantage' Inquiry](#). We firstly provide an overview of relevant psychological literature, then provide a direct response to the interim report. While we are concerned that the proposed changes will impact on those already vulnerable, we specifically address in our submission the impact of the proposed changes on three groups – women, young people and those with mental health issues.

The related areas of psychology, unemployment and disadvantage have been subjected to wide-ranging psychological research for well over half a century, with some of the world leading research undertaken by Australian researchers (e.g., Tony Winefield, Norm Feather, Gordon O'Brien, David Fryer). The APS therefore has a base of high quality scholarship on which to situate its recommendations

The APS and psychologists more generally regard people as intrinsically valuable, and respect their rights, including the right to autonomy and justice. We believe that the measures proposed (primarily mutual obligation and income management) would erode this right and undermine individuals' sense of self-determination and dignity, both essential for good mental health and wellbeing. In addition, we are concerned that there will be major costs of the proposed new system to individuals, families, communities, taxpayers and Government, almost immediately and in the medium and long term, that mean it would be much more economically prudent to reconsider them now. Such costs include but are unlikely to be limited to community dislocation, mental health, public health and policing costs of the consequences of the proposed measures.

While we acknowledge that reliable and secure access to reasonable quality employment potentially offers a number of benefits, whether the experience of work is beneficial or detrimental depends on key factors such as the quality of the work experience and internal and external health stressors which can put health at risk.

There is now widespread agreement that 'unemployment' is not only associated with but causes individual misery and mental health problems including anxiety, depression, negative self-esteem, dissatisfaction with life, social dislocation, community dysfunction and population morbidity. This is particularly concerning given the most recent unemployment statistics which show that unemployment is now at a 12-year high of 6.4 per cent, with young people particularly hard-hit, with unemployment for 15-24-year-olds reaching 14.1 per cent and the jobless rate for 15-19-year-olds 20.4 per cent (ABS, 2014).

The experience of unemployment is inextricably tied to poverty and disadvantage and is however complex to understand and address. It is important to distinguish between association and cause; while long term unemployment may be associated with poor health, it is likely that poverty and stigmatizing models of delivering unemployment benefits and services, along with the experience of not being employed, contribute to these poor outcomes. Furthermore, research that shows the transition from unemployment to poor quality jobs is more detrimental to mental health than remaining unemployed (Butterworth et al, 2011).

As outlined by Psychologists for Social Responsibility (2010):

False beliefs about poverty that blame the poor are tragic hallmarks of a society doing little or nothing to help the impoverished. Such misperceptions about poverty's causes and effects allow too many institutions and individuals to ignore its consequences. In fact, research shows that how we structure our economies and business practices—including low wages, lack of workers' benefits, and insufficient community resources—are significant contributors to poverty.

The APS believes that building community capacity is fundamental to addressing unemployment and disadvantage, and recommends investment in community-based, local organisations and networks in disadvantaged areas. Beyond this, whilst enhancing community capacity by adequate resourcing is important, the causes of poverty, inequality, psychologically substandard employment and pathogenic unemployment lie outside particular communities and require Government intervention.

Recommendations

Recommendation: The APS recommends that there be a better balance between support, encouragement and compliance than the measures proposed (primarily mutual obligation and income management). We recommend that the government provide individualised support to those most vulnerable, rather than imposing harsh and restrictive sanctions for those who are already disadvantaged, which will clearly add to their burden.

Recommendation: The proposed changes disproportionately impact on women and those who are beneficiaries of their caring (children, those who are sick or have a disability, older adults). The APS recommends that these socially and economically essential caring responsibilities be better supported rather than undermined by any changes.

Recommendation: The APS considers that focusing solely on engagement in employment undermines other forms of civic participation such as caring and volunteering. It is recommended that a more inclusive understanding of full participation as an Australian citizen be evidenced in the interim report, and in particular that the prosocial and salutogenic nature of voluntary family and community participation for 21st Century Australia be more clearly acknowledged.

Recommendation: It is recommended that the demonstrated pathogenic links between unemployment, poverty and social inequality are clearly positioned as inextricably linked to inadequate welfare benefit provision and fundamentally addressable only by greater attention to structural factors.

Recommendation: The APS recommends that a guiding principle be included focusing on the responsibility of government to provide a safety net for those vulnerable in the community; to decrease poverty and increase wellbeing, and the corresponding right of all people to income support or financial security.

Recommendation: The APS recommends that the proposed measures be carefully reviewed to ensure that engagement in employment is not promoted as a panacea for poverty and disadvantage, thereby exacerbating the mental and physical health costs and other problems already faced by at-risk groups in the community.

Recommendation: The APS acknowledges the complexity of the current benefit system, and supports the goal of simplifying the income support system, in order to make it more accessible, transparent and fair. However we strongly urge the Government not to use the simplification process as a

way of cutting payments or moving people off pensions or benefits onto allowances (from higher to lower payments), but to implement a fair and equitable system based on financial need and not on age or perceived deservingness.

Recommendation: The APS considers that engagement with employers is key to addressing unemployment, and recommends that Government work with employers to ensure job opportunities are flexible, secure, offer quality employment, that workplace discrimination is addressed in all its forms, and that a minimum wage consistent with optimising health and community participation is achieved.

Recommendation: The APS recommends investment in community-based, local organisations and networks in disadvantaged areas. It is important that initiatives to build capacity come from local communities, and that participation by those who are unemployed is voluntary and not linked to income support payments.

Work, unemployment and mental health

It has long been understood that reliable and secure access to work potentially offers a number of benefits including an income, structured activity, a sense of purposefulness and personal worth and social contact (APS, 2000).

The accumulated research about the 'psychological costs' of 'unemployment' is now vast. Maynard & Feldman (2011), for example, reported that their search of relevant data bases (PsycINFO, SocIndex etc.) had revealed 31,839 peer-reviewed works with 'unemployment' in the abstracts published in the previous 50 years. Statistically sophisticated meta-reviews have pooled data from a variety of studies (e.g. Paul & Moser, 2009) and there has been widespread agreement that 'unemployment' is not only associated with but causes individual misery and mental health problems including anxiety, depression, negative self-esteem, dissatisfaction with life, social dislocation, community dysfunction and population morbidity. See for example Classen and Dunn (2012); Jefferies et al. (2011); Kiely and Butterworth (2013); Kim et al. (2012).

The reasons for this link between unemployment and poor mental health however are likely to be complex. Fryer and Winefield (1998), for example, point to the conditions which lead to stress, suggesting that unemployment may be regarded as equivalent to highly stressful employment: "Unemployed people can...be regarded as involuntary, poorly paid, low status, insecure, public service workers with virtually no negotiating rights, whose work

(persistent hopeless search for nonexistent jobs, managing households on inadequate resources and participating in humiliating bureaucratic rituals) carries massive risk of occupational strain" (p.3). Poverty and stigmatizing models of service delivery are likely to contribute to, and compound the poor mental health experienced by those who are unemployed (Fryer, 2013).

However, whether the experience of work is beneficial or detrimental depends on the quality of the work experience. Employment that is suitably remunerated, offers flexible work conditions, provides meaningful activity, has appropriate working conditions (and is sustainable) and contributes to a career path is associated with positive mental health outcomes (Winefield, 1995; Butterworth et al, 2011). But the claim that even bad jobs are better for psychological wellbeing than unemployment is not supported by research (e.g., Winefield, Tiggemann, Winefield, & Goldney, 1993). On the contrary, there is now evidence that working in poor quality, unsatisfactory jobs may be worse for individual mental health than the experience of unemployment (Butterworth et al., 2011), and that this is particularly so for young people (APS, 2000; Thomas, 2014).

The experience of seeking and not obtaining work is typically detrimental. But the experience of unemployment, in one form or another, is currently all that is realistically available to a sizeable minority of our community. Whilst psychologically oriented active-labour-market-promoting interventions (e.g., Karren & Sherman, 2012) may well reduce unemployment in the target groups, in a situation where the number of unemployed people vastly outnumbers the number of employment vacancies - as in Australia today - they cannot do anything more than reorder the queue of unemployed people looking for employment (Fryer, 1999) and hence such approaches are not helpful at a public mental health level. These active labour market programs shift the responsibility onto the individual and simultaneously blame the individual for failing to re-enter the work force and for their own suffering, thus compounding the longer term costs at a variety of levels.

While it is important to support the role of human agency and recognize the potential of individuals and families to counteract adversity, including unemployment, limited social or material resources make participation and engagement in the workforce very difficult. If families do not have adequate housing, food or access to education and flexible employment, they spend most of their time and energy coping with the disadvantage. For example, for single parents wishing to work or study, childcare remains expensive relative to income available via the sole parent pension. In addition, the employment available is likely to be relatively poorly paid, insecure and inflexible. Better supports need to be developed for parents to participate

meaningfully in the workforce and for children to be cared for by those they are attached to.

Research has also demonstrated how (individual) agency is undermined and restricted by structural factors such as unemployment (Fryer, 2014a & b). For example, beyond issues of attitude and emulation of parents, a range of structural factors are known to inhibit participation in work, including limited work experience, low levels of education, childcare costs and transport difficulties (Vinson, 2009), as well as discrimination practices in recruitment processes and in the workplace. The British Psychological Society in April 2014 published a special feature on the psychological consequences of austerity policies in general where “the poor are being blamed for their own predicament” (Midlands Psychology Group, 2014, p.233), and the proposed reforms resonate strongly with such policies.

As outlined by Psychologists for Social Responsibility (2010):

False beliefs about poverty that blame the poor are tragic hallmarks of a society doing little or nothing to help the impoverished. Such misperceptions about poverty’s causes and effects allow too many institutions and individuals to ignore its consequences. In fact, research shows that how we structure our economies and business practices—including low wages, lack of workers’ benefits, and insufficient community resources—are significant contributors to poverty. Moreover, government programs to help the poor don’t enable most of them to escape the structural dynamics that limit their access to much-needed resources.

Recommendation: It is recommended that the demonstrated pathogenic links between unemployment, poverty and social inequality are clearly positioned as inextricably linked to inadequate welfare benefit provision and fundamentally addressable only by greater attention to structural factors.

Responding to the Interim Report on Welfare Reform

Based on psychological research and practice, and the evidence cited above, we have responded below to the proposed changes to the welfare system outlined in the Interim Report.

We are concerned overall, that the report (and its recommendations) do not adequately take into account of, or situate these reforms in, the broader psychological, social, economic and political context. For example, the extensive work by Wilkinson and Pickett (2012) over decades has shown how, for industrialised countries, the size of the gap between rich and poor

consistently predicts the extent of mortality and ill health especially for those with the least means.

Specifically and of direct relevance to the proposed changes are the following:

- The most recent unemployment statistics which show that unemployment is now at a 12-year high of 6.4 per cent, with young people particularly hard-hit, with unemployment for 15-24-year-olds hitting 14.1 per cent and the jobless rate for the 15-19-year-olds 20.4
- Acknowledgement of impact of economic cycles and labour market changes, including as outlined above the increasingly part-time and casual nature of much paid work
- The gap between the number of jobs available and the number of those who are unemployed and/or looking for work. According to the ABS (2014) there were well over 700,000 Australians unemployed (June, 2014) and fewer than 150,000 job vacancies (May, 2014)
- Welfare spending is actually in decline in absolute terms, and Australia spends relatively less on social security than other OECD countries
- The growing income inequality gap and associated unequal distribution of wealth and opportunity (Douglas, Friel, Denniss, & Morawetz, 2014).
- A number of proposed budget measures already risk eroding the safety net for the most vulnerable in our community (e.g., deregulation of university fees, Medicare co-payment).

Specifically, we recommend that included in the guiding principles for the review/reform should be reference to the responsibility of government to provide an adequate safety net for those most vulnerable (to decrease poverty and increase the wellbeing of people). Key to this principle is the human right of income support or financial security – as stated in Article 25 of the Universal Declaration of Human Rights "*...Everyone has the right to a standard of living adequate for the health and wellbeing of himself and of his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control.*"

Recommendation: The APS recommends that the government include as a guiding principle the responsibility of government to provide a safety net for those vulnerable in the community; to decrease poverty and increase wellbeing and the corresponding right of all people to income support or financial security.

Recommendation: The APS recommends that the proposed measures be carefully reviewed to ensure that engagement in employment is not promoted as the only panacea for poverty and disadvantage, thereby exacerbating the mental and physical health costs and other problems already faced by at-risk groups in the community.

Pillar One: A simpler and sustainable income support system

The APS acknowledges the complexity of the current benefit system, and supports the goal of simplifying the income support system, in order to make it more accessible, transparent and fair. However, the simplification process should not be used as a way of cutting payments or moving people off pensions or benefits onto allowances (from higher to lower payments).

In particular, the system should support important life transitions for people, rather than cut off or reduce support, in recognition that these times are already difficult for most people. These transitional situations may include the initial period of finding employment, for example when a parent's youngest child reaches 8 years of age, when a person with a disability is moving closer to finding employment, or when someone has ceased caring for a family member with a chronic illness.

Reform should start with the recognition that payments for unemployed people, students and many sole parents are inadequate and any changes should bring these in line with pensions (rather than reduce pensions). It is widely acknowledged for example, that the rate of Newstart does not allow a person to live at an acceptable standard in the long term, and is linked to poverty and disadvantage. We support the recommendation within the report to better align pensions and allowances, and strongly urge the government to increase Newstart immediately in line with current living costs and community standards for living.

In recognition of the link between housing, homelessness and employment, the APS supports increasing rent assistance to meet the needs of low income renters and recommends the government ensures that this assistance supports affordability and sustainability over the long term.

As stated by ACOSS (2014), "we need to change the system of 'deservingness' towards a simpler one based on financial need. Once it meets people's basic financial needs, income support should connect them with employment opportunities and supports."

Young people

For young people the gaining of employment, particularly in a position which is valued and engaging, symbolically represents entry into a mature, adult world of responsibilities, freedom and respect. Entry into this adult world is more difficult for those who have not been able to make this symbolic transition to paid work and the adult world it represents.

However there is certainly now convincing evidence that, particularly for young people, unsatisfactory employment is no better than unemployment (Thomas, 2014). While there is evidence to suggest that participation in some activities that involve meaningful interaction with other people in some purposeful way can have psychological benefits for young people (e.g., Haworth, 2007), where mandated (e.g, work for the dole) these activities are not associated with an increase in self-esteem or work involvement (Winefield, 1999), and are in fact associated with significant adverse effects (Borland & Tseng, 2011).

We are therefore concerned that the proposed changes, along with the budget announcements that young adults will not be able to access unemployment benefits for 6 months, disproportionately impact on young people. There is a presumption that young people have someone to support them and that this is appropriate and expected developmentally. Yet young people who have left school and do not live at home have less family support and are particularly at risk. Cutting off access to income support for these young people who are already disadvantaged will clearly add to their burden.

Examination by *headspace* (Rickwood et al., 2014) of its own data collection has found vocational support the most difficult to include in its youth mental health service model because of a variety of barriers: lack of services, barriers to accessing services that really work against young people, and working in an early intervention manner - that is, having to have a recognised disability before being able to access employment support services. The report identifies a very high level of unmet need for vocational assistance for young people with mental health problems.

The APS believes that the income support system should be based on need, not on age.

Assessing mental health and disability

The proposed simplified structure for how the various welfare payments, including the Disability Support Pension (DSP), are assessed and delivered requires further consideration. The underlying premise that capacity to work is the sole determining factor in the streamlining of various payments is simplistic and does not take into consideration either the broader functional implication of disabilities or recipients' social contributions to the community.

The APS urges the review team to consider disability not purely from a deficit point of view (what people cannot do due to their impairment), but rather, from a functional point of view (what people can do as they live with their disability). Taking such a functional perspective makes it explicit that people's functions are not limited or defined by their ability to engage in paid employment, but also by how far they can engage in all other aspects of community life as well. Where people are unable to seek and maintain paid employment, they still have a right to be a member of society able to enjoy meaningful contribution to their local communities. The role of government in these circumstances is not about directing people into paid employment, but rather, providing them with appropriate support in the form of financial assistance together with an enabling environment where they can make such contributions to society, in alignment with the social model of disability (Barnes, Mercer & Shakespeare, 1999). Ultimately, the APS views welfare support and social inclusion as broader than encouraging workforce participation, but as a means by which people can be included as part of society, irrespective of their abilities or disabilities, and irrespective of the temporary or permanent nature of their disabilities.

Women, caring and work

There are additional issues in the proposed reforms which are relevant to women, particularly those women who are carers of children, of disabled spouses and elderly parents (in-law). Despite the large increase in the number of women in the workforce, they are still likely to carry the burden of work at home, and are more likely than their partners to be caring for sick and/or ageing relatives (Musick & Wilson, 2008). This also means that women are more likely to be the beneficiaries of services such as respite care and child care, and thus aiming to lower benefits and/or increasing pressure to participate in the paid workforce has a differential gendered impact (NFAW, 2014).

Moreover, women's volunteer and unpaid civic participation has been typically assigned a lower social status (than men's) and been undervalued (in the same ways as housework is devalued in the home), with the skills and nature of the volunteer work routinely downplayed and defined as a

'pastime' or 'leisure activity', and seen as secondary to the legitimate or 'real work', that is, economic (paid work) participation (Messner, 2009). Yet women's voluntary participation has a major role in building relationships, forming networks and creating social capital.

Recommendation: The proposed changes disproportionately impact on women and those who are beneficiaries of their caring (children, those who are sick or have a disability, older adults). The APS recommends that these socially and economically essential caring responsibilities be better supported rather than undermined by any changes.

Recommendation: The APS acknowledges the complexity of the current benefit system, and supports the goal of simplifying the income support system, in order to make it more accessible, transparent and fair. However we strongly urge the Government not to use the simplification process as a way of cutting payments or moving people off pensions or benefits onto allowances (from higher to lower payments), but to implement a fair and equitable system based on financial need and not on age or perceived deservingness.

Pillar two: Strengthening individual and family capacity

The Interim Report recognises the disadvantage experienced by groups such as sole parent families and acknowledges for example, that child poverty in Australian sole parent families is the fifth highest in the OECD. We therefore welcome the Report's stated intention that 'increasing support for these families must be a high priority in the reform process'. However, we have significant concerns with the approach to building capacity among individuals and families outlined in the report. Policies of mutual obligation and income management in particular, have the effect of individualizing what is a broader social and economic issue (unemployment), and shift responsibility from government and community to those most vulnerable.

For over a decade policies of mutual obligation have been implemented whereby incentives and disincentives are used to increase participation in the paid or voluntary labour markets. Incentives include a range of financial incentives and more personalised assistance in accessing opportunities for paid or voluntary work. Disincentives include reduction or cessation of benefits.

Proposals to expand these mutual obligation and income management approaches and related programs are not evidence-based, and risk undermining the autonomy and decision-making ability of individuals, which as well as being a fundamental human right, is essential to psychological

health and wellbeing. Research has demonstrated that mutual obligation programs such as 'work for the dole' do not lead to employment, and can in fact hamper efforts to get a job (Borland & Tseng, 2011). Borland and Tseng conducted the only empirical study of the Howard Government's work for the dole scheme, and contends that years of international research show such schemes are unlikely to help people find jobs.

International research also reveals that, while unemployment has negative mental health consequences, unemployed people who are *more committed* to seeking employment are the group most at risk of such negative consequences. Extensive classic programs of research exploring work commitment and employment commitment are reported by Warr (1987); see also Fryer (2012, 2013).

But the proposed reforms go well beyond obligations around training and searching for employment, to include obligations (and associated sanctions) for the care of children and management of personal/family budgets. While we believe that children should be protected and people may need assistance to manage their finances, the APS urges the government to provide individualized support to those most vulnerable, rather than imposing harsh sanctions on a broad range of individuals of whom this may provide additional barriers to gaining employment.

Income management has been a highly contested policy response in Indigenous communities. While there is little research available about the impacts of income management, the Government-cited emerging evidence is mixed and suggests that there is an "absence of adequate data related to the effectiveness or otherwise of income management... (including) very few studies available that have attempted to measure directly the impact of income management separately from other policy interventions" (Buckmaster & Ey, 2012).

Concerns have been expressed that income management in Indigenous communities has not changed spending habits, but more seriously that people's lack of a right to spend money in the way they choose by being a recipient of a 'basics card' is having a stigmatizing impact (Equality Rights Alliance, 2011). As already pointed out, treating one section of the community differently in such a punitive manner also discriminates unfairly against them, jeopardising their sense of autonomy and wellbeing, and therefore the APS does not support the application of income management as a means of strengthening family capacity.

Of further concern to the APS is the proposal to link income support payments to parental obligations such as enrolment in education or undertaking activities to support the development of parenting and family skills. This implies that families are dysfunctional and that this is the reason for their unemployment, rather than addressing the more systematic factors for their poverty and disadvantage. Such an *a priori* assumption is likely to be self-defeating and demoralizing, and reflects thinking that jobseekers are mainly responsible for their own unemployment regardless of the availability of jobs or the individual's personal circumstances.

Alternative, evidence-supported models for delivering interventions for children include *Communities for Children* (Yuksel & Turner, 2008) and *KidsMatter* (Slee et al, (2012). These demonstrably effective programs use a whole of community approach, build on the skills and strengths of local communities and the people within them, and rely on voluntary participation; they are not linked to income support payments or any other sanctions.

Similarly, while we commend the report's recognition that early intervention represents a promising approach for people who are unemployed, particularly young people, we are concerned about the specific model and measures proposed. Building the strengths and capacity of young people who may be at risk of unemployment involves a range of responses such as promoting mental health and addressing housing security, as well as appropriate education and training. Implementing income management for young people, including single parents, as a way of 'intervening early' significantly risks entrenching poverty, disadvantage and stigma among an already vulnerable group, rather than supporting them financially and otherwise to become genuinely ready to participate both in employment and in society more generally. We are once again concerned that having the government 'manage' young people's only income will lead to individuals feeling they are responsible for their own unemployment and significantly impede their future engagement. . It also means that young people do not learn the skill of managing their own income, entrenching their juvenile dependence, rather than facilitating learning of important adult skills.

Recommendation: The APS recommends that there be a better balance between support, encouragement and compliance than the measures proposed (primarily mutual obligation and income management). We recommend that the government provide individualised support to those most vulnerable, rather than imposing harsh and restrictive sanctions for those who are already disadvantaged, which will clearly add to their burden.

Pillar three: Engaging with employers

While we are not in a position to comment extensively on this area, and echo other submissions in that:

- There is a disproportionate focus on those who are unemployed, and correspondingly insufficient attention and responsibility placed on employers to adjust their practices
- Working with employers, industries and employment practices related to job flexibility, equal opportunity, discrimination, job quality, security and sustainability and remuneration are key to addressing unemployment
- Employment service providers need to have strong links with employers and other community services
- Local initiatives that encourage the supply side - that is, create more jobs - are recommended, particularly in disadvantaged areas.
- All three levels of government are significant employers and as such can model better more inclusive and family friendly work practices. Local Government is also a key link for employers in disadvantaged areas.

Recommendation: The APS considers that engagement with employers is key to addressing unemployment, and recommends that Government work with employers to ensure job opportunities are flexible, secure, offer quality employment, that workplace discrimination is addressed in all its forms, and that a minimum wage consistent with optimising health and community participation is achieved.

Pillar Four: Building community capacity

We endorse the Report's stated focus on building strong communities as a key component of addressing unemployment and disadvantage. We make reference to two areas worth further consideration in the reforms – the role of unpaid work and intervening to strengthen disadvantaged communities.

Unpaid work

A sizeable minority of people are involved in unpaid work as carers of children, people with disabilities and people with age related disabilities. As discussed above, most of this unpaid caring work is done by women, often in addition to part time or full time paid work. Any reforms need to support and not undermine the important role carers play in our community.

Similarly, given the research support for the association between active and purposeful use of time and positive mental health, people's participation in a range of unpaid activities should be valued and supported in their own right. Health and satisfaction are affected by volunteer activity for both men and women (Frydenberg & Pui-Tak Liang, 2014). However the voluntary nature

of this participation (i.e., that it must be of the volunteer's own free will and without coercion) is important to emphasise as mental health benefits associated with this type of participation are not likely to hold up if this activity is mandated.

Recommendation: The APS considers that focusing solely on engagement in employment undermines other forms of civic participation such as caring and volunteering. It is recommended that a more inclusive understanding of full participation as an Australian citizen be evidenced in the interim report, and in particular that the prosocial and salutogenic nature of voluntary family and community participation for 21st Century Australia be more clearly acknowledged.

Neighborhood level intervention

Increasingly there is a focus on how disadvantage is experienced at a neighbourhood or community level. This shift in focus recognises the important role of place or community in creating, sustaining or disrupting disadvantage. There is mounting evidence that social and economic disadvantage is not evenly distributed, but concentrated in particular places (Byron, 2010). The futility of continually intervening at the individual or family level, particularly in disadvantaged communities, is highlighted by such research. For example, while assisting an individual recipient of an employment program to obtain employment may help that person/family's situation, it does nothing for the next unemployed person from the same community if opportunities for employment do not increase (Fryer, 1999).

One of the key concepts underpinning current social policy is the importance of local communities and/or place-based factors in determining the life chances of individuals, families and communities (Turner, 2008). Place-based interventions, such as neighbourhood or community renewal, are an attempt to ensure scarce resources are targeted to communities most in need.

Acknowledging the specific qualities of a neighbourhood recognises that overcoming disadvantage relies on a complex mix of interdependent influences such as family, school, neighbourhood and community contexts (Earls & Carlson, 2001). People who feel part of a vibrant, healthy community are themselves more likely to see that they can contribute something worthwhile to that community. This then is "the beginning of a cycle of positive support and enhanced community life where individuals and the wider social group reap the rewards" (Yuksel & Turner, 2008, p.8).

A major Australian area-based intervention is *Communities for Children* (CfC), designed to support the development of children in 45 disadvantaged

community sites around Australia. The initiative aims to 'improve coordination of services for children 0-12 years old and their families, identify and provide services to address unmet needs, build community capacity to engage in service delivery and improve the community context in which children grow up' (Muir et al, 2010, p.35). Evidence of positive change in relation to parental involvement in community activities, joblessness and social cohesion supports the idea that 'community embeddedness may have an additional effect on children and families, and the provision of increased services on their own would not have achieved this aim' (Muir et al, 2010, p.42).

Part of addressing local area disadvantage is collaborating with and building strong locally controlled organisations and social support networks. Strong, community-based organisations play an important role in responding to entrenched disadvantage and also to emerging issues and needs, particularly in rural, multicultural and Indigenous communities. Building the capacity of local networks and community-led agencies takes a long-term approach to disadvantage and increases the likelihood of sustainable employment outcomes.

Recommendation: The APS recommends investment in community-based, local organisations and networks in disadvantaged areas. It is important that initiatives to build capacity come from local communities, and that participation by those who are unemployed is voluntary and not linked to income support payments.

Conclusion

The APS encourages the Reference Group and representatives from the Government to engage directly with people who currently rely on income support payments, to ensure their voices are heard in this consultation and reform process. Along with others, we consider the 6-week time frame for consultation to be inadequate, and urge you to further engage with the community on these important and wide-ranging changes.

While the main focus of this submission is on the psychosocial impacts of the proposed changes, the APS acknowledges that the causes of poverty, inequality, psychologically substandard employment and pathogenic unemployment require sustained, evidence-based Government intervention at social, economic and political levels.

About the APS

The Australian Psychological Society (APS) is the national professional organisation for psychologists, with over 21,000 members across Australia. Psychologists are experts in human behaviour and bring experience in understanding crucial components necessary to support people to optimise their wellbeing and their function in the community.

A key goal of the APS is to actively contribute psychological knowledge for the promotion and enhancement of community wellbeing. A range of Interest Groups within the APS reflect the Society's commitment to investigating the concerns of, and promoting equity for, particular groups such as Indigenous Australians, people with intellectual disabilities, minority cultures, older people, children, adolescents and families. Public Interest is the section of the APS dedicated to the communication and application of psychological knowledge to enhance community wellbeing and promote equitable and just treatment of all segments of society.

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