MTC Australia

Head Office

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April 5, 2013

**RE: Provision of comment on: Interim Report of the Reference Group on Welfare Reform to the Minister for Social Services**

***NB: MTC Australia provides approval for our comments to be printed on the website***

Pillar Two: Strengthening individual and family capability

Income Management p.83

Comment:

Income management should be offered for those who wish to use it (i.e. voluntary). It should only be imposed in relation to families with children who are clearly being disadvantaged. The benefit recipient could be advised of the need to participate in basic lifeskills courses such as budgeting and if this is not attended or does not help, then they may have their income managed. This approach provides the recipient (with some control over the potential imposition). Where income management is applied, to protect a person’s dignity it should be invisible as possible.

Education and training for employment p. 90

Comment:

Through 20 years experience in assisting young people to access postive training and employment pathways through both Youth programs and the foundation of an Independent High School (Warakirri College) MTC Australia strongly agrees with the reports premise that: “One of the most successful pathways to employment is study that leads to a formal qualification, either at certificate, diploma, degree or higher degree level”. Research clearly indicates that people with higher levels of education and skill attainment are more successful in terms of living standards, employment and health.

Currently programs exist that do increase school retention and positive training and employent pathways for young people falling out of the school system. The National Youth Connections program has measurably assisted to increase school retention (see report on National Partnership on Youth Attainments and Transitions) and improved opportunities for young people who fall out of mainstream school environments. Alternative education initiatives delivered by Youth Connections include programs

in which participants gain Certificate II qualifications in a supportive environment and are then assisted into futher education, training and employment. Unfortunately this program will cease in December 2014.

Likely changes to Jobs Services Australia from July 1, 2015 will see young people (15-29) wait up to six months to access unemployment benefits. Money for training and education will primarily apply to 15-17 year olds. For those over 17 the focus will be upon their attainment of employment in the shortest possible timeframe as this will release employment outcome payments. Where training is offered to this group we predict it will primarily be short term and they will fall in and out of employment due to their low levels of education.

MTC is very concerned that such changes will further increase the numbers of disengaged, poorly qualified and unemployed young people. The New Zealand investment model (p 86) has shown the cost to society for those who are on and off income support to be very high over a lifetime. Consequently we believe that focus on programs that retain children in schools and actively case manage those that leave early, such as Youth Connections is essential in any reform to the welfare system.

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