

Due date: 8 August, 2014

To: [welfarereview@dss.gov.au](mailto:welfarereview@dss.gov.au)

In response to the McClure Report, Barnardos Australia works with families at risk of losing their children to out of home care, and young people who are at risk of homelessness and have no family prepared to care for them, we work in areas where housing is very expensive.

Although supporting the goals of the Plan, overall we are concerned that there are insufficient safeguards in this Plan for young people who are at the risk of homelessness and families at risk of losing their children to the welfare out of home care system, this is an extreme risk in areas with high housing costs. Ongoing problems with the level of rent assistance and the Newstart allowance are of considerable concern to us and are identified as a major cause factor with many of the families in contact with us.

### **Support to families with children and young people**

We would point out that many young people, particularly those leaving the care system, have no contact with family who will care for them, and generally have had disrupted education and are not work ready. Unless these young people receive an income which allows them to predictably survive they will likely become homeless. Barnardos Australia in NSW recently lost funding to assist these young people in inner Sydney, as part of a wider reorganisation of services in NSW, prior to this we had been required to subsidise housing for these young people in order that they lived within public transport reach of their 'social networks and services' that they knew.

### **Effective rent assistance**

See comments above in relation to the difficulty of housing young people who do not have a family to support them. For both young people without families and parents and children escaping violence in the home, Barnardos Australia in inner Western Sydney and outlying areas has experienced the greatest difficulty getting affordable rental accommodation at the current level. We support recommendations which would increase rent assistance, though without considerable change to the housing policy, we cannot see that this will be enough to help families and young people.

### **Mutual obligation**

Barnardos Australia is concerned about the compulsory use of income management. We remain unconvinced of the significance of income management improving the lives of people living in remote communities and regional and urban areas where we work. Income management has a negative impact on perceptions of the poor and their rights to equal and non-discriminatory practice and hope for a reasonable future. We believe that there are better ways to assist families. It is our experience that many of the families seeking assistance from our savings and debt programs are able to manage their affairs when given helpful assistance such as expanded access to CentrePay. We would support voluntary use of income maintenance, while observing that stigma in communities may also be extended to these recipients if the processes appear identical.

We are also concerned about the cost of implementing income management. We understand from previous ACOSS Submission to the Senate that the administrative costs of exemption systems alone would average \$4,400 per annum per person for general Income Management. The extensive questioning in any 'exemption' process will inevitably add to expenses. It is important that the use of public money is demonstrated to be effective.

Barnardos Australia has significant concern about the activity requirements being put in place which may make vulnerable people, without income and with no other forms of support, fail and join the ranks of the destitute.

### **Education and training**

We support expanding wage subsidies and assistance with training to Certificate 3 level. We believe that this is an important issue. We would suggest targeting at young people leaving the care system who are perhaps the easiest group to immediately identify who have poor educational and training outcomes. The resources currently available are totally inadequate as State and Territory governments do not adequately fund young people in their care.

### **Improved individual and family functioning: What services can enhance family functioning and improve employment outcomes?**

Whilst we are pleased to see that the Report acknowledges the increased costs of children as they grow older as a means of addressing poverty amongst sole parent households, we are concerned about policy development in other areas undermining families. However, we believe the loss of income when children turn eight in families with one income is of concern in one income households.

Barnardos Australia is very concerned about initiatives in other areas of Federal Government responsibility which affect family functioning. The Productivity Commission Interim Report aims to restrict access to childcare for non-working parents on the basis that there is insufficient evidence on the impact of early education on future workforce capacity. We are concerned about the children who currently suffer substantiated neglect who will no longer have access to services which could compensate for neglect in the home. In this area there is evidence of improvement in the effects of neglect. Their educational disadvantage begins very early and is likely to continue well into adulthood.

We are also concerned with recommendations in this Report that development of compliance systems related to employment which may add complexity and costs to the welfare system. There are many people in the community with no one to fall back on during periods where they have no income and subsidising the charity sector more is not a good model to provide for these people, it is also likely to be adequate. This will particularly be the case for unemployed young people under 30 years of age. At a time when there are few/limited employment options for young people.

### **Employment focus- making jobs available, pathways to employment, supporting employers**

Barnardos Australia endeavours to create employment opportunities for Aboriginal young people and encourage adults to come forward for work. We have found this process to be difficult despite some very high achieving Aboriginal workers and managers. Ongoing assistance in this area also needs to be considered.

Louise Voigt  
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**Barnardos Australia**