

## Chapter 3

### The Abbott Government's cuts to funding for Youth Connections and Reclink Australia

3.1 This chapter investigates the likely outcomes of the government's decision to cease funding to two organisations recognised for their success in assisting young disadvantaged Australians who have disengaged or are at risk of disengaging from education, training, employment and the community. These organisations are:

- Youth Connections, an organisation that plays an invaluable role in helping disengaged young people access education and employment opportunities; and
- Reclink Australia Limited (Reclink), a non-profit organisation promoting sport and art programs for people experiencing disadvantage.

#### Youth Connections

3.2 Youth Connections is a national network of community-based organisations assisting young people, who are at risk of 'falling through the cracks', to maintain or renew their engagement in education, training and employment. It has 65 providers nationally, and is currently delivered in 113 regions across Australia in every state and territory.<sup>1</sup>

3.3 Youth Connections summarised the scope and substance of its work:

The Youth Connections program generally assists young people aged 13-19 who are disengaged and inactive to reconnect to education, further training or in some instances, employment. Service delivery is characterised as youth focused, individualised intensive case management. Nationally, 30,000 young people are assisted annually in metropolitan, regional and remote Australia. Approximately 20% of the client case load identify as Indigenous.<sup>2</sup>

3.4 Specifically, Youth Connections provides tailored case management for young people who access their services, which takes into account their individual vulnerabilities and barriers to accessing education or employment opportunities. These barriers can include mental health problems, caring responsibilities, homelessness, drug and alcohol abuse, and the breakdown of family relationships.<sup>3</sup>

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1 *Submission 7*, p. 1.

2 *Submission 7*, p. 1.

3 Ms Shyanne Watson, Coordinator, Youth and Educational Support Services Canberra, Youth Connections Anglicare, *Committee Hansard*, 16 October 2014, p. 10, p.12.

### **Commonwealth funding for Youth Connections**

3.5 The cost to the Commonwealth of the national Youth Connections program is around \$80 million a year, which breaks down to \$2,000 to \$4,000 for every participant, depending on their location and individual needs.<sup>4</sup>

3.6 Government funding for Youth Connections will cease on 31 December 2014. Youth Connections submitted this will mean that from 1 January 2015, there will be no Federal Government assistance for disengaged young people looking to reconnect to education or training.<sup>5</sup>

### **The strengths of Youth Connections**

3.7 Every year, Youth Connections assists around 30,000 young Australians who are at risk of disengaging from education, training or employment. Ms Jennifer Kitchin, Director, Community Services ACT, Youth Connections Anglicare, told the committee the program was very successful:

The success outcomes for this program are significant. Six months after leaving this program, an average of 93 per cent of young people are still engaged in some kind of training, education or employment, and, after two years, [the figure is] 89 per cent.<sup>6</sup>

3.8 Other organisations also spoke very favourably about the importance of maintaining funding for Youth Connections. For example, Dr Cassandra Goldie, Chief Executive Officer, Australian Council of Social Service (ACOSS), told the committee:

If we as a country were ever to be true to the idea of developing policy based on evidence, the Youth Connections program—which supports vulnerable young people transitioning out of school into the workplace—has been a stunning success.<sup>7</sup>

3.9 This point was also emphasised by Dr John Falzon, Chief Executive Officer, St Vincent de Paul Society, who suggested Youth Connections is:

...a really fine exemplar of a very intelligent and innovative model. Some might describe it as labour intensive and resource intensive in one sense, but we are not really talking big bucks in the scheme of things. We are talking about a fairly modest investment with enormously satisfying returns...It is not rocket science to work out that if a program works like that it should not only be maintained but should be expanded.<sup>8</sup>

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4 Ms Jennifer Kitchin, Director, Community Services ACT, Youth Connections Anglicare, *Committee Hansard*, 16 October 2014, p. 10; Youth Connections is funded through the Commonwealth Department of Education, see Youth Connections, *Submission 7*, p. 1.

5 Youth Connections, *Submission 7*, p. 1.

6 *Committee Hansard*, 16 October 2014, p. 10

7 *Committee Hansard*, 16 October 2014, p. 2.

8 *Committee Hansard*, 16 October 2014, p. 44.

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## A unique service

3.10 Ms Kitchin, Youth Connections Anglicare, told the committee she was very concerned there was no service provider who could provide similar services to Youth Connections after its funding ceases on 31 December 2014:

There are 30,000 young people across the country who are affected by this closure... [who] are often very disadvantaged young people. Our long-term concerns around this program going is that we are not seeing any reciprocal state initiatives picking up on this group of young people, and the result will be that they will drift into unemployment and their future options will be severely limited.<sup>9</sup>

3.11 Most young Australians transition between school and employment around the age of 18, a process that is supported by the Job Service Australia (JSA) system. Indications from the government suggest the JSA system may be expected to take on part of the role currently undertaken by Youth Connections under its new model, which will be implemented on 1 July 2015.<sup>10</sup>

3.12 However, Ms Shyanne Watson, Youth Connections Anglicare, highlighted that JSA networks did not currently have the same skills as Youth Connections providers and its case managers already had far heavier caseloads than their Youth Connection counterparts:

Looking at job service providers and understanding their case load, they are not youth workers, they are case managers. The skill set is very, very different and their case load is anywhere up to 150 on average and then rising [rather than the 20-30 for Youth Connections case managers].<sup>11</sup>

3.13 Moreover, Ms Watson made it clear that JSA does not see young people who are not of a legal working age, and so cannot help young people aged 12 to 16 who have disengaged from education and are not yet old enough to enter employment:

We believe, generally, if Youth Connections is not there and another service does not have the capacity to pick those 12-, 13-, 14-, 15-, 16-year-olds up, that they will totally disengage.<sup>12</sup>

3.14 This was recognised by a Jobs Australia report of January 2014, which stated that Youth Connections should be maintained as it complemented the current JSA system:

While JSA providers have some flexibility to refer the most disengaged [early school leavers] to activities that focus on engagement, personal development and foundation skills, they will often make a referral to Youth

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9 *Committee Hansard*, 16 October 2014, p. 10

10 Senator the Hon Eric Abetz, Minister for Employment and the Hon Luke Hartsuyker MP, Assistant Minister for Employment, Joint press release 'New Employment Services model to drive stronger job outcomes' 28 July 2014.

11 *Committee Hansard*, 16 October 2014, p. 12.

12 *Committee Hansard*, 16 October 2014, p. 12.

Connections, which specialise in helping young people to re-engage in their communities and reconnect with education and training. JSA providers value Youth Connections as a service because it is able to offer something they can't: a relationship-based and youth culture-oriented approach to engaging, developing and supporting young people, encompassing a broad range of activities.<sup>13</sup>

3.15 In addition, Mr Angelo Gavrielatos, Federal President, Australian Education Union, was fearful that the Commonwealth could expect schools and teachers to pick up work currently undertaken by Youth Connections:

If governments have an expectation that schools and teachers will just keep on picking up and delivering services that have been cut by governments, then that is absurd. The question that governments need to be asked is: do you want teachers to teach or not? There is no doubt that, if attention was being directed to [cover the cessation of programs like Youth Connections], we would hear within a nanosecond some more teacher bashing about teachers not teaching kids.<sup>14</sup>

3.16 The Victorian Council of Social Services also questioned the ability of other services to undertake this targeted work:

Work for the dole has been a spectacularly unsuccessful program at getting people into work and keeping them there. In 2011 Work for dole had a 22 per cent success rate in keeping young people in work or study after 6 months. By contrast, the recently defunded Youth Connections program had a 94 per cent success rate keeping people engaged after 6 months.<sup>15</sup>

### **Remlink Australia**

3.17 Remlink Australia is a not-for-profit organisation which aims to enhance the lives of people experiencing disadvantage or facing significant barriers to participation, through providing new and unique sports and arts opportunities and specialist recreation programs. It assists some of the community's most vulnerable people:

Typically Remlink program participants report social isolation, drug addiction, mental health issues including schizophrenia and depression, lack of independence, problems with the law including incarceration and repeat offending, sexual abuse or rape, homelessness, unsatisfactory living arrangements (both quality of accommodation and social or familial interactions), and broken relationships as their areas of disadvantage.<sup>16</sup>

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13 Jobs Australia, *Jobs Australia Policy on Youth Transitions*, January 2014, p. 3.

14 *Committee Hansard*, 16 October 2014, p. 35.

15 Victorian Council of Social Services, 'Federal plans for unemployed unlikely to help', Media Release, 7 October 2014.

16 *Submission 50*, p. 3.

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3.18 Mr Rod Butterss, Director, Reclink Australia described his first day on the ground with Reclink when he saw the effect the organisation can have on disadvantaged individuals:

I had grown up in a middle-class environment and had never seen firsthand the effects of disadvantage, but I saw it [at the grand final series run by RecLink in Melbourne]. I also saw what Reclink did for these people. I saw people who were homeless, disadvantaged, underprivileged, alcoholics and prostitutes playing together in games of AFL in that particular instance. I saw people laughing, and I had it pointed out to me that some of these people were living rough and had not had communication with another person for, in some cases, weeks. You could see them laughing and you could see them just getting a flicker of self-esteem. That, for me, was enough to embed myself emotionally within the organisation, because it just does such amazingly good work.<sup>17</sup>

3.19 Mr Peter Cullen, Founder, Reclink Australia described the unique Reclink model:

The way this is done is through a simple but unique model. What I did and other[s] recognised was that, in doing street outreach in St Kilda and seeing people living destructive lives—you see ambulances being called people who overdose and suicide as common conversations in that community, particularly at that time—was that you could think how to respond to this and what these people actually do with the day that gives purpose and structure. We found that people need something they can immediately get involved in. The lack of purposeful involvement—or some involvement—means is actually an achievement in itself to get people involved, and that becomes the starting point for so much else. Beyond the counselling, support and funding that governments give, Reclink brings together all these groups who are funded and supports their work. Before this there was no vehicle in existence. This vehicle comes together through a membership model and through agency membership—there are 380 members presently, and I think we had up to 500 at one point.<sup>18</sup>

3.20 Mr Brian Millett, a participant in the program shared with the committee how the program helped him:

Basically, it is about getting your body moving. A lot of these guys, including me, did nothing for a long time. You just get into the habit of doing nothing, because you are fearful or think 'No-one will like me, anyway'—all that negative thinking that you get when you are inside four walls by yourself, in a boarding house or on the street. So it is about being with people. Just being there, straightaway there is probably a 20 per cent rise in your mental health. It is also about harm minimisation. While they are with Reclink, they are not knocking off [CDs]. That is the bottom line. I used that as a stepping stone, just to stay there so that I could just get myself well slowly. That is how I used it and a lot of people do use it.

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17 *Committee Hansard*, 25 November 2014, p. 2.

18 *Committee Hansard*, 25 November 2014, p. 2.

Wednesday is football and they cannot wait for Wednesday. They belong there; they have a connection there. That is what I needed. I needed that gap filler to get me there. I am now going okay. I am married with a couple of kids. It was a long time ago although, every time I tell that story, I cry. I do not want to, but it is part of my journey. That is the bottom line. It just gets people moving, it gets people going. Then there are offshoots.<sup>19</sup>

3.21 Mr Millett also shared a powerful story from an individual he met which shows how the program can assist people's mental health:

...I was talking to a guy from Western Storm, which is another club. He had a mental illness, mental health issues. Months previously his worker committed suicide through different circumstances. We were just talking about that, just as you do. He said to me, 'I feel like killing myself today.' I sort of looked at him, and he said, 'I knew I had cricket on, so I'm not going to do it today.' I was blown away by that. I could tell my story and, for me, I see it all the time. He had something to look forward to at 11 o'clock. But at eight o'clock in the morning he is probably sitting in a bedsit thinking about how he is going to do it. Then the bus comes, the fellow picks them up, they go to cricket and they feel great after the game.<sup>20</sup>

### **Commonwealth funding for Realink**

3.22 The Commonwealth provided Realink with a specific budget line for funding from 2008-09 to 2012-2013 of \$560,000 a year.<sup>21</sup> Mr John Ballis, Interim Chief Executive Officer, Realink, commented to the committee:

The Realink national program has been in place for the past five years, with an amount of \$560,000 per annum. It was funded as a specific line item in the federal budget. The funding had not been adjusted with CPI wage increases since it was initially provided and, over the five-year period, the capacity of the organisation and the capability of the organisation have been outstanding in terms of scaling up the benefits of the \$560,000.<sup>22</sup>

3.23 Realink's Commonwealth funding ceased on 31 June 2014 and it was not funded in the Abbott government's first budget. Realink has other sources of funding, which will mean some elements of its work will continue, including from state and territory governments, private organisations, and its own fundraising activities. However, Mr Ballis told the committee the loss of federal funding will mean a substantial reduction in their ability to work at the national level:

...because we are a national program, the national funding has been the glue which enables the organisation to scale-up our partnerships with state

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19 *Committee Hansard*, 25 November 2014, p. 6.

20 *Committee Hansard*, 25 November 2014, p. 6.

21 Parliamentary Library, *Budget Review 2008-09*, p. 125.

22 *Committee Hansard*, 25 November 2014, p. 1.

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governments, local government, community agencies, corporates and donors.<sup>23</sup>

### **Reclink's strengths**

3.24 Mr Cullen, Founder, Reclink, told the committee that the program is able to engage people who are difficult to engage through traditional welfare services, making the program:

...extremely important to disadvantaged people right across Australia because of its reach and also its potential reach if it is appropriately supported. As was said before, Reclink is the only organisation in Australia doing what we are doing, so it is quite unique in that structure. We use the word 'disadvantaged' in many communities across Australia, but we are looking at complex disadvantage. We are looking at people who do not frequent regular sporting clubs, so it is unique in the structure in which we are able to reach people. These people have never been reached in this way, because there has never been a structure to reach this group.<sup>24</sup>

3.25 Reclink has a very flexible delivery model, especially as it works with local partners to deliver programs specifically targeting the needs of local communities, which means it has had excellent results in diverse fields. Mr Ballis gave the following examples of successful Reclink programs:

- providing housing for disadvantaged people in the ACT, as well as security and safety programs alongside ACT Justice;
- developing and delivering employment-readiness programs in Queensland;
- partnering with Indigenous communities and organisations to create pathways for people transitioning out of corrective services in the Northern Territory;
- in delivering Certificate IV-level training to disadvantaged people in Victoria alongside training providers;
- introducing the iconic "Choir of Hard Knocks", made up of disadvantaged people from Melbourne, to the Australian psyche via an ABC television series.<sup>25</sup>

3.26 A recently released study by La Trobe University into Reclink's effectiveness over four years described the program as 'a catalyst for a better life for participants', and found it was successful in:

- breaking down the barriers to isolation;
- encouraging self-esteem and self-confidence – reduced stress and anxiety
- improved physical condition – weight loss and increased cardiovascular fitness;

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23 *Committee Hansard*, 25 November 2014, p. 5.

24 *Committee Hansard*, 25 November 2014, p. 2.

25 *Committee Hansard*, 16 October 2014, p. 6.

- acquiring skills, training and pursuing employment opportunities;
- providing a sense of community, greater connection;
- establishing and maintaining friendships; and
- alleviating boredom.<sup>26</sup>

### **A unique service**

3.27 Mr Ballis, Reclink, suggested that Reclink's expertise and long-held relationships meant other organisations would not be able to deliver the same services for disengaged Australians:

When we look at the depth of opportunities and the demonstrated benefits of the program, it is a very unique program particularly across Australia. There are currently no organisations that have the expertise or the demonstrated capability of using sport recreation to engage so many disadvantaged communities across Australia. Our hope and aspiration as an organisation is that the government will see its way clear to reinstate funding and hopefully provide sustainable funding for the program now and into the future.<sup>27</sup>

### **Increased costs for the Commonwealth from cuts to Youth Connections and Reclink Australia**

3.28 The committee heard evidence that cutting funding to Youth Connections and Reclink Australia will lead to increased costs for government in the future.

3.29 Dr John Falzon, St Vincent de Paul, highlighted these increased costs to the Commonwealth:

Every dollar you pull out of a program such as Reclink or Youth Connections—a program that is looking at very professionally and humanely supporting rather than humiliating people—we are going to see increased costs down the line in the criminal justice system, in the social support system, in the health system and so forth.<sup>28</sup>

3.30 Ms Rebekha Sharkie, National Executive Officer, Youth Connections, told a Senate inquiry earlier this year that Youth Connections reduces Commonwealth expenditure on welfare payments:

...if you look at the individual costs to provide [Youth Connections] service, it is between \$2,000 and \$4,000—that is what the department tells us it costs annually to assist a young person. We see that as cost effective

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26 Centre for Sport and Social Impact, La Trobe University, *Impact of Reclink Australia Programs on Participants, National Report* (February 2014). This was provided to the committee as part of Reclink's submission, see *Submission 50*, Attachment 2.

27 *Committee Hansard*, 16 October 2014, p. 2.

28 *Committee Hansard*, 16 October 2014, p. 48.



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compared with around \$20,000 if you are on a Centrelink [Newstart] benefit....<sup>29</sup>

3.31 Ms Kitchin also noted that Youth Connections saved government expenditure on income support for young people:

At the very, very minimum, even just going onto a Centrelink [Youth Allowance] income —\$5,500 a year—would be more than what you would be paying to keep someone in the Youth Connections program. That does not in any way bring in the cost of the mental health services, couch surfing with friends, homelessness services et cetera.... the long-term cost is quite significant.<sup>30</sup>

3.32 Ms Watson highlighted the risks that disengaged youth may face, including increased drug and alcohol abuse, crime or prostitution, and suggested a rise in these social problems may increase Commonwealth expenditure:

Once they have totally disengaged, we know that the modelling shows that those young people generally become engaged in other activities. Those other activities can be risk-taking behaviours where they do not have the skills and they do not necessarily have the cognitive ability to recognise that this is not the right path to be walking down. Unfortunately, we believe that the engagement in care and protection type services in the ACT and community justice services will be much higher.<sup>31</sup>

3.33 Reclink's submission stated its national program was excellent value for money for the government as it could reduce participants' reliance on welfare in the long-term by:

...effectively engag[ing] thousands of disadvantaged people in sport and recreation participation as a pathway to skills development, training and employment opportunities.

3.34 Mr Cullen stressed that Reclink assisted people to take control of their own lives in a way that other welfare models did not:

We believe we found a particular need, something that was actually missing in welfare and not utilised. I think governments, I would assume across the world, almost have to provide a crisis responses. There is a lot in welfare that stops people from drowning but not a lot that helps people to swim. It is movement, activity, involvement and connection. If you can get people

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29 Senate Select Committee into the Abbott Government's Commission of Audit, *Committee Hansard*, 13 March 2014, p. 54. Note: the yearly payment for Newstart for a single with no dependents is around \$13,405, although this does not include rent assistance, about \$3,320 a year at its maximum rate. See Newstart and Rent Assistance rates at [www.humanservices.gov.au/customer/services/centrelink/](http://www.humanservices.gov.au/customer/services/centrelink/) (accessed 17 November 2014).

30 *Committee Hansard*, 16 October 2014, p. 12. Note: the yearly payments for Youth Allowance single, with no children, and living at a parental home are about \$5,896. See Youth Allowance rates at [www.humanservices.gov.au/customer/services/centrelink/](http://www.humanservices.gov.au/customer/services/centrelink/) (accessed 17 November 2014).

31 *Committee Hansard*, 16 October 2014, p. 12.

passionately involved in one thing and they can create belonging in their life, that gives them inner power to be a catalyst to move forward around other opportunities. As simple as it is, it is still a unique program. As a matter of fact, nobody else has picked this area up.<sup>32</sup>

### **Committee View**

3.35 The committee is dismayed the government has decided to cease funding for Youth Connections and Reclink Australia as part of its unfair and economically unsound budget. These decisions will jeopardise the ability of many young Australians to stay engaged in education or find training or work opportunities. It is also likely to lead to many disadvantaged people disengaging from their local community and, over the long term, increase welfare dependency and expenditure for the Commonwealth in other areas such as health and justice.

3.36 The committee notes with concern the results of Mission Australia's Annual Youth Survey which clearly shows that young people, particularly the most disadvantaged, need support with the transition from school to work, school to training or training to work. In this context, the need for a program like Youth Connections was specifically highlighted:

The Youth Connections program, which provides support to around 30,000 disadvantaged young people each year to re-engage with education or employment, has been an important program of support for young people at a difficult time of transition. A program of equivalent scale and purpose is needed to address the persistent high unemployment amongst youth.<sup>33</sup>

3.37 The evidence received by the committee shows that Youth Connections is a very successful program that plays an invaluable role in assisting young people who have disengaged from their education and training.

3.38 The defunding of Youth Connections is profoundly unfair. It will hurt the most vulnerable in our society and increases the risk of them falling into poverty or homelessness.

3.39 The committee strongly agrees with the evidence given by Ms Cassandra Goldie, ACOSS, who stated that:

It is extraordinary to us that any government would simply cease a program which has so obviously provided long-term benefits for young people who are disadvantaged in any labour market environment and at risk of long term unemployment.<sup>34</sup>

3.40 The committee recognises the valuable role played by JSA network services. However, it is clear JSA providers will not be able to provide the services that Youth Connections currently offer. Currently JSA and Youth Connections work in a complementary manner. If the JSA network is expected to pick up the work of Youth

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32 *Committee Hansard*, 25 November 2014, p. 5.

33 Mission Australia, *Youth Survey 2014*, released 1 December 2014, p. 5.

34 *Committee Hansard*, 16 October 2014, p. 2.

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Connections, it is still not clear how it will be restructured and resourced to do this effectively by the government under its new model from 1 July 2015.

3.41 The committee notes that the government has announced the Industry Skills Fund will provide specific funding for pilot programs targeted to youth in regional areas who are disengaged from education, training or employment. While extra assistance for regional youth is welcome, these programs will provide only 10,500 places which is insufficient to address the scale of youth unemployment across the country.<sup>35</sup> In contrast, Youth Connections, is already supporting 30,000 disadvantaged young people each year, it is an established, successful program, reaching more age groups, with trained people and established pathways.

3.42 The committee is particularly concerned about young Australians who are not legally old enough to work, but who have disengaged from their education. Without Youth Connections, these young people, many of whom are in vulnerable situations, will be at serious risk of falling through the cracks and not being able to access any government assistance whatsoever.

3.43 The committee also notes the decision to axe funding for Youth Connections does not make economic sense. The modest Commonwealth expenditure on Youth Connections, under \$80 million a year nationally, saves a far greater sum for government in direct Centrelink income support payments alone.

### **Recommendation 3**

#### **3.44 The committee recommends that the government reinstate funding for Youth Connections immediately.**

3.45 The committee recognises the valuable role played by Reclink Australia in assisting disadvantaged Australians find their way to better health, economic independence and take on productive and leading roles in their local communities.

3.46 It is clear to the committee Reclink Australia is a program that delivers results across the country on an incredibly tight budget. In doing this, it not only assists and inspires many individuals, but also reduces pressure on Commonwealth expenditure in many areas, including the health, mental health, welfare and justice systems.

3.47 It is also apparent no other organisation has the national reach Reclink Australia has developed, as well as the flexible model that allows it to connect with so many diverse communities.

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35 Two pilot schemes will be established: Youth Employment Pathways will assist disengaged youth back into school, vocational education or the workforce. Starting 1 March 2015 it will assist people aged 15 to 18 and 3,000 places will be available. Training for Employment Scholarships will assist employers in regional areas access job specific training for new starters. Starting 1 March 2015, small to medium businesses who hire an employed person aged 18 to 24 will be eligible to receive funding to pay for up to 26 weeks of training. 7,500 scholarships will be available. See [www.vetreform.industry.gov.au/files/ISF%20Youth%20Streams.pdf](http://www.vetreform.industry.gov.au/files/ISF%20Youth%20Streams.pdf) (accessed 1 December 2014).

**Recommendation 4**

**3.48 The committee recommends that the government reinstate Commonwealth funding for Reclink Australia immediately.**