



11 June 2015

The Senate
Standing Committee on Community Affairs
Legislation Committee
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Parliament House
CANBERRA ACT 2600

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Dear Senate Standing Committee on Community Affairs

Re Inquiry into the Social Services Legislation Amendment (Youth Employment and Other Measures) Bill 2015

headspace welcomes the opportunity to provide a submission to the Inquiry into the Social Services Legislation Amendment (Youth Employment and Other Measures) Bill 2015.

The focus of this submission will be based on those young people experiencing mental illness and mental health difficulties and how the proposed changes to the welfare system identified in this Bill could impact on this group of young people. This includes young people with both diagnosed and undiagnosed, and disclosed and undisclosed mental health difficulties.

headspace is a National Youth Mental Health Foundation initiative that helps young people aged 12 to 25 by providing support for problems such as depression, anxiety, bullying and body image.

headspace National Youth Mental Health Foundation is the Australian Government's major investment in the area of youth mental health.

headspace was initiated in 2006 to address the concerning mismatch between level of need and amount of mental health service use among adolescents and young adults. The **headspace** mission is to improve young people's mental, social and emotional wellbeing through the provision of high quality, integrated services when and where they are needed.

With bipartisan support, **headspace** has become a considerable success supporting over 150,000 young people since its inception. This success is based on the **headspace** delivery model of providing a 'wrap around' service which integrates Allied Health professionals and partnerships with local community services. This model has been most successful in ensuring that young people are getting the help that they need, where they need it and, most importantly, when they are at their most vulnerable.

headspace priority areas

headspace supports reforms to the current welfare support system that serve to increase the social and financial inclusion of young people experiencing mental health difficulties, allow for early intervention for those at increased risk of disengagement from work and study, and reduce reliance on payments like the disability support pension in the longer term while providing adequate supports in times of need. This is based on our knowledge that young people with mental health difficulties want to work and to experience the benefits of being engaged in the workforce such as independence, financial security, a sense of purpose and connection to their community.

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It is also because we know that being engaged in education or employment are important interventions for improving mental health in and of themselves and are increasingly being recognised as key elements of the recovery process.

Young people experiencing mental health difficulties are particularly vulnerable to becoming disengaged from work and study due to the overlap between the average age of first onset of mental illness and the period of transition from school to further education and employment. Illness in this period can lead to interruptions in education attainment and create barriers to undertaking work and training opportunities, leaving young people vulnerable to unemployment and social exclusion for the rest of their lives.

Unfortunately, the services available in the current system to support young people experiencing mental health difficulties to access employment and training have proven inadequate in achieving positive outcomes.

headspace is encouraged by the Government's recent announcements of investing up to \$300 million in ensuring there are programs to support vulnerable youth in the community, in particular, those who might be suffering from mental illness. Current understated **headspace** data demonstrates that an average of 78 young people per year approach each **headspace** centre specifically due to issues relating to either school or work.

28 per cent of all 18-25 year olds accessing **headspace** services were disengaged from both employment and/or education, which equates to an average of 83 young people per centre. Currently, **headspace** has 82 Centres operating across the country. This data reflects not only the rising rate of youth unemployment in Australia, but also the impact that disengagement from work and study can have on the mental health and wellbeing of young people. It also reflects the fact that young people are actively seeking out support relating to work and study. Ensuring that these young people have access to vocational and educational support programs is vital in order to limit the time spent disengaged from work or study and improve their longer term employment and mental health outcomes.

Supporting young people into work and study requires there to be employment and study options available to them. As such, we believe it is important to acknowledge the current economic setting in which these proposed changes would sit. Australia, like other western countries, is experiencing an unprecedented rise in youth unemployment. In some areas of Australia, the youth unemployment rate is nearly 3 times that of adult unemployment. A recent Roy Morgan research paper identified a strong link between rising unemployment and increasing anxiety, depression and stress amongst young job seekers. High unemployment combined with poverty and increased disengagement is a dangerous combination that could impact on a generation of young people in Australia. Therefore, there is a responsibility for Governments to address labour demand equally with labour supply.

The Government's action to build confidence in the small business sector is a strong start to encourage economic growth, though its impact in reducing youth unemployment is yet to be tested. Therefore, the issue of a healthy labour market must be a critical component when developing policies that are designed to increase the number of young people with no financial supports except through gaining employment.

Given the current labour market, **headspace** has concerns regarding the proposed changes which would see an additional four-week waiting period imposed for those aged under 25 years applying for income support payments. The impact of such a change has the potential to leave young people without the ability to meet their basic needs at a time when they should be focused on finding and securing employment, and to increase their risk of experiencing homelessness and mental health difficulties. Such changes would also impact disproportionately on those most vulnerable young people, who are unable to rely on family or other social connections for financial or housing support in times of crisis. While the Government has stated that a four-week waiting period is sustainable based on a belief that most young people aged under 30 have a support system, without data to support this claim we would be hesitant to

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rely on such an assumption for the basis of policy development. Increasing the stress levels and vulnerability of young people who in our experience are actively wanting to work or study seems unnecessary and counter-productive to improving the workforce participation or the mental health and wellbeing of young Australians.

For those young people who are experiencing barriers to work or study as a result of mental health difficulties, the waiting period is particularly concerning due to the risk of prolonging or exacerbating those difficulties. While **headspace** acknowledges the Government's proposed exemptions to the waiting period – which include young people experiencing disability and 'undiagnosed mental illness', we have concerns for those young people who either don't recognise their difficulties as related to their mental health, or who are unwilling to disclose mental health difficulties due to stigma or shame. This is particularly relevant for young people within some culturally and linguistically diverse communities where there is limited understanding or acceptance of mental illness. Further, we are unclear as to how 'undiagnosed mental illness' might be recognised and by whom for the purpose of exemption from the waiting period, as it would seem to be formally unrecognised by definition.

headspace also has concerns around the proposed lifting of the age of eligibility for Newstart allowance payments to 25 years, leaving the lower paid Youth Allowance the only option for young people requiring income support. Given the array of factors that impact on a young person's decision regarding their pathway from high school through to education, training and employment, we are not convinced that increasing the age of eligibility of Newstart allowance will encourage young people to remain in education or training for longer than they would otherwise. As stated previously, our experience from those young people presenting at **headspace** centres is that young people want to work and to experience the benefits that engagement with the workforce brings and actively seek support in accessing education and employment opportunities. As such, we believe that policies and interventions that provide support for young people seeking training and employment and serve to improve the labour market in which they are attempting to enter will be more effective than increasing the age of eligibility for the Newstart allowance.

In Conclusion

headspace is encouraged by the Government's recent announcement of its investment of up to \$300 million in programs to support vulnerable youth in the community, in particular those who might be suffering from mental illness. **headspace** is particularly enthused about working in partnership with the Government to develop a pilot that aims to improve employment outcomes for young people experiencing mental health challenges.

headspace is also encouraged and supportive of the Government's actions to build confidence in the small business sector in order to improve the employment options for young people in Australia. From our experience in working with young people, particularly those experiencing mental health difficulties, we believe that efforts to support them to access and maintain education and employment opportunities and to increase the amount of opportunities available will be most effective. **headspace** has concerns, however, regarding the proposed changes within this Bill, particularly those which would see an additional four-week waiting period imposed for those aged under 25 years applying for income support payments and the lifting of the age of eligibility for Newstart allowance payments to 25 years. As outlined above, we believe these changes are unlikely to encourage greater workforce and education participation, but rather have the potential to impact negatively on the mental health and wellbeing of all young Australians and disproportionately on those already disadvantaged due to factors such as mental health difficulties, poverty, social isolation or disengagement from family.

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If you have any questions or seek further information concerning this submission, please contact Ms Carolyn Watts, **headspace** Vocation and Education Specialist

Yours sincerely

Chris Tanti
Chief Executive Officer