

*Response to written
questions taken on notice
by Jesuit Social Services,
received 12 September
2012.*

You go into a lot of detail about barriers to employment for people with multiple and complex needs – participation requirements, difficult transitions into/out-of employment, and low payment rates. How would you address these barriers?

- **How can we change the allowance system to support people with multiple and complex needs better?**
- **Do you think there needs to be a special category with different benefits and requirements? How would this work?**
- **Do you think that most people who are long-term unemployed would fall into this category?**

As stated in our submission and evidence, we believe that the allowance system works supports the majority of recipients to transition into employment. This is despite a general inadequacy in payment rates.

Quantifying the number of people with multiple and complex needs

The total number of Newstart allowance recipients with multiple and complex needs can be estimated in a range of different ways.

The Joint Interagency Submission to the inquiry¹ noted that 46% (over 200,000) Newstart Allowance recipients had been in receipt of income support payments for longer than 2 years. This includes parents, people with disability with partial capacity to work and mature aged individuals. Within this 46% will be a portion who experience multiple and complex barriers to inclusion.

The Social Inclusion Board estimates that around 5% or 640,000 of the working age Australian's experience multiple disadvantages (3 or more factors of disadvantage). Within this group there is an even smaller subset that experience what might be characterised as extremely complex factors of disadvantage (.62% of the adult aged population experience 5 or more measures of disadvantage) for an extended period of time (40% experience multiple disadvantage for two years or longer).

In light of these figures, when we talk about individuals with multiple and complex barriers to employment we are likely to be talking about a group of people numbering less than half of the 200,000 very long term recipients of Newstart Allowance. However, the small size of this group is disproportionate to the impact that they place on both the allowance payment system and also the broader welfare systems of federal, state and local governments. In the UK, studies of the cost of providing services to families with multiple and complex needs have been (conservatively) estimated as up to £250,000 (AUD \$385,000) per family per year.²

Addressing barriers to employment

In order to address the barriers to employment for people with multiple and complex needs there is a need to improve systemic barriers in the allowance payment system. More importantly, we do not believe that addressing these barriers will be enough, unless there is also reform of support services so that they can more effectively address the barriers to inclusion that particular individuals face (eg, mental illness, substance abuse issues).

We believe that the structures and services within the allowance payment system, need to be refocused to understand individuals with multiple and complex needs not just in terms of their employability but in terms of the wider factors of social exclusion that they face. In recent years, some reforms to participation requirements, tied into the Job Services Australia system have

¹ Submission 38, pg 46.

² See Participle, Department of Communities and Local Government (UK), 2006, Anti-social Behaviour Intensive Family Support Projects, Housing Research Summary no.230.

attempted to achieve this. Despite these reforms and increased investment, anecdotal evidence from practice as well as research from across the sector indicates that the current arrangements are still not delivering outcomes.³ We would recommend the following reforms to enhance the capacity of the allowance payment system to allow those with multiple and complex barriers to more effectively move towards inclusion and ultimately employment:

- Participation requirements - We believe that the notion of participation should be reframed away from just the participation in employment but to a broader notion of participation within society. There needs to be an increased scope and impetus for participation requirements to extend beyond peoples efforts to find work to supporting them to address the barriers to inclusion that they face. Reform here could include widening the principals of administration in Section 8 of the Social Security (Administration) Act 1999 as well as associated regulations and government policy.
- Special categories of allowance payment recipients – We are aware other organisations within the community sector, such as the Brotherhood of St Laurence have recommended changes to categories of allowance payment recipients.⁴ We believe that changes to categories may be beneficial, but the real issues that need to be addressed is how people are identified and streamed into categories and how the service system within each category responds to individuals with multiple and complex needs. Changes to categories within the allowance payment system are unlikely to increase the effectiveness of the system unless there is more support for people within different categories to move towards employment. We believe that a more appropriate approach would be to focus on the assessment process within the current JSA structure of 4 streams and look at the participation requirements and how the system works with people in stream 4.
- Integrated and flexible support services for people with multiple and complex needs – We believe that the most important element for success in dealing with multiple and complex barriers to support is how wider support service system works to promote inclusion and participation. A major problem is the generalised and fragmented nature of both employment and the wider social services system.

We believe that across government and the social services sector there is a growing recognition of this fact. The pilot program of Local Connection to Work by Centrelink, offers a way forward. We believe that this model of localised and integrated delivery of employment and community services could be extended and deepened. At present the focus is on the co-location and linking up of different services. This service is modelled on the Community Link approach in New Zealand, which has evolved into a platform for providing integrated and wrap around services for families with multiple and complex needs. Similar approaches to wrap around and integrated services are being implemented in the

³ See, Borthorhood of St Laurence, Inquiry into the Social Security Legislation Amendment (job seeker compliance) Bill 2011, Presentation by the Brotherhood of St Laurence at the Public Hearing on 13 April 2011 in Melbourne, by Michael Horn and Dina Bowman. Lisa Fowkes, 2011, 'Rethinking Australia's Employment Services, The Whitlam Institute.

⁴ BSL recommended 3 categories – Job ready, disadvantaged and highly disadvantaged, see Brotherhood of St Laurence, 2011, Line of Sight: Better Tailored Services for Disadvantaged Jobseekers.

United Kingdom through the Total Place pilots, and through the Life program of integrated local service teams.

These approaches address work with individuals with multiple and complex needs in a holistic way. Importantly, they often provide greater levels of individual choice and empowerment within service systems. Implementation is a challenge as it requires cooperation between levels of government and different services and often initial upfront investment. However, in the long term, increased flexibility and the reduction in overlap between services can lead to a more efficient and effective service system. For example, the Total Place pilot initiatives in the United Kind generated significant savings. The pooling of funds into combined budgets for individual support has the potential to allow for flexibility and tailored solutions to individual problems and could provide a model for reforming the Job Seeker Support fund to cover the wider costs of social inclusion (such as drug treatment, transport, education and training).

We believe that attention should be paid at both a local level to the outcomes of the Local Connection to Work pilots as well as similar initiatives overseas. There appear to be opportunities to reform services to better meet the needs of individuals with multiple and complex needs.

- Focus on real work opportunities – As stated in our submission we believe that a key element of supporting individuals with multiple and complex needs into work is the opportunities for work and training experience provided by social enterprises. Work that pays in a supported environment provides opportunities to build skills and experience and prepare for a transition into the labour market.
- Limiting systemic barriers for return to work – In light of the barriers that individuals with multiple and complex need face, as well as the cost of providing services to them, we believe that they should be provided with the highest levels of incentives to return to work. We believe that higher income support withdrawal rates and longer period of taper could be applied to individuals in stream 4. This could be achieved through applying a higher rate of return to work credits for individuals with multiple and complex needs, and increasing the cut of rates of support payments. These would provide real incentives for work and provide security and some form of offset against the fact that this group of people often return to the workforce in low paying and insecure forms of work.
- **How do you think that changing nature of work is affecting people on income support? What about people with multiple and complex needs?**
As outlined in our submission, there is increasingly less secure low skilled jobs available in Australia. Individuals with multiple and complex needs often have lower levels of educational attainment and employment skills. They find it increasingly difficult to find work that provides them with an adequate and secure standard of living. As noted above, some of these issues could be addressed through more generous taper rates for income support so that returning to work does pay. There is also a need within the broader system of services to focus on building the skills and increasing the educational attainment of individuals with multiple and complex needs. This is challenging, and requires a focus on training and educational opportunities that provide support around individuals needs. Through the Jesuit

Community College Jesuit Social Services is focusing on developing an approach that provides the level of learning opportunities and support for people with multiple and complex needs.

- **Are you aware of the problem with people being over/under paid? Do you see a solution to this?**

From our experience we are not aware of this issue so are unable to comment.