

*Response to questions  
taken on notice by AYAC on  
28 August 2012, received  
17 September 2012.*

## 1. Admin and activity requirements tailored to the needs of young people experiencing multiple disadvantage

*Question: You recommend that “administrative processes and activity test requirements be amended to take into account the unique needs of young people experiencing multiple disadvantage.” Can you explain this more?*

Young people experiencing multiple disadvantage find the benefit and job support system confusing and overly bureaucratic. For this group of young people administrative processes and activity requirements (such as JSA) need to include:

- Better communication by Centrelink of the supports available to young people
- Resourcing Job Service Providers specifically to work with young people with more complex needs.
- Centrelink should outreach to youth and community services to build trust and rapport with young people experiencing multiple disadvantage.
- Extending the time period for young people experiencing multiple disadvantage to choose a service provider (currently the lead time is about two days).
- Resourcing better case management for young people experiencing multiple disadvantage that will assist with greater collaboration and coordination between JSA, Youth Connections and state service providers.

### Areas for amendment in relation to activity requirements

The ‘Earn or Learn’ activity requirement can provide positive support for young people. However for young people experiencing multiple disadvantages it can be difficult because they may experience further exclusion to either work or study due to difficulties such as:

- Lack of access to, or affordability of, public transport<sup>1</sup>
- Parental employment status affecting their choice to study<sup>2</sup>
- Lack of experience, which affects their ability to gain and keep suitable employment<sup>3</sup>
- Challenges with job readiness
- The ability to afford to purchase suitable work clothes, have haircuts etc – all of which impact on the ability to gain employment.

JSA does not adequately support young people, particularly those experiencing multiple disadvantage. The Youth Affairs Council of Victoria undertook research into the JSA system and its suitability in meeting the needs of young people.<sup>4</sup> The research highlighted some of the issues with the current system:

- Centrelink are not resourced to be able to refer young people to the most appropriate JSA provider.
- Job Seeker Classification Instrument screening process can be an ineffective engagement tool. More needs to be done to protect privacy and build appropriate pathways for young people with multiple disadvantage.

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<sup>1</sup> Rose, J et al (2011) ‘Swimming Upstream’: Young people and service provision under Job Services Australia, Youth Affairs Council of Victoria

<sup>2</sup> Australian Bureau of Statistics, 2009, 4250.0.55.001 - Perspectives on Education and Training: Social Inclusion, accessed 01/03/12

<http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/4250.0.55.001Main+Features42009>

<sup>3</sup> Rose, J et al (2011) *Ibid.*

<sup>4</sup> *Ibid.*

- JSA providers need to measure non-vocational outcomes, such as the provision of social skills and life skills that are vital to finding and keeping employment
- The outcome payment reward system is at odds with the client-focused approach, which is essential when working to support young people experiencing multiple disadvantage.
- Access to a specialist provider varies across Australian and is dependant on location and coverage of providers.

#### **Recommendations for the JSA model<sup>5</sup>:**

- A minimum six month 'engagement period' for young people in streams 3 and 4 before an evaluation of formal Key Performance Indicators commence (at 12 and 36 weeks)
- Support for better collaboration between JSA providers and related services (eg. youth connections and state programs) to ensure young people receive greater support, service and choice
- Recognise and monitor social / life skills ( ie non-vocational) outcomes achieved by JSA providers for young people experiencing multiple disadvantage.
- Develop industry standards for JSA providers which are underpinned by best practice youth work and case management principles for working with young people
- Ensure young people are given the opportunity to provide regular feedback on JSA as part of a new 'client-centred' evaluation model.

#### **Areas for amendment with administrative processes**

There are high rates of participation failure and penalties for vulnerable young people not attending Centrelink and JSA interviews.

The 2011 Centrelink review of non-attendance at interviews<sup>6</sup> - that particularly affect young people in streams 3 and 4 – outlined a number of issues with administrative processes that are barriers relevant to young people experiencing multiple disadvantage:

- Lack of clarity about the purpose of appointments within the notification letters and a lack of detail on the potential outcomes for the person.
- The automated letter generation does not accommodate the peoples' individual circumstances and capacity to attend interviews. It also does not include the personal approach needed to boost engagement.
- Lack of coordination of different appointments.
- Lack of holistic approach and critical need to focus on improving relationship building with vulnerable groups.
- Lack of coordination with external non-government agencies that provide care, casework management and other supports to vulnerable.
- Inconsistent outreach to youth services – in some areas it is working really well with Centrelink staff visiting and building positive rapport with young people and youth services. In other areas this approach does not exist.

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<sup>5</sup> Rose, J et al (2011) *Op cit.*

<sup>6</sup> AYAC questions on notice: *Community Engagement – Investigation, Findings and Recommendations (Final Draft)*, Department of Human Services, Internal document - 23 June 2011

## 2. Allowance system discouraging paid work

*You comment that the income test or the earning free area, means that many young people lose access to benefits if they get paid work experience to boost their employability. Can you explain more about how the allowance system discourages this? What are the longer term consequences for young people when they finish study and go to find work?*

Practical paid work experience is an essential part of readying young people for the sustainable employment once they complete their studies. As noted in AYAC's submission<sup>7</sup> the earnings credit system should be replaced by a simpler system where the earnings credits allowed are increased and recipients can 'bank' their fortnightly income test 'free area' for a longer period thus enabling young people to gain valuable work experience and build up financial resources through the holiday periods.

We know from consultations with young people and anecdotal evidence that young people are already disadvantaged when entering the labour market. However it is difficult to access reliable data on this. AYAC is currently consulting with key stakeholders to gather further information on the specific longer term consequences for young people transitioning from tertiary study to the labour market.

## 3. Points of transition

*Question: Yesterday we heard commentary around the points of transition from school to work et cetera, and the interplay of Newstart and youth allowance with that. I am just wondering whether you have any commentary around youth allowance, the family tax benefit system et cetera, and how that works for young people, particularly those who are going into apprenticeships or who have left school prior to year 12 and are not going on to higher education.*

There are a range of factors – often outside the control of young people – that impact on young people's ability to engage in work or study. If we take parental employment as an example, the Australian Bureau of Statistics report indicates that '[p]arental employment can influence the financial resources available for a young person to study'<sup>8</sup> and a young person whose parents are unemployed may need to find work instead of studying;<sup>9</sup> they also need support to do this. The fact that Youth Allowance is at a lower rate than the Newstart can be a deterrent for young people experiencing multiple disadvantages because they are less likely to have access to financial and social supports needed to engage in further education.

The Australian Youth Affairs Coalition is currently undertaking research into the 'Earn or Learn' policy and its effect on young people who are unemployed. This research will include:

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<sup>7</sup> Australian Youth Affairs Coalition (2012) *Submission to the Inquiry into allowance payment system*, August 2012

<sup>8</sup> Australian Bureau of Statistics, 2009, 4250.0.55.001 - *Perspectives on Education and Training: Social Inclusion*, accessed 01/03/12

<http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/4250.0.55.001Main+Features42009>

<sup>9</sup> *Ibid.*

- Interviewing young people who have not completed Year 12 about their experience of study, training and looking for work as well as the supports and services they have accessed.
- Surveying youth workers who work with young people experiencing multiple disadvantage, in order to understand widespread issues for young people, supports that are working, and other policy implications.

The final report from this research is due out in November 2012 and can be provided to the Committee once completed.

#### **4. Statistics of young people in Streams 1-4**

*Question: What percentage of young people end up in streams 1, 2, 3 and 4? And breakdown by gender?*

There is some relevant information relating to outcomes and proportions in Streams 1 to 4 in the JSA system that can be found in the Department of Employment, Education and Workplace Relations (DEEWR) Labour Market Assistance Outcomes from December 2011:

<http://www.deewr.gov.au/Employment/ResearchStatistics/ProgEval/Pages/LMAOutcomes.aspx>

This data does not include a breakdown by gender, and AYAC was unable to access that information. For full and up-to-date data in this area the question would be best directed to DEEWR and/or the Department of Human Services.