

Submission Number: 1
Date Received: 4/04/2011



headspace

National Youth Mental Health Foundation

Street 47-51 Chelwynd Street North Melbourne

Mail PO Box 473 North Melbourne VIC 3051

Tel +61 3 9027 0100 Fax +61 3 9027 0199

headspace.org.au

headspace submission: Inquiry into the Social Security Legislation Amendment (Job Seeker Compliance) Bill 2011

4 April 2011

For further inquiries please contact:

Sian Lloyd

Senior Policy Advisor

headspace National Office

Phone: 03 9027 0100

Introduction

headspace welcomes the opportunity to provide a submission to the House of Representatives Education and Employment Committee inquiry into the Social Security Legislation Amendment (Job Seeker Compliance) Bill 2011. This Bill implements the Government's election commitment to introduce tougher rules for job seekers, which was announced on 11 August 2010 as part of the "Modernising Australia's Welfare System" policy statement. This includes withholding payments for non-attendance at appointments.

headspace does not support this Bill as we are concerned it will penalise the most vulnerable and disadvantaged people in our society and place further barriers in their pathway to finding employment. We believe further investment is required to provide holistic support to this particular group to assist them into meaningful employment and pathways out of entrenched poverty.

In this submission we will comment on the proposed amendments focusing on implications and consequences, articulate **headspace's** position, and make recommendations to the Committee.

About headspace

headspace aims to promote and facilitate improvements in the mental health, social wellbeing and economic participation of young Australians aged 12-25 years.

headspace was launched in 2006 and was initially funded as part of the Federal Budget commitment to the Youth Mental Health Initiative. **headspace** is currently funded by the Australian Government under the Promoting Better Mental Health – Youth Mental Health Initiative.

headspace has thirty centres that provide services to young people across Australia. **headspace** centres are located in each State and Territory and cover metropolitan, regional and rural locations. **headspace** Centres provide support, information and services to young people. A **headspace** Centre is a youth friendly community based provider of services to young people 12 – 25. During our establishment phase, our 30 services provided over 300, 000 sessions of care to over 37 000 young people. We anticipate that these numbers will grow dramatically as the centres consolidate and become better known in the communities that they serve.

Provided at a community level by a consortium of services, all **headspace** Centres have at their core a primary care component with allied health, drug and alcohol workers and mental health practitioners. The array of services is diverse and multidisciplinary ensuring Centres can address a wide range of concerns affecting young people. In addition, the **headspace** website provides information and support to young people, parents, carers and workers and is widely accessed. The **headspace** Centre of Excellence provides evidence and best practice information in youth mental health for workers.

The National work is driven through four core areas: community engagement and awareness raising, provision of training and education, driving service sector reform and building knowledge in evidence based treatment.

Key Activities:

- Providing young Australians with a coordinated and integrated service which addresses health and wellbeing needs
- Promoting local service reform to meet the needs of young people
- Creating awareness and educating young people about how and when to seek help
- Providing an extensive and accessible web-based resource targeting young people, but also providing resources for families, teachers and practitioners.
- Reviewing evidence and interventions to provide Australians with the most up-to-date information on youth health, reported through our website
- Giving young people a voice by providing opportunities to participate in shaping service delivery
- Training professionals in working with young people
- Ensuring that youth mental health issues are prioritised by influencing policy direction and service sector reform

The recent Independent Evaluation of **headspace**¹ was favourable in its view of the **headspace** model, its acceptability among young people, and the quality of care provided across the four core streams.

Discussion

The Gillard Government's policy '*Creating Opportunity. Requiring Responsibility*', which frames the amendments to the Job Seeker Compliance Bill 2011, states that they will '*put in place new measures to help encourage workforce participation and focus new efforts on modernising Australia's welfare system.*'ⁱⁱ This is an encouraging statement. However, this goal is not translated into the proposed amendments which aim to make welfare recipients more '*responsible*' and stipulate '*penalties*' for failure to attend appointments. These penalties include withholding of payments.

There is nothing encouraging or modern about the proposed Bill. The language of the Bill is not a source of empowerment or motivation but rather a rule driven and punitive extension of the mutual

¹ Muir K., Powell A., Patulny R., Flaxman S., McDermott S., Oprea I., Gendera S., Vespignani J., Sitek T, Abello D. and Katz I. (2009). Independent Evaluation of **headspace**: the National Youth Mental Health Foundation. Social Policy Research Centre, University of New South Wales.

Available at: <http://www.headspace.org.au/about/news-and-media/resources/>

obligation policies from the Howard era. Commentators of mutual obligation policies in Australia make the important point that compulsory activities generate avoidance and resentment *and 'are in practice not a means to finding work, but rather a necessity for remaining eligible for benefits'*.ⁱⁱⁱ They continue to state that the current policies are failing the most disadvantaged job-seekers in Australia and call for reform of the welfare system.^{iv v} Key recommendations include: a more flexible, individualised and conditional income support system, learning from the recent reforms in European countries and a focus on the creation of meaningful jobs.

When considering the proposed amendments **headspace** considered the following questions:

- Where is the evidence that the current system is not working and that the proposed system is required?
- Where is the evidence that the majority of people are 'abusing' the system?
- Where is the evidence that this proposed new approach works?
- What cost savings will this new approach bring, if any?
- How will this new approach be monitored and evaluated? What will be the indicators for success?

The government needs to address these questions and ensure that any proposed amendment is embedded in evidence and will do more good than harm. Certain groups will be adversely affected by these proposed changes and this needs to be considered by the Committee. We would like to highlight one particular group –young people with a mental health issue. Young people have both high rates of mental illness and unemployment and are more likely to face multiple barriers. They are therefore a group that warrants special attention.

Unemployment, mental health and young people

Youth unemployment rates are higher than the national average. Australian youth, particularly teenagers, experience higher rates of unemployment than other age groups^{vi}. In June 2010 there were 68,900 young people aged 15 to 19 years looking for full time work^{vii}. In 2009 16% of all 15-19 year olds were not fully engaged in work or study. Full time employment has dropped dramatically for young people compared to adults and part time, casual work has increased.^{viii} Many young people will hold casual, part-time jobs that offer little income security, few training opportunities and which rarely lead to sustained work.

Unemployment among young people is due to a diverse range of factors most of which are outside of the young person's control. Youth unemployment is shaped by structural and environmental factors. For example youth unemployment is concentrated in certain areas and it has been calculated that 50% of youth unemployment concentrated in 10% of LGAs.^{ix} Also Indigenous youth are twice as likely to be

unemployed than non Indigenous youth^{vi} and young males are more likely to be unemployed than young females, while females are more likely to be not in the labour force than males.^{viii}

Rates of mental illness are also highest among young people. It is the number one health issue facing young Australians and contributes to nearly 50% to the burden of disease in this age group. 75% of mental health problems occur before the age of 25. Mental health and substance use problems are one important risk factor for unemployment. These conditions are health problems which have significant psychosocial complications. Such problems may affect memory, motivation and cognitive functioning. As a consequence they can impact on job seeking. Many people with a mental illness want to work, see it as a feasible goal, important to their recovery, yet often unattainable.^{x xi} Mental illness often combines with a range of other issues such as limited education, substance abuse, criminal records, physical health, and homelessness which further impedes movement into competitive employment.^{xii} There are therefore multiple barriers to employment.

The research indicates that finding satisfying sustainable employment is a challenge for many young Australians let alone young people with a mental illness. The proposed amendments are likely to have a disproportionately high impact on young people, including young people with mental health and substance use problems and therefore penalise some of the most vulnerable people in our society.

Implications and consequences of the Bill

- Young people with mental health and substance use problems will be particularly stung by the proposed changes as they often fail to attend appointments due to their health or social circumstances. This will serve to further exacerbate the issues that they are facing.
- Disadvantaged members of the community are already struggling with the rising costs of living.^{xiii xiv} The amendments to the Bill will push more people into poverty and difficulties.
- The proposed changes will result in the shift of costs to NGOs as people will be forced to seek charity to feed, clothe and house themselves and their families. NGOs are already unable to meet increased demand^{xv}.
- Job Service organisation personnel will be asked to take a policing role rather than an enabling/assisting role. This will change the relationship between staff and their clients, diminish trust, and distract from the key task of assisting people to find a meaningful job.
- The proposed change could have the opposite desired effect and will result in less people finding work as meeting obligations can often replace active job searching.

headspace position and recommendations

- **headspace** believes that the majority of people receiving job seeker allowances want to find work.
- **headspace** believes that punitive approaches and mutual obligation policies are not effective and further exacerbate the difficulties that many jobseekers are experiencing. There is no evidence that this approach will work.
- **headspace** believes that punitive approaches such as the ones proposed in this Bill are demoralising and inappropriate and do not align with the government's social inclusion agenda.
- **headspace** believes that the current proposed amendments further stigmatise a vulnerable group and reinforces common misconceptions about people on benefits.
- **headspace** believes that the government should explore and invest in enabling people on benefits to find rewarding and sustainable employment and focus on creating meaningful jobs.
- **headspace** believes that young people seeking work require holistic support and services rather than punitive approaches.
- **headspace** believes that the current processes in place for accessing services and benefits are cumbersome and act as barriers to assisting some of the most vulnerable people in our society. This proposed amendment will further compound these barriers.
- **headspace** believes that this current proposed amendment conflicts with another government inquiry which is seeking to address the barriers that 'disadvantaged' job seekers face^{xvi}.

Recommendations

- **headspace** recommends that the amendments to this Bill are not supported.
- **headspace** recommends that the government focus on enabling, strength-based policies, holistic support, and the creation of meaningful jobs for young people and other sections of the community receiving welfare payments.
- **headspace** recommends that the government seek to remove barriers for employment for the most disadvantaged populations.
- **headspace** recommends that the government implement evidence-based policies.

Appendix 1: Terms of Reference

This Bill implements the Government's election commitment to introduce tougher rules for job seekers, which was announced on 11 August 2010 as part of the "Modernising Australia's Welfare System" policy statement.

The amendments in this Bill will enhance the current job seeker compliance framework by providing additional incentives for job seekers to engage with their employment services providers and to participate fully in activities designed to improve their employment prospects.

This Bill will introduce suspension of payment for job seekers following an initial failure to attend an appointment or, in some circumstances, an activity such as training or Work for the Dole. As soon as the job seeker agrees to attend this appointment, their payment will be restored with full back payment. All job seekers will be required to attend a rescheduled appointment, regardless of their reason for missing the first appointment. If the job seeker attends the rescheduled appointment, they will not be penalised.

If the job seeker does not attend the rescheduled appointment, payment will again be suspended but this time, if they do not have a reasonable excuse for missing the appointment, they will incur a reconnection failure and lose payment for each day from the second missed appointment until they do attend a rescheduled appointment. That is, there will be no back payment for this period.

The reconnection penalty will be deducted from the payment for the period in which the job seeker was notified of the failure. This will ensure that the impact of the penalty is more immediate and will provide a more direct deterrent than under current legislation, which requires that the penalty amount be deducted from a later instalment period.

Reasonable excuse provisions will also be tightened so that, even if a job seeker has a reasonable excuse on the day for not attending an appointment or activity, it will not be accepted if they could have given advance notice that they couldn't attend but didn't do so.

References

- ⁱ Australian Labor Party (2010) '*Creating Opportunity. Requiring Responsibility. Modernising Australia's Welfare System*'.
- ⁱⁱ Australian Labor Party (2010) '*Modernising Australia's Welfare System*,' Press Release. 11.08.2010
- ⁱⁱⁱ Ziguris, S. , Dufty, G., and Considine, M. (2003) '*Much Obligated. Disadvantaged Job Seekers' Experience of the Mutual Obligation Regime*', Brotherhood of St. Laurence.
- ^{iv} Ibid
- ^v Australian Council of Social Services (2010) '*Out of the Maze: A Better Social Security System for People of Working Age*' ACOSS paper 163.
- ^{vi} Mission Australia (2006) Youth Unemployment The Facts.
- ^{vii} ABS (2010) *Labour Force Australia*, Cat. No. 6202.0 June 2010
[http://www.ausstats.abs.gov.au/ausstats/meisubs.nsf/0/7F849B2ECAB0493FCA25775900187BFA/\\$File/62020_jun%202010.pdf](http://www.ausstats.abs.gov.au/ausstats/meisubs.nsf/0/7F849B2ECAB0493FCA25775900187BFA/$File/62020_jun%202010.pdf)
- ^{viii} ABS (2010) Australian Social Trends, March 2010. Catalogue No.4102.0
- ^{ix} Fetter, J. (2008) Young People in the Workplace, Reform (Australian Law Reform Commission), Issue 92.
- ^x Mission Australia (2008) Response to the National Mental Health and Disability Employment Discussion Paper. June 2008.
- ^{xi} Mental Illness Fellowship Of Australai Inc (2010) 'Mental Illness and Employment – Challenges for the Future'.
- ^{xii} VICSERV (2008) Economic Participation, Psychiatric Disability Services of Victoria.
- ^{xiii} ACOSS 27.03.2011 Media Release and Position Statement '*Inequality is Growing in Australia*'
http://www.acoss.org.au/media/release/Inequality_is_growing_in_Australia_ACOSS
- ^{xiv} ACOSS press release.11.08.2010 'Relocation Assistance Welcome But New Penalties Would Create Hardship'
http://www.acoss.org.au/media/release/relocation_assistance_welcome_but_new_penalties_would_create_hardship
- ^{xv} ACOSS 27.03.2011 Media Release and Position Statement '*Inequality is Growing in Australia*'
http://www.acoss.org.au/media/release/Inequality_is_growing_in_Australia_ACOSS
- ^{xvi} The House Standing Committee on Education and Employment has been asked to inquire about mental health and workforce participation and address the barriers to participation.