



31 October 2008

John Carter  
Committee Secretary  
Senate Education, Employment and Workplace Relations Committee  
Department of the Senate  
PO Box 6100  
Parliament House  
Canberra ACT 2600

Dear Mr Carter,

**A Submission by The Smith Family in response to the Inquiry into the Social Security Legislation Amendment (Employment Services Reform) Bill 2008**

The Smith Family welcomes the opportunity to comment on the legislative amendments to the Employment Services Reform Bill, and the Australian Government's commitment to supporting greater workforce participation as part of its social inclusion agenda.

The evidence shows that contemporary changes in family structure, the workplace, and across society at large are impacting negatively on children's wellbeing and future participation as adults. With a growing number of disadvantaged families 'falling between the cracks' in difficult financial times, greater numbers of our parents and children are being left behind. Without an integrated network of support from birth through to adult learning, of which appropriate and effective employment services are a crucial element, this cycle of disadvantage is likely to continue across generations and jeopardise the economic prosperity that Australia has benefited from for many years.

Many factors influence workforce participation, including the disengagement of children from schools, the marginalisation of lone parents and the concentration of unemployment in a handful of postcodes. Recent data from the Australian Institute of Health & Welfare suggests that in 2008, 15% of all children aged 0-14 years (543,600) in Australia are living in a household where no co-resident parent is employed, which is the second highest percentage of jobless families in all OECD countries.<sup>1</sup> The majority of these jobless households are lone parent families, who face considerably greater challenges to workforce participation than those in couple families.<sup>2</sup> These parents face a variety of cumulative barriers to gainful employment, including low earning capacities, poor working conditions and reduced probability of accessing training options.<sup>3</sup> Meeting the costs of education, clothing, food, health and housing for their children therefore poses a huge challenge to many lone parents, whose median weekly income is far less than the income of parents in couple families.<sup>4</sup> As a consequence, over half (58%) of lone parents receive a government pension, benefit or allowance as their main source of income compared to 8% of couples with children aged 0-17 years.<sup>5</sup>

---

<sup>1</sup> Source: Australian Institute of Health & Welfare (2008) *Making Progress: The health and wellbeing of Australia's children and young people*, Canberra: AIHW.

<sup>2</sup> Ibid.

<sup>3</sup> Sources: Parliament of Australia (2005) *High Unemployment at a time of Low Unemployment*. Research Note No. 15, 31 October 2005. Parliamentary Library: Canberra; Australian Bureau of Statistics (2004) *Family Characteristics, Australia*. Canberra.

<sup>4</sup> Source: Australian Institute of Health & Welfare (2008) *Making Progress: The health and wellbeing of Australia's children and young people*, Canberra: AIHW.

<sup>5</sup> It has been estimated that the cost of raising one child in Australia for families in the bottom fifth of income (where the majority of lone parents are likely to be located) ranges between 10% and 38% of their gross income, depending on the child's age – consistently greater in proportion than for those in middle and high income brackets. Source: AMP-NATSEM (2002) 'All they need is love... and around \$450,000' *AMP-NATSEM Income and Wealth Report*, No. 3, October, AMP.

## ***The importance of focusing on lone parent families***

To make a difference to workforce participation rates in the short term, employment services reform must focus on this lone parent demographic. While largely unheard and unseen from the perspective of mainstream services, lone parents have increasingly manifested themselves to The Smith Family among the 14,000 families with whom we work in our 95 communities nationwide.

Currently, 9,164 (66%) of The Smith Family's 13,854 families participating in our *Learning for Life* suite of programs are lone parent families, and the focus of this submission is accordingly around the different types of services that are required to attract and support these individuals to (re)enter the workforce.

In today's global knowledge society, basic literacy and numeracy skills are not sufficient to compete for employment and socioeconomic advancement. The increased frequency with which individuals currently move between multiple forms and sectors of employment throughout their careers has placed new demands on those seeking to enter or return to the workforce. There is now an ongoing necessity to acquire, upgrade and market an individual's various skills in order to respond to the changing needs of employers and social contexts outside work such as the home and family. Resilience, adaptation and flexibility are critical in this respect, as are the motivation and capacity to absorb an increasingly diverse range of information.

Research has shown that for the long term and very long term unemployed, personal factors such as low literacy and numeracy, an absence of the vocational skills required by employers and poor exposure to work experience can act as barriers preventing them from finding sustainable employment.<sup>6</sup> It is no coincidence that early school leavers and the low skilled make up a majority of the long term unemployed.<sup>7</sup> Unemployment data indicates that around a half of all early school leavers who do not pursue further education are either unemployed or not in the labour force in the year after leaving school, compared with only one in five Year 12 graduates.<sup>8</sup>

Based on The Smith Family's experience in supporting disadvantaged families and their children through our *Learning for Life* suite of programs, it would be beneficial to broaden the conditions of employment pathways to include pre-vocational and personal development activities that are not merely focused exclusively on the immediate achievement of paid employment, but build 'soft' skills to improve employability prospects in the longer term.

This is important because the lack of confidence and self-esteem among these individuals, particularly low-skilled and inexperienced parents, significantly reduces the likelihood of their pro-actively engaging in their own development. After having disengaged from education and/or employment, many among this group find the idea of returning to learning a daunting and difficult task. This results in these individuals experiencing prolonged periods when they are out of touch with services that could build their capacity, reducing their ability to participate in the labour force and increasing their chances of enduring long-term negative consequences.

If we are to sustain our prosperity as a nation and keep pace with a highly competitive global arena, we can no longer afford to leave behind the more disadvantaged members of our society. To this end, The Smith Family welcomes the Government's commitment to improve the social security system and employment services, and we look forward to the development of a

---

<sup>6</sup> Martyn, T. (2006) *Training for work is more effective than working from the dole*. Uniya Jesuit Social Justice Centre: Sydney.

<sup>7</sup> Source: Lewis, P. (2005) "Low Pay or No Pay," *Policy* Spring 2005, Centre for Independent Studies

<sup>8</sup> ABS Education and Work (2007) tables cited by Lamb S. & Mason K. (2008) *How Young People are Faring: An update about the learning and work situation of young Australians*. Foundation for Young Australians: Melbourne

more socially inclusive framework aimed at supporting skills, capacities and opportunities that will facilitate more meaningful workforce participation for disadvantaged individuals.

For more information regarding any of the points raised in this submission, please do not hesitate to contact Dr. Rob Simons, Head of Research & Evaluation at 02 9085 7128 or [rob.simons@thesmithfamily.com.au](mailto:rob.simons@thesmithfamily.com.au).

Yours sincerely

A handwritten signature in black ink that reads "Elaine Henry". The signature is written in a cursive style with a large initial 'E' and a long, sweeping underline.

Elaine Henry  
Chief Executive Officer  
The Smith Family