



Australian Government

# Addressing barriers for jobless families

Australian Social Inclusion Board

*part of the social inclusion agenda*

Information on the Australian Government's social inclusion agenda, the Australian Social Inclusion Board, and this report is available on the social inclusion website [www.socialinclusion.gov.au](http://www.socialinclusion.gov.au) or through the Australian Social Inclusion Board Secretariat

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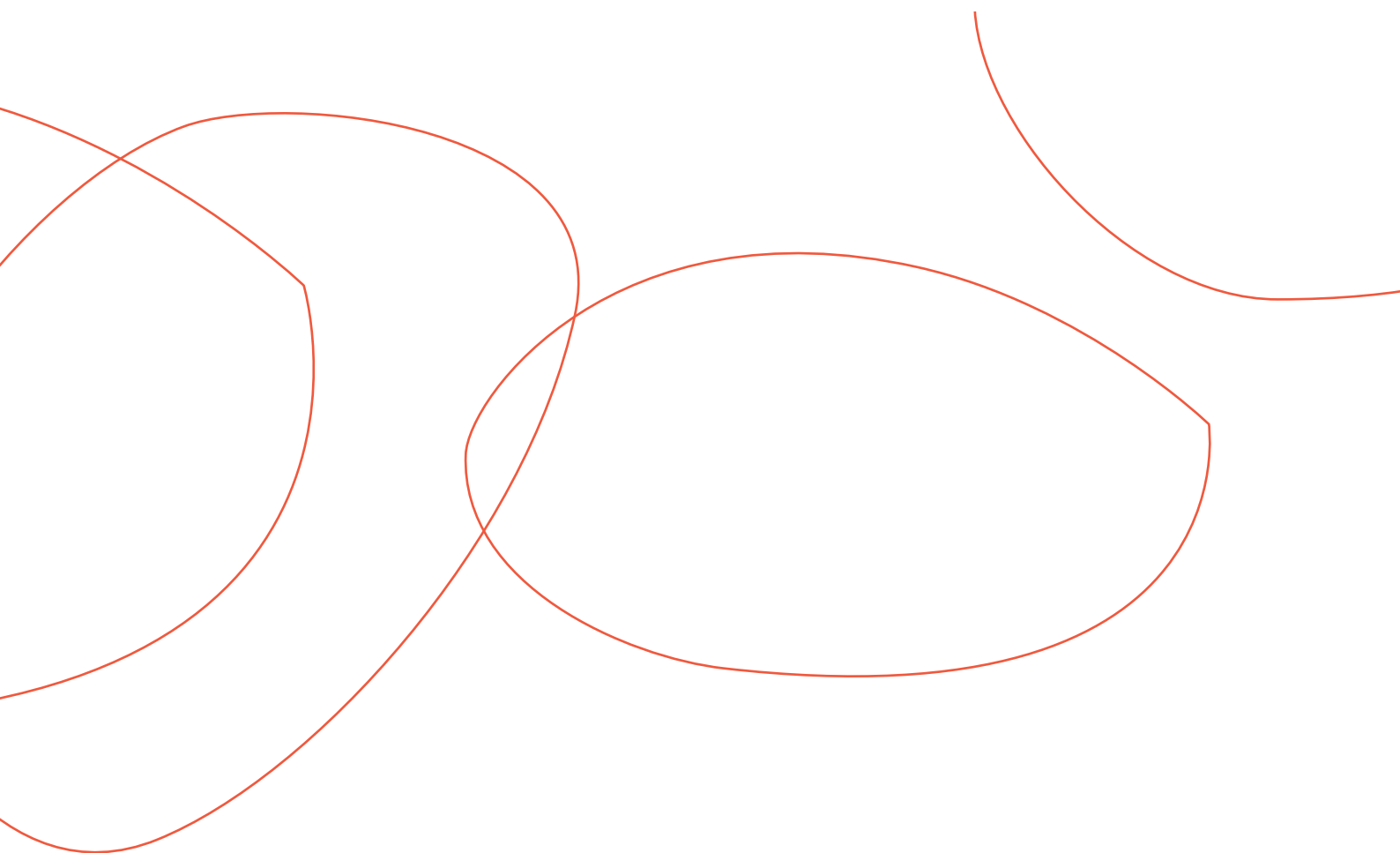
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# CONTENTS

|   |    |
|---|----|
| The Australian Social Inclusion Board           | 1  |
| Executive Summary                               | 3  |
| The Social Inclusion Agenda in Australia        | 5  |
| Jobless Families Examined: An Overview          | 13 |
| What Approaches Work Best for Jobless Families? | 27 |
| Employment Services                             | 33 |
| Family Centred Employment Project               | 43 |
| Conclusions and Recommendations                 | 49 |
| References                                      | 55 |



# The Australian Social Inclusion Board

The Australian Social Inclusion Board (ASIB) was established in May 2008. It is the main advisory body to the Australian Government on ways to achieve better outcomes for the most disadvantaged in the community and to improve the social inclusion in society as a whole.

Board members were appointed by the Prime Minister and Deputy Prime Minister in 2008.

The Board currently comprises:

Ms Patricia Faulkner AO (Chair)

Monsignor David Cappelletti (Vice Chair)

Ms Elleni Beredede-Samuel

Dr Ngjare Brown

Dr Ron Edwards

Professor Tony Vinson

Ms Linda White

Ms Kerry Graham

Mr Eddie McGuire

Mr Tony Nicholson

Dr Chris Sarra

Professor Fiona Stanley

Dr John Falzon

## The Board's Terms of Reference

The Board's terms of reference are to:

- > provide advice and information to the Minister for Social Inclusion;
- > consult widely and provide input on different aspects of social inclusion—including issues of measurement, how to increase social and economic participation, and how to engage communities on social inclusion matters; and
- > report annually and provide advice on other specific matters referred to it by the Minister.



## Executive Summary

This report presents an overview of jobless families in Australia. In June 2010 there were 310,000 jobless families with children under 15 years in Australia and 580,000 children under 15 living in jobless families. Compared with other Organisation for Economic Cooperation and Development (OECD) countries, Australia has a relatively high rate of children living in jobless families. In 2007, according to the latest available international comparisons, Australia had the fourth highest rate of children living in jobless families within the OECD.

Over the past decade, the proportion of children under 15 years living in jobless families decreased steadily from 17.9% in 2001 to 12.5% in 2008 during years of strong economic growth. The rate increased to 15.1% in 2009 during the recent global financial crisis (GFC) and has since fallen to 13.9% in June 2010. Unlike the majority of the Australian population, this cohort appears not to have recovered as quickly and to the same extent after the GFC.

The vast majority of jobless families are headed by single mothers. Over half (or 52%) of all jobless families were persistently jobless for the three years to 16 March 2010.

This Report also considers the kinds of approaches needed to address social exclusion as it affects jobless families. It seeks to highlight some key examples of approaches that have succeeded and those that have failed, in Australia and internationally.

The Australian Social Inclusion Board's (the Board) research suggests four key elements are integral to approaches likely to achieve the best results in supporting jobless families to increase their economic and social participation. These are: sustainability, customisation, achievability and accessibility. This appears to be the case whether the programs are government or community-operated.

This Report considers the current employment services system, focussing in particular on Job Services Australia (JSA). It concludes that, despite JSA's achievements and the fact that it is more likely than previous employment services systems to achieve positive outcomes for jobless families, JSA is not providing the kinds of support that the most disadvantaged Australians need to break into the employment market.

The Board's view is that a more holistic, collaborative approach is needed to providing employment services to the most disadvantaged, such as many parents in jobless families.

By providing incentives for cooperation, information and skills sharing between employment service providers (ESPs), it is the Board's hope that longer-lasting and better quality outcomes can be achieved.

The Board supports the development and expansion by government of customised approaches to supporting jobless families, whether these approaches are government or community-based. A more customised approach to workforce (and social) participation for jobless families might be achieved in many ways. Some are system-oriented. Others are community-oriented.

The Board acknowledges that significant practical challenges to workforce participation often face many in jobless families, particularly those in single-parent headed families. The Report therefore recommends that the Australian Government gives particular consideration to how the structure of the tax and transfer system and child care accessibility can better support the entry or re-entry of parents into the workforce, rather than acting as impediments to be overcome as currently seems to be the case for many.

The Board acknowledges the crucial importance of parents and families in our communities.

It acknowledges that parents play an integral role in ensuring the longer-term outcomes of their children's development and wellbeing; and that it is essential that parents in jobless families feel supported and engaged so that, when the time is right, they are able to increase their participation in the workforce in ways that are compatible with their family situation and responsibilities.

Finally, the Board acknowledges that the issues identified and approaches recommended in this Report are not new and have been difficult areas for governments over a long period. Indeed, issues such as the need for a greater focus on the individual and addressing disincentives caused by interactions between the tax and welfare systems, have been mentioned by various government reviews since at least the 1980s.



# The Social Inclusion Agenda in Australia





# The Social Inclusion Agenda in Australia

As part of its Social Inclusion Agenda the Australian Government is committed to reducing Australia's relatively high rate of jobless families with children.

The Australian Government envisions a socially inclusive society in which *all* Australians feel valued and have the opportunity to participate fully in the life of communities. Achieving this vision means that all Australians will have the resources, opportunities and capability to:

- > **learn** by participating in education and training;
- > **work** by participating in employment, in voluntary work and in family and caring;
- > **engage** by connecting with people and using their local community's resources; and
- > **have a voice** so that they can influence the decisions that affect them.

Australians generally have a good standard of living compared to other countries. However the evidence suggests that about 5% of Australians aged 15 years and older experience multiple issues of disadvantage which are likely to affect their ability to participate fully in Australian society.

The Principles for Social Inclusion in Australia, developed with advice from the Board, articulate the aims of the Agenda:

- > **reducing disadvantage** by ensuring that funding and service delivery promote equitable access to universal benefits and services for all Australians, and invest more intensively in those at risk of, or who are experiencing, disadvantage;
- > **increasing social, civic and economic participation** by ensuring that everyone has the skills and support they need to participate actively in the labour market and their communities; and
- > **promoting active involvement** of the entire community in identifying needs and shaping services; and promoting the obligation of everyone to use their best efforts and take personal responsibility for taking part and making progress.

Focusing on social inclusion and tackling entrenched disadvantage is essential to create

a society in which all people can develop to their full potential and lead productive, fulfilling lives. However, the Agenda is also driven by the need to address the high economic costs of entrenched disadvantage. By countering social exclusion, we reduce the costs to the economy caused by lower workforce participation, preventable health problems, long-term welfare dependence, and increased rates of crime, distrust and social isolation in the most disadvantaged communities.

The Agenda recognises that problems of entrenched disadvantage are among the most complex issues for a society to address. Such problems are hard to define, have many causes and interdependencies, involve unforeseen consequences, and are beyond the capacity of any one actor or organisation to solve.

The Agenda also recognises that traditional policy approaches have had limited success in addressing the problems faced by the most disadvantaged. The bureaucracy's traditional siloed and top-down approach is not well adapted to supporting the kinds of processes necessary for addressing the complexity and ambiguities of entrenched disadvantage, like that experienced by many jobless families<sup>1</sup>. As a result, the Australian Government must be prepared to critically re-examine the way policies and programs are developed, co-ordinated and implemented. Business, community groups and citizens must collaborate to contribute to sustainable solutions that will undoubtedly require innovation, creativity and flexibility on the part of all those involved.

## Purpose of the research

At its meeting on 31 March 2010, the Board resolved that one of its three major projects for 2010 would be to develop advice and recommendations for the Australian Government on the issue of jobless families.

It did so against the background of the imminent economic recovery from the global financial crisis and the Board's concern that the most disadvantaged Australians not miss out<sup>2</sup>.

<sup>1</sup> *Tackling Wicked Problems*, a 2007 Report by the Australian Public Service Commission

<sup>2</sup> The two other projects it agreed to progress are breaking the cycles of disadvantage; and governance models for location-based initiatives.

## Aim of this Report

This Report has three main aims:

1. to identify the barriers to workforce participation facing jobless families—both internal (personal) and external (systemic) factors;
2. to review different approaches currently being trialled in Australia and internationally to identify successes and failures in practice; and
3. based on this review, to identify possible reforms to enable Commonwealth services to operate in a more integrated, effective and sustainable way that responds to the needs of jobless families and achieves the best outcomes for them.

## Structure of the Report

The Report is structured in the following way in order to achieve these aims. Chapter 2 provides an overview of recent research on jobless families, their prevalence and profile, and the main barriers they face to workforce participation. Chapter 3 considers the kinds of approaches needed to address social exclusion as it affects jobless families. It seeks to highlight some key examples of approaches that have succeeded and those that have failed, in Australia and internationally. Flowing from this, Chapter 4 goes on to examine in more detail the adequacy of employment services currently available to jobless families in Australia. It looks at mainstream employment services, and then, more specifically, at the employment services available for those with disabilities and Indigenous Australians. Both of these groups are over-represented as a proportion of the total number of jobless families. Chapter 5 considers DEEWR's Family Centred Employment Project as a particular example of a program directly targeted at improving the workforce participation of jobless families. Chapter 6 sets out the Board's conclusions and recommendations for reforms to Australian Government services to achieve the best outcomes for jobless families.

## Definitions: what is a jobless family?

From the outset, it is important to note the distinction between the terms 'jobless' and 'unemployed.' The jobless population includes those who are unemployed (and looking for work) and those who are not in the labour force (and not actively looking for work). Accordingly, 'jobless' is a broader category than 'unemployed'

and incorporates a significant number of people who, for whatever reason, are not currently looking for work.

There are numerous definitions of what constitutes a 'jobless family' and many concepts that are relevant to understanding jobless families. Some of the key differences in concepts/definitions are:

- > time scale—some definitions relate to a particular point in time and so include those that are jobless for short periods, while others relate to persistent joblessness;
- > counting unit (families, households, persons or children)—some definitions take a household or family perspective to give a high level picture of the number and proportion of families that are jobless; others look at the numbers and proportion of children that are in jobless families;
- > presence and age of children—the most common concepts relate to families with children under fifteen years. It is useful to have an age or dependency cut-off as, for most purposes, we are only interested in jobless families with young, dependent children;
- > parent or adult joblessness—most definitions refer to joblessness of parents, rather than all adults in the family/household; for example, a family with an employed 18 year old son who works a few hours part-time per week is included in the jobless family estimates relating to parental joblessness, but not in those relating to joblessness of all adults in the family; and
- > job poor rather than jobless—some concepts define the duration of time and hours worked below which people and families can be assessed as 'job poor'.

It is also useful to note that many children living in jobless one-parent families have another parent living elsewhere who works and provides child support to contribute to the economic wellbeing of the child living in the one-parent family. The parent living elsewhere might also provide a useful working role model to the child in the one-parent family, if the child spends time with the non-resident parent.

Table 1 below summarises some well recognised definitions relating to jobless families and notes the approximate number or percentage of people falling within each.

This Report does not seek to rely on any one definition of a jobless family. Instead, it notes the variations in definitions and terminology adopted and their potential impact on the statistics that

estimate the number of jobless families in Australia.

Further, while it could be expected that nearly all jobless families receive income support payments, we note that not all income support recipients are jobless because families can combine benefits and earnings in certain circumstances.

**Table 1**

| <b>Definition:<br/>jobless family/ household</b>  | <b>Source</b>  | <b>Families/ individuals<br/>within this definition</b>   |
|---|--|---|
| <b>Snapshot definition:</b><br>Number and proportion of jobless families with children under 15 years. This is a point in time definition and includes temporarily jobless families.  | <i>The Labour Force Status and Other Characteristics of Families</i> publication (ABS Cat. No. 6244.0) | 309,800 jobless families with children under 15 years in Australia in June 2010, or 13% of families                         |
| <b>Persistence definition:</b><br>All parents in the household receive income support and have reported no earnings during the past 12 months.  | Department of Education, Employment and Workplace Relations (DEEWR) administrative data                | 248,025 families in June 2010 (includes approximately 285,000 parents on income support with no earnings in past 12 months) |
| <b>Child's perspective definition:</b><br>The number and proportion of children without an employed adult in their household.   | <i>The Labour Force Status and Other Characteristics of Families</i> publication (ABS Cat. No. 6244.0) | 580,000 children under the age of 15 years living in jobless families, or 14% of all children of that age, at June 2010     |
| <b>All adult rather than parent joblessness definition:</b><br>The number of non-retired households where there are no people employed. [Note: some but not all of these jobless households will have children living in them.] | <i>The Household, Income and Labour Dynamics in Australia (HILDA) Survey</i>                           | 7% of households (in 2007)  |
| <b>Definition:<br/>persistently jobless family</b>  |  |   |
| A family that has been jobless for three years or more.   | DEEWR  | 128,198 families (or 52% of all jobless families) as at March 2010  |

## Prevalence of jobless families

Using the definition reported by the Board in their Report, *Social inclusion in Australia: How Australia is faring*, in June 2010 there were 310,000 jobless families in Australia with children under the age of 15 years, which is 13% of all families with children of that age. Over two thirds (69% or 214,000) of these families were one-parent families.

In terms of children, in June 2010 there were 580,000 children under the age of 15 years that lived in jobless families (where no parent worked), which is 14% of children of that age. Two thirds (66% or 381,000 children) lived in jobless one-parent families.

Looking at more persistent forms of joblessness, in June 2010 there were more than 245,000 Australian families in receipt of income support in which the parent/s had not had a job for at least a year. The vast majority of these families are headed by single mothers.

Accordingly, given their predominance, this Report includes a particular focus on long-term jobless single-parent families.

While Australia has relatively high workforce participation rates and low levels of unemployment, it has relatively high levels of family joblessness. In fact, Australia has the fourth highest rate of joblessness for families with children within the OECD (behind the United Kingdom, New Zealand and Turkey)<sup>3</sup>. However, it should be noted that there may be a connection between Australia's high proportion of jobless families and the basic conditions for eligibility for, and amounts of, various income support payments, including Parenting Payment Single (PPS) and Parenting Payment Partnered (PPP).

The phenomenon of jobless families in Australia is significant and, despite various policy initiatives to address it does not appear to be significantly abating; for example, the recent economic downturn saw an increase in long-term jobless families (in receipt of income support and without earnings for 12 months) by 30,583 in the period from October 2008 to May 2010 (DEEWR). Notably, while the total number of long-term jobless families increased by 14% during this period, long-term jobless families on the Disability Support Pension and Carers

Payment increased by 16% and 45% respectively. Not surprisingly, this would tend to suggest that those with additional issues of disadvantage were the worst affected by the financial crisis and were also the group for whom economic recovery took the longest.

One of the most insidious features of joblessness for families is its persistence. Significantly, recent DEEWR data indicates that at June 2010, 52% of all long-term jobless families (as defined by DEEWR) were persistently jobless for three years from 16 March 2007 to 16 March 2010. So once families were jobless for one year, about half of them remained jobless over the next two years. Over half (or 51%) of all persistently jobless families had a child under 6 years old.

Research indicates that more than 5% of all Australian children lived in households that were jobless for all five years to 2009, 20% of lone mother families were jobless for five years, and close to 30% of children in lone mother households experienced family joblessness for five years (Peter Whiteford, 2009). As discussed further in Chapter 2, the impact of joblessness on families in the short-term can be debilitating. However, its long-term impacts—including the intergenerational transmission of welfare dependence, social exclusion, poor educational and health outcomes and overall diminished life outcomes—are likely to be the most devastating.

## Methodology

To achieve its objectives, this Report principally draws from four main sources:

1. a review of recent research in this area;
2. interviews with jobless families (and others) facilitated by an external service provider (TNS Social Research) as part of the Breaking the Cycle of Disadvantage Research Project;
3. consultations with relevant stakeholders, including Jobs Australia (JA) and employment service providers working with disadvantaged people; and
4. discussions with experts in the field.

The Board tasked its Secretariat in the Social Inclusion Unit of the Department of the Prime Minister and Cabinet, with drafting this Report. The Report has been prepared with limited input from the Department of Education, Employment and Workplace Relations (DEEWR) and we have not sought their approval or support for the recommendations or content contained in this Report.

<sup>3</sup> While this indicator is used in the international context as an indicator of risk of child poverty, it is important to also take into consideration the Australian taxation and transfer system and the levels of support for families with children that are not working.

Throughout the process of drafting, consultation occurred at key points with relevant government agencies and external stakeholders with an interest in issues relating to jobless families.

### Normative assumptions

At the outset, it is important to acknowledge the normative assumptions underpinning this Report. Different individuals and groups in the community will inevitably have different experiences of, and views on, the value of work in their lives. These views may be informed by individual preferences, culture, religion, and/or personal philosophies. This Report does not attempt to address any of these issues. Instead, it adopts the view that workforce participation is beneficial to individuals and their families, and for community functioning. This is the case whether the work is full-time or part-time; paid or volunteer, provided it is possible and feasible given an individual's family and other commitments. This view is substantiated by the research on jobless families, disadvantage and social inclusion.

However, in the case of families, this view of work must be balanced by recognition of the crucial importance of parents' role in childrearing. Particularly in the early childhood years, parents play an integral role in ensuring the longer-term outcomes of their children's development and wellbeing. With this in mind, it is essential that parents in jobless families feel supported and engaged so that, when the time is right, they are able to increase their participation in the workforce in ways that are compatible with their family situation and responsibilities.

### Note on the evidence base

Although we have attempted to make use of and cite as much of the existing evidence base as possible, evidence has not always been easy to come by. For example, in relation to the Job Services Australia and Disability Employment Services systems, given that these contracts commenced in July 2009 and March 2010 respectively, longitudinal data on their effectiveness is not yet available. The approach taken in this Report is to cite existing examples of innovative practice whenever possible, to support our arguments for how the Australian Government needs to change its approach to jobless families.

In addition, we note (along the lines of Chapman, 2004: 11) that available evidence may have some inherent limitations. One limitation with existing evidence is the importance of the local context in determining what works, meaning that evidence gathered in one location will not necessarily be applicable in another.

Chapman also argues that evidence-based policy making invites a presumption of "a linear, or at least unproblematic, relationship between cause and effect" where in truth the most complex policy problems "involve hundreds of nested feedback loops which result in significantly non-linear behaviour". Compounding this problem are the numerous and changing variables that are not measured by an evaluation which make it difficult to make clear links between an intervention and measured outcomes (Chapman 2004: 11).

Finally, the value of existing evaluations may, in some cases, be limited as some of the most important aspects of successful approaches to increasing the social inclusion of jobless families are difficult to measure, frequently are not measured and/or are not measurable. Accordingly, a close evaluation of pilot projects is considered important as a means of identifying factors contributing to joblessness.



# Jobless families examined: an overview





# Jobless families examined: an overview

## Key points:

- > *Australia has the fourth highest proportion of children living in jobless families in the OECD (after the United Kingdom, New Zealand and Turkey)*
  - > *Jobless lone parents are more likely to have low education levels, including many who did not progress past Year 10 at school*
  - > *Parents and children in jobless families have a higher likelihood of poor health, and more so the longer the period out of work*
  - > *Difficulties accessing childcare include transport problems, opening hours and available places*
- 

In order to situate the Report in a clear context, this Chapter seeks to provide an overview of recent research on jobless families, their prevalence and profile, and some of the main barriers they face to workforce participation.

## Profile of jobless families: their characteristics, how many there are and where they live

Joblessness among families is a significant social problem facing Australia in 2010. At 14.8% in 2007, Australia had the fourth highest proportion of children under the age of 15 living in jobless families in the OECD (behind the United Kingdom, New Zealand and Turkey). The OECD average was 8.7% (OECD, 2007). The proportion of children growing up in jobless families is widely regarded by the OECD as a key indicator of the wellbeing of societies because of the risk of poverty to children in these families. However, most countries do not have such high levels of income support and other benefits for jobless families as Australia (and, likewise, have different participation requirements for those on income support). As a result, the poverty risk might not be as great in Australia as in other countries.

In June 2010 there were 248,000 Australian families where all parents were in receipt of income support and had not had a job for at least a year. In more than 128,000 (or 52%) of these families, no parent had had any earnings for at least the last three years (DEEWR data,

Jobless families and persistent jobless families 2008 to 2010). Of these persistently jobless families, 51% had a youngest child under six years old and, therefore, may be eligible for Parenting Payment Single (PPS) or Parenting Payment Partnered (PPP).

Around 84% (or over 200,000) of persistently jobless families are headed by single parents. Of these single-parent families, 90% (or close to 190,000) are headed by women.

While jobless families live in all parts of Australia, some spatial patterns are evident. First, in every state, there are clusters of jobless families living in areas of relatively high socio-economic disadvantage. Second, areas with high numbers of jobless families are mostly urban, with the overwhelming majority living in capital cities. As Miranti et al (2010) have suggested, this may reflect the emergence of new urban poor areas within states, or it might reflect high total population or proportion of the population in urban areas.

In his Report, *Dropping off the Edge: the distribution of disadvantage in Australia*, Tony Vinson found that pockets of concentrated and severe social disadvantage have become entrenched across rural and remote as well as suburban Australia (2007). Significantly, based on his state by state analysis of social disadvantage, Vinson found that just 1.7% of postcodes across Australia account for more than seven times their share of the top ranking positions of the

major factors causing intergenerational poverty and disadvantage.

Further, Edwards and Bromfield (2009) conclude that the concentration of unemployment and joblessness in particular areas exacerbates levels of neighbourhood disadvantage, which, in turn, is associated with poorer outcomes for children and poorer health in adults, as well as reduced educational opportunities and job prospects.

Notably, Indigenous children are *three* times as likely as non-Indigenous children to live in a jobless family (AIHW, Making Progress—The health, development and wellbeing of Australia's children and young people, 2008).

### The economic cost of jobless families

There are three perspectives from which the economic cost of jobless families in Australia can be measured.

First, the *direct economic cost* of joblessness in families is the opportunity cost of lost national output. However, from this perspective of national output, joblessness in families is no different to joblessness among people without children. National output would be higher if more people were employed in productive activities. This is true regardless of the family situation.

More generally, national output and economic wellbeing is reduced when people who can and want to work are unable to do so, due to factors such as lack of child care, lack of suitable work or disincentives created by tax and transfer policies. These can include the level of assistance and the interaction of income tests on primary income support payments, family tax benefits, child care and housing subsidies.

Second, the *indirect* cost of joblessness in families includes impacts on parents such as poorer health outcomes (for example, mental health) and impacts on the future prospects of children, possibly creating unemployment and welfare dependence among future generations. There is a significant risk that children in jobless families can have reduced labour market attachment and/or income and overall wellbeing in adulthood. Parents' work status can affect the labour market attachment of their children through the transmission of social norms, such as work ethics and social networks. Labour productivity of children is to a large extent determined by parents' investment in their human capital and children's own ability

to seize educational opportunities (Causa and Johansson, 2009).

Intergenerational transmission of joblessness (as discussed in more detail later in this Chapter) is linked to the resources the family has available to provide opportunities to children. Joblessness among families significantly increases the risk of poverty in children. Across all jobless families, 81% have a weekly equivalised household income in the lowest 20%, compared to 12% of families with at least one parent employed. Of the 81%, over two thirds were one-parent families. The vast majority of families with no employed parent rely on government income support (ABS, Australian Social Trends 2009).

Third, the cost of jobless families can be measured from the perspective of the fiscal costs of supporting families not participating in the workforce. There is a direct fiscal cost of government support for jobless families. In addition, there is an opportunity cost in terms of other social services which could be provided with these government financial resources or the broader economic efficiency gains that would result from lower taxes.

Viewing these costs in the context of the broader Australian economy is important. Australia's overall labour market performance is very strong. We have relatively high employment compared to the OECD average. Among persons aged 15 to 64, Australia's employment to population ratio was 72% in 2009, compared to an OECD average of 64.8%. The equivalent figure for women only (the share of the female population which is employed) was around 66% compared to around 57% for the OECD.

However, while overall labour market performance in Australia is strong, Australia performs relatively poorly on indicators of children living in jobless families. OECD statistics indicate that, in 2007, 14.8% of children lived in a family where the parents did not have a job. As noted above, this is the fourth highest share in the OECD and well above the OECD average of 8.7% (Table 2). This result is primarily driven by a very high share of children living in sole-parent families where the parent is without work. The proportion of children living in families with two parents where neither parent works is around the OECD average.

**Table 2****Proportion of children living in jobless families, 2007***% of children under age 15 for each type of households<sup>4</sup>*

|                 | Proportion of children living in jobless families | Proportion of children with jobless parents in couple families | Proportion of children with a jobless parent in sole-parent families | Proportion of children living in jobless 'complex' families <sup>5</sup> |
|-----------------|---|--|--|--|
| Australia       | 14.8  | 5.5  | 54.5   | 15.2   |
| Austria         | 5.9   | 3.7  | 25   | 4.8  |
| Belgium         | 12.1  | 5.6  | 43.2   | 9  |
| Czech Republic  | 8.4   | 3.7  | 39.2   | 9.3  |
| Denmark         | 7.2   | 2.4  | 4.8  | ..   |
| Finland         | 4.5   | 3.6  | 30.1   | 2.1  |
| France          | 8.9   | 4.6  | 33.2   | 11.3   |
| Germany         | 9.9   | 5.9  | 36.4   | 5  |
| Greece          | 3.5   | 2.3  | 25.9   | 4.1  |
| Hungary         | 14.4  | 10.4   | 44.2   | 16.1   |
| Italy           | 5.6   | 4.1  | 23.8   | 8.9  |
| Japan           | 2.4   | 0.6  | 13.3   | 5.3  |
| Luxembourg      | 2.8   | 1.5  | 19.8   | 1.4  |
| Netherlands     | 7.3   | 3.3  | 37.2   | 7  |
| New Zealand     | 17.5  | 5.7  | 51.2   | ..   |
| Poland          | 9.5   | 5.5  | 45.1   | 8  |
| Portugal        | 4.9   | 3  | 28   | 4.8  |
| Slovak Republic | 11.2  | 8.4  | 36.9   | 12.5   |
| Slovenia        | 2.1   | 1.3  | 12.6   | 2.2  |
| Spain           | 4.6   | 2.8  | 22   | 6.1  |
| Sweden          | 4.8   | 1.5  | 3.2  | ..   |
| Turkey          | 15.2  | 13.4   | 75.7   | 11.4   |
| United Kingdom  | 17.6  | 6.6  | 50.9   | 11.2   |
| United States   | 8   | 2.8  | 26.6   | ..   |
| OECD Average    | 8.7   | 5.0  | 36.1   | 8.3  |

<sup>4</sup> Except for Denmark, Sweden and the United States where data refer to children age 0 to 17

<sup>5</sup> Complex families are those households with either several non-related cohabiting members of two or more families sharing the same dwelling. Such households could include sole or partnered parents living with other adults in the household.

Source: OECD Family Database

Australia's poor international comparison on children living in jobless families compared with a generally strong labour market performance can be explained by a number of factors.

Australia has a relatively large family size for families with children by comparison with the OECD. The average household size is below the OECD average, but couples with children and single-parent households have more children than the OECD average. Families with no employed parent were more likely to have a larger number of children than families with at least one employed parent (ABS Australian Social Trends, 2009). These factors mean that statistics comparing the proportion of children living in jobless families may be higher than would be the case if Australia's household size was closer to the OECD average. Additionally, as mentioned above, there may be a connection between Australia's high proportion of jobless families and the basic conditions for eligibility, and amounts of, various income support payments, including Parenting Payment Single (PPS) and Parenting Payment Partnered (PPP).

### Multiple factors of disadvantage

When families have no parent employed for a long period of time the evidence indicates that adults and children do poorly on a range of fronts, including education, housing, social and economic engagement (and status), and health. This disadvantage can continue, and become exacerbated, into adulthood and can be reflected in intergenerational unemployment and diminished life chances. Many of these risk factors are mutually reinforcing and circular, such as poor health leading to poor work outcomes, and poor work outcomes leading to poor health.

The causal relationship between joblessness and other measures of disadvantage is complex, and, to a certain extent, it remains unclear whether experiencing joblessness is a cause or consequence of other aspects of disadvantage. Despite this, it is acknowledged that the compounding of disadvantage leads to multiple and entrenched barriers to employment.

Analysis of the 2006 ABS General Social Survey found that, compared to employed single-parent families, jobless single-parent families were much more likely to:

- > have children under the age of five years and/or have more than one child;

- > be headed by a parent under the age of 30;
- > have no post school qualifications and/or have Year 10 or below as their highest level of school education;
- > have no access to a motor vehicle and report difficulties with transport;
- > report poor/ fair health, a disability or long-term health condition;
- > report a low level of generalised trust;
- > report not being able to raise \$2000 in a week for an emergency; and
- > have no access to a computer and/or the internet at home.

Similar patterns are observed for jobless couple families compared with those with at least one parent working.

While the above factors do not necessarily represent a barrier to employment in all cases, occurring concurrently (as the research indicates they often do) these elements can present formidable obstacles for jobless families. The next section considers some particular barriers to workforce participation for jobless families in more depth.

### Barriers to employment

As the multiple factors of disadvantage above indicate, jobless families often face significant, multi-dimensional barriers to employment.

These barriers can be broadly characterised as both internal (personal) factors and external (structural) factors. Noting that the line between internal and external factors can be fluid and is blurred in many cases—with some barriers having intertwining internal and external aspects to them—some of the most significant barriers, and recent research pertaining to them, are canvassed below.

Given that 84% of persistently jobless families are headed by single parents (the vast majority of whom are women) some of the barriers to employment that impact single parents, in particular, are also considered in this section.

#### Internal barriers

Internal/ personal barriers potentially impacting jobless families include: health problems (mental and physical), disability, education, literacy, language skills, discrimination, substance abuse, children with health or behavioural problems, family vulnerability, domestic violence and housing instability and/or homelessness.

A few of the most salient of these barriers and the hurdles they represent to workforce participation for jobless families are discussed in more detail below.

#### *Health problems*

As underscored in the recent position statement, *Realising the Health Benefits of Work*, work, in general, is good for health and wellbeing (The Royal Australasian College of Physicians (RACP), April 2010). Conversely, mental and physical health problems can be significant as both a cause and an effect of unemployment. For example, in *Half a Citizen*, it is stated that: "It was striking in our research that deteriorating mental health appeared as a consequence of being on welfare support, unemployment and living on a low income." (Murphy *et al*, 2010).

Likewise, the evidence indicates that the longer the duration of work absence and unemployment, the greater the negative impact upon physical and mental health and wellbeing (RACP, 2010). Paul and Moser (2009) assert that there is a sharp increase in the impact of unemployment on mental health after three months of unemployment, with a further increase occurring after about 30 months of being unemployed. Understandably, those with mental health problems preceding unemployment are the worst affected by the impact of joblessness (Mendolia, 2009).

In addition to the negative impacts of joblessness on mental health, Waddell and Burton have found, on the balance of the evidence, unemployment causes, contributes to, or accentuates increased rates of overall mortality (for example, from cardiovascular disease and suicide), poorer general health, poorer physical health, somatic complaints, longstanding illness and disability (Waddell, 2007).

Moreover, research indicates that the negative impacts of joblessness not only affect workers, but also their families. For example, Waddell and Burton's research on the impact of parental unemployment on children found a higher likelihood of chronic illnesses, psychosomatic symptoms and lower wellbeing for children in jobless families for the previous six months (2007). In addition, the research found that psychological distress can occur in children whose parents face economic pressure, potentially leading to anxiety and depression in the children, or aggressive and/or delinquent behaviour and substance abuse.

The situation of Indigenous families (who are three times more likely to be in a jobless family than non-Indigenous families) highlights the relationship between joblessness and poor health. According to the Australian Indigenous Health InfoNet there is "an irrefutable relationship between the social inequalities [including employment and income] experienced by Indigenous people and their current health status" (Carson *et al*, 2007).

Likewise, refugees to Australia who experience family joblessness, are likely to have a range of antecedent physical and mental health problems, for example, resulting from torture, trauma, persecution and (perhaps) prolonged detention, that would be further compounded by the experience of joblessness.

In addition, many of those suffering from mental and physical health problems report encountering structural barriers erected by the welfare and employment services systems, which can be insensitive to, or inflexible about accommodating these problems and, in some cases, may exacerbate them. In *Half a Citizen*, research demonstrated that "the welfare system can exacerbate people's problems by imposing extra pressures on them, just as parts of the system, such as the Personal Support Program, could be a major help" (March 2010).

For example, reports to us of the duplication of systems and the lack of information sharing between Centrelink and Employment Service Providers (ESPs) can mean that many in jobless families may have to describe their case multiple times before the appropriate assistance they require is provided. For those suffering from physical and/or mental illness in particular, inefficiencies of this kind are likely to engender frustration and undermine trust and confidence in the employment services system.

#### *Education and training*

Lack of education and training, or unrecognised qualifications from other countries, poor English language skills and low levels of literacy can also present an enormous barrier to employment for many jobless families in Australia. As previously noted, analysis of the 2006 ABS GSS Survey found that, compared to parents in employed single-parent families, parents in jobless single-parent families were much more likely to have no post school qualifications and/or have Year 10 or below as their highest level of school education.

In 2010, levels of educational attainment and skills are likely to be as significant as ever as a barrier to workforce participation for those in jobless families. As the Board's interviews with ESPs elucidate, globalisation, increased mechanisation and the use of computer technology across a range of industries mean that many jobseekers have found that low skilled jobs are now fewer and more difficult to come by. In addition, the view was expressed that, for many single parents, the requirements entailed in obtaining qualifications such as a Certificate II (equivalent to completing Year 12) are often too onerous to manage in conjunction with family responsibilities.

On a more basic level, work-readiness and positive work habits can also present a huge barrier to workforce participation for many in jobless families, particularly for those who may have been jobless for a prolonged period of time. For example, meeting expected work patterns and schedules by getting out of bed early, arriving punctually and working a full day are, for some, likely to prove practically challenging.

#### *Discrimination and stigma*

Discrimination (whether direct or indirect) and the experience (and/or perception) of stigma associated with receiving welfare benefits can operate as a further formidable obstacle to workforce participation for those in jobless families. As highlighted in *Half a Citizen*, many people in jobless families receiving income support feel ashamed of their dependency on the system, demoralised by their joblessness, and judged by family, friends, welfare providers and society (2010). These feelings of shame can erode self-esteem and confidence, further isolating those in jobless families and becoming self-perpetuating and reinforcing as an obstacle to employment.

A single parent on PPS articulated the impact of social isolation caused by lack of financial resources and compounded by the challenges of stigmatisation:

*I didn't know what social exclusion was until I experienced being a sole parent. Partly because everything costs money to get to it and partly because sole parent kids aren't welcome...I'm well educated, I know what it's like to live with money and to be very included and very socially active and now to be on my own most of the time (Half a Citizen, 2010).*

Research has indicated that personal barriers to employment for jobless families can differ across race/ethnic groups relating to the different ways that joblessness is interpreted within families. US studies have indicated that discrimination experienced by black Americans in the labour and housing markets may be manifested psychologically in terms of lower personal efficacy and a sense of powerlessness to control one's fate (Hughes and Demo, 1989). Where such disengagement occurs, this is likely to create longer-term, more entrenched barriers to employment for a child growing up in a jobless family (as discussed further below). In the Australian context, these findings may well be applicable to the situation faced by some Indigenous jobless families, as well as other minority and/or non-English speaking background groups, experiencing direct or indirect discrimination) in the job seeking process and/or barriers to workforce participation.

#### *Intergenerational unemployment*

Another family-related internal factor that can present a barrier to workforce participation is the intergenerational transmission of joblessness and welfare dependency. Understanding the ways in which economic disadvantage and disengagement from the workforce might be passed from one generation to the next is important in designing and implementing policies that seek to support vulnerable families and to break the cycle of joblessness.

Two competing models propose different rationales for the transmission of intergenerational welfare dependence (Berry et al, 2007):

1. the 'cultural model', which attributes welfare reliance to the process of socialisation and the transmission of behaviours, attitudes and values from parents to children; and
2. the 'structural model', which proposes that, because their resources are limited, welfare-dependent parents provide insufficient opportunities and resources to their children.

While these models may be useful in categorising the factors which can contribute to welfare dependency and its transmission, they do not adequately address the complex interplay of factors.

Data from Australian-based surveys studying welfare dependency is limited, particularly studies focusing on the prevalence and

characteristics of welfare dependency between generations. This is in part due to the difficulties in monitoring individuals over extended periods of their lives, but also due to the complex interaction of individual characteristics, socio-economic influences and geographic and community factors that often have an influence in situations where individuals are experiencing periods of welfare dependency.

The Household, Income and Labour Dynamics in Australia (HILDA) survey (2000) examined statistical data on welfare dependency within Australia and found that over a three year period:

- > 12.8% of all Australian residents were welfare dependent;
- > 6.8% of 'prime age' (25–54) households were welfare dependent;
- > 55.1% of retiree households were welfare dependent; and
- > 43.5% of single mother households were welfare dependent.

The HILDA data, while not specifically intended to examine welfare dependency between generations, provides important statistical insights into the prevalence of welfare dependency in Australia and the factors that can increase an individual's or household's likelihood of experiencing welfare dependency.

Another Australian-focused study that provides vital statistical information on individual characteristics and other factors that can increase the likelihood of individuals experiencing welfare dependency is the Longitudinal Surveys of Australian Youth (LSAY). The LSAY examined the statistical correlation between individual disadvantage and the prevalence of welfare dependency and joblessness. LSAY comprises various surveys from 1998, 2003 and 2005 which identified several characteristics that influence the incidence of welfare dependency, including low educational achievement and the presence of health problems.

Perhaps the most important study examining welfare dependency within Australia is the study by Pech and McCoull (2000). This study investigated "the notion of a cycle whereby dependency, poverty and generally feckless behaviour are perpetuated from one generation to the next". The records of approximately 53,000 young people were examined to show that those born into welfare dependent families

were more likely to experience a range of detrimental life events, including:

- > leaving school early;
- > having children at an early age; and
- > becoming homeless.

This study and its findings were important not only for their contribution to the body of evidence but also for its large sample size, unprecedented in previous Australian studies.

While data from Australian surveys is limited, the key findings of the major Australian studies are supported by data obtained from international studies. A study by the Princes Trust from the United Kingdom conducted between May and June 2010 found that individuals who grow up in jobless households are significantly more likely to experience difficulty in obtaining and retaining employment (2010). This study also yielded significant data on the causal factors that influence the prevalence of welfare dependency and its transmission between generations, finding that those individuals who grow up in households that are welfare dependent are more likely to:

- > have limited job skills and knowledge of the jobs market;
- > have low self-esteem; and
- > have limited access to appropriate role models.

These three factors are crucial to successfully obtaining and retaining employment in a competitive jobs market. This finding is significant as it provides clear evidence that identifies the experience of living in a welfare dependent household as a statistically significant factor influencing whether or not an individual experiences welfare dependency. It also identifies specific consequences of living in a welfare dependent household that can impact upon welfare dependency being transmitted between generations.

Studies from New Zealand (Maloney et al, 2002) and the OECD (D'Addio, 2007) also presented significant data on causal factors influencing intergenerational welfare dependency in particular. The data demonstrates that children's exposure to welfare dependency through living in a welfare dependent household has several key effects on these children:

- > they become more familiar with how welfare works and their knowledge of the labour market is reduced;
- > they have less exposure to job experience and informal job contacts;
- > they have limited job research capabilities; and
- > they worry less about the stigma associated with welfare dependency.

Data from Australian and international studies provides insights not only into the prevalence of welfare dependency and the factors that influence an individual's or household's susceptibility to welfare dependency, but also the factors that influence the transmission of welfare dependency between generations. The identification of particular groups which are more susceptible to welfare dependency—and therefore to being potential facilitators for the intergenerational transmission of welfare dependency—is particularly important. This identification allows for the consideration of targeted programs and policies to assist individuals in these high risk demographic groups to 'break the cycle' of welfare dependency.

An emerging field of study that is starting to influence policy responses is the study into personal, individual characteristics. Qualities such as personal drive, work ethic, personal resilience, and the ability to set and maintain goals undoubtedly have an impact on an individual's chances of finding and retaining employment. These factors also interact with socio-economic, cultural, community and other factors in contributing to welfare dependency. However, their impact is often hard to measure.

### **External barriers**

#### *Local economy*

The local economy in any particular geographic area can greatly influence the capacity of parents in jobless families to obtain employment. That is, where the local economy is depressed, it is much harder to find and obtain employment for jobless families than it would be in other more economically buoyant geographic areas.

There are various ways in which government (both Commonwealth and the states and territories) and the private sector could ameliorate this factor. For example, in considering where to locate their operations, companies might consider areas in which their impact on the local economy might be greatest.

Given that these areas are likely to have higher rates of joblessness (and therefore individuals who are job ready or capable of becoming job ready) this would also be of benefit to a company moving into a new area and looking to recruit large numbers of employees within a short period of time. Governments (Commonwealth and state) can assist in providing support and training to facilitate job-readiness, in particular in areas where the local economy is depressed.

#### *Financial disincentives*

There are various ways in which the Australian welfare, tax and transfer systems can act as a financial disincentive, and even a barrier, to employment or increasing hours of paid work for parents in jobless families. Indeed, many parents in jobless families face the contradictory situation of wanting to work but—on a rational cost-benefit analysis of work and income support—find that work (or increased hours of work) is not the most sensible financial choice. In making that choice, the impact of work on their personal income tax rate, the withdrawal rates on transfer payments, additional tax provisions, public housing eligibility and other concessions contributing to their disposable income are likely to be relevant considerations.

For example, research highlights the unintended impacts of effective marginal tax rates (EMTRs) in generating strong structural disincentives to enter or re-enter the workforce, or to increase hours of paid employment, for some parents in jobless families. EMTRs measure the proportion of an extra dollar of income earned over a certain threshold that is lost due to taxes and transfer withdrawals.

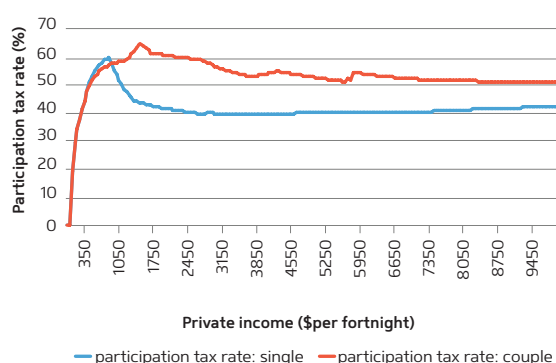
Harding (2008) has found that income support recipients can face high EMTRs of over 50% if they gain some paid employment, due to the withdrawal of income support payments combined with the interaction of various facets of the tax system including the Medicare levy and the Low Income Tax Offset (2008). Whether these have a significant impact is not clear.

The Review of Australia's Future Tax System (2009:20) indicates that in certain situations, an out of work person may be less influenced by the EMTR on a small increase in earnings than by the average tax rate when they move from not working to work. These are often called participation tax rates. The graph on page 23 shows that for an adult in a jobless couple family with two children, more than 58% of their pay will be lost to tax and payment withdrawal if

one member takes a job at the minimum wage (\$569.90 per week/\$15 per hour)<sup>6</sup>. It should be considered that these high tax rates allow tax rates to be lower elsewhere in the system, which means the overall effect on incentives is unclear.

### Participation tax rates<sup>7</sup>

Bodsworth, in her paper, *Making Work Pay and Making Income Support Work* (2010), argues



that these disincentives are further compounded by the withdrawal of concessions and the different indexation (and, therefore, growth rates) of pensions and allowances. Some are indexed to male total average weekly earnings, while others are indexed to the consumer price index.

There are limits to the extent to which EMTRs can be reduced to improve incentives to work. This is particularly the case for parents, because at some point the total level of assistance—comprising income support, family and rent assistance—has to be withdrawn. (Australia's Future Tax System. 2009: 523)

The impact of EMTRs and the withdrawal of concessions linked to income support payments can be a particular consideration for single parents at the boundary of PPS and Newstart Allowance (NSA) when their youngest child turns eight.

Single parents with a youngest child under eight years old are entitled to PPS currently paid at a maximum rate of \$601.30 per fortnight<sup>8</sup>. When the youngest child turns eight years old, the parent is no longer eligible for PPS and they are moved on to NSA, which is currently paid at the basic rate of \$500.70 per fortnight<sup>9</sup> for a single person with dependent children. Parents receiving NSA can only earn up to \$62 per fortnight before their allowance begins to decrease, compared with the ability to earn up to \$170.60 per fortnight (plus \$24.60 for each additional child) for parents receiving PPS. In addition, the taper rates for PPS are more favourable. For income earned over \$170.60 per fortnight, the rate of payment is reduced by 40 cents in the dollar compared to a stepped reduction of 50 then 60 cents for NSA.

## Example

A single parent receiving PPS and working 20 hours a week at the minimum wage (about \$14,900 per year) would have a participation tax rate of 27%. On the birthday of their child, this would increase to over 50% (see chart over).

Even though they remain working to the expected level of 20 hours per week, their income would fall by \$118 per week or \$6,136 per year<sup>10</sup>.

6 Minimum wage as at 1 July 2010—Fair Work Australia

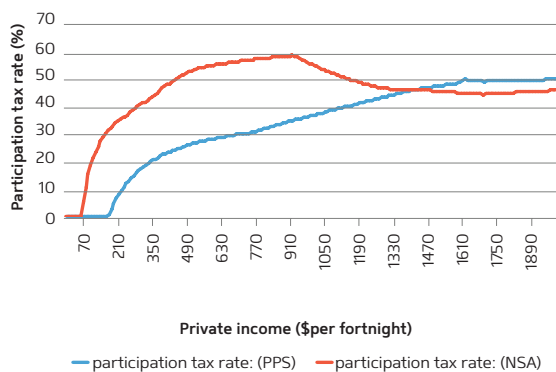
7 Australia's Future Tax System. 2009. p.21

8 Based on rates from 1 July–19 September 2010

9 Australia's Future Tax System. 2009. p.508. Based on 20 September 2009 rates.

10 Bodsworth, Eve. 2009. *Making Work Pay*. p.viii

## Single parent<sup>(a)</sup> Participation Tax Rates<sup>(b)</sup> 20 September 2009



- a. A single parent receiving Parenting Payment Single has a youngest child less than eight years of age. A single parent receiving Newstart Allowance has a youngest child eight or older. In this example the parent has two children.
- b. The participation tax rate is the average effective tax rate from no work to the level of yearly private income.

Source: Australian Government administrative data.

Income support arrangements should maintain adequate levels of assistance to families, but should also encourage participation in work by parents. To support a transition to work, single parents receiving PPS need to comply with participation requirements when their youngest child turns six. They have to enter into an Employment Pathway Plan. Under this plan parents need to be working, looking for at least 15 hours of suitable work per week or be engaged in another activity approved by Centrelink or their Employment Services Provider (ESP).

When their child turns eight, single parents as a principal carer receiving NSA will have to enter into an Employment Pathway Plan from the time they claim the payment, unless they are exempted. Parents can satisfy their activity test or participation requirements as a principal carer by engaging in at least 15 hours of work, study, and/or training per week or 30 hours per fortnight.

Parents often find it hard to comply with these participation requirements as they consider them inflexible and difficult to balance with their child care responsibilities, particularly around school holidays. (Bodsworth, 2009: viii) The Australian Government sought to address some of these issues through its response to the Participation Review Taskforce. From 1 July 2010, principal carer parents have been exempt

from part-time participation requirements during the fortnight including the Christmas and New Year public holidays as child care is very difficult to obtain. Additionally, parents who work during the school term can have more flexible arrangements over the long school holidays if they are likely to resume work when the school term recommences.

The Review of Australia's Tax System (Recommendation 85, Henry Review) went further than current participation requirements and recommended that, as a condition of payment, parents should be required to look for work once their youngest child turns four. This extension of activity testing would send a clear signal to parents not to stay out of the workforce for too long and would provide a more seamless transition to work when the child reaches school age. The Henry Review highlighted that this type of requirement would need to be supported by significant changes in the availability of early childhood education and affordable child care, as well as family-friendly conditions of work. While the Australian Government rejected this recommendation when it released its tax plan for the future (*Stronger, Fairer, Simpler*) the Board considers there is a strong basis for reasserting these arguments in the context of jobless families.

*Concessions and other financial disincentives*  
Bodsworth argues that these financial disincentives to workforce participation for jobless families are further compounded by the withdrawal of concessions and pensions. For example, principal carers receiving PPS or NSA are automatically issued with a Pensioner Concession Card (PCC). The PCC provides access to several Commonwealth concessions including bulk billing, pharmaceutical benefits and refunds for medical expenses. States and territories also offer varying concessions including reduced utility costs, reduced fares on public transport and reductions on motor vehicle registrations. Loss of access to these concessions due to a return to work can have a significant impact on additional costs, the ability to afford the on-costs of participating in the workforce, and loss of disposable income.

Dockery et al. (2008) have also identified 'welfare locks' as a problem for individuals gaining employment on the basis that it can exclude them from public housing waiting lists. Research by the Australian Housing and Urban Research Institute found that welfare locks are created by the eligibility requirements for public housing,

which require applicants to maintain their low incomes and status as income support recipients in order to remain on the housing waiting list. Accordingly, parents in jobless families can be locked into income support while waiting for housing to become available, given that income eligibility tests apply until the point that housing is allocated (that is, not only at the time of application).

#### *Child care*

Child care costs, availability and quality can also represent a significant external barrier to employment for parents in jobless families. For many parents, increasing their hours of paid work not only reduces their income support payments, but also results in higher child care costs. Accordingly, to make work worthwhile, it has been suggested that a parent would need to make significantly more than the child care costs, not only for financial reasons but, in many cases, to personally justify spending the time away from their children (Bodsworth, 2010).

The Australian Government provides a variety of subsidies to assist families with the costs of child care. Jobless families may be eligible for Jobs, Education and Training Child Care Fee Assistance. To qualify they must be on an eligible Centrelink payment and working, studying or training so they can enter or re-enter the workforce. They must also be receiving maximum rate Child Care Benefit. After Child Care Benefit is deducted from their child care costs, Jobs, Education and Training Child Care Fee Assistance is applied and covers most of the remaining child care fee. However, Jobs, Education and Training Child Care Fee Assistance stops after the recipient has been in a job for 26 weeks (DEEWR, 2010a). At this time, the family is likely to continue to be eligible for Child Care Benefit and the Child Care Rebate. It is estimated that these payments cover approximately 80% of child care costs for a low-income family<sup>11</sup>. The Henry Review recommended, and the Board supports, consolidating these two payments into a single payment. The current arrangements are very complex and may mean some parents may be deterred from interacting with the system or may not recoup the full amount for which they are eligible.

<sup>11</sup> Based on a family with an annual income below \$38,763 with one child in full-time care (50 hours per week) assuming a weekly fee of \$345 per week.

The Henry Review also recommended that child care subsidies should cover at least 90% of child care costs for low-income families to better facilitate their workforce participation. In recognition of the role that high quality child care can play in supporting the development of disadvantaged children, the Henry Review also recommended that for children who are at risk of social exclusion, including children in jobless families, it may be appropriate for governments to cover the full cost of care to encourage the use of child care (Henry et al, 2010).

Other barriers preventing families from accessing child care services, include the difficulty getting to services when relying on public transport (as discussed further below) and a feeling that services are culturally unwelcoming or 'exclusive' for some parents (The Benevolent Society, 2010). The opening hours of child care services may not be appropriate or flexible enough to cater for the needs of parents that can only find irregular, casual or shift work (House of Representative Standing Committee on Family and Human Services, 2006).

Nationally, the evidence suggests that child care is available, with supply largely keeping pace with demand (DEEWR, 2010b). However, jobless families may face pockets of undersupply, particularly in disadvantaged areas.

#### *Transport*

The availability and cost of transport (whether public or private) and the location of jobs is another structural barrier to employment for many parents in jobless families. For many, owning (or repairing) a car is not financially possible. For those dependent on public transport, this restricts the types of jobs they can apply for, including jobs requiring a car or licence as part of the role; jobs with hours not serviced by public transport; and jobs located outside the public transport network. For those in regional, rural and remote areas the impact of this barrier can be particularly acute.

Concerns about the safety of public transport have also been identified as a factor limiting the capacity to engage in paid work. Given the concentration of jobless families in demographic areas experiencing multiple issues symptomatic of social and economic disadvantage including crime, homelessness, drug and alcohol abuse, these concerns are likely to be particularly pertinent.

#### *Internet/computer access*

The fact that many disadvantaged families (in particular, those whose primary source of income is from social security) do not have access to a computer and an Internet connection at home represents a further structural barrier to employment (Smith Family, 2002). As the broader community's reliance on the Internet increases, facilitating not only access to information but also the development of crucial job-related skills, the impact of this barrier on social exclusion, is likely to be greatly exacerbated.

#### **Single-parent families**

As noted above, the vast majority of jobless families are headed by single parents who are predominantly women. Some issues of disadvantage and barriers to employment are particularly acute for these families.

Long periods of absence from the workforce due to child care responsibilities can lead to single parents' deskilling and detachment from the labour market, resulting in lower employment rates and poorer future employment prospects (Whiteford 2009). Single parents also have to struggle with the emotional, physical and financial stress of relationship breakdown, juggling family responsibilities and work. As a result of their circumstances, many single parents drop out of the labour force and/or education and training. By the time their youngest child reaches school age and participation requirements commence many single parents no longer have the confidence or capacity to return to employment. Consequently, these parents often remain jobless.

As outlined above, barriers such as child care costs and availability, family-unfriendly work places and financial disincentives, represent particularly large obstacles to employment for single parents. Research indicates that single parents are likely to be the worst affected by high EMTRs through the withdrawal of income support benefits and concessions, increased tax receipts and the costs associated with employment such as child care and transport (Bodsworth 2009).

What approaches work  
best for jobless families?





# What approaches work best for jobless families?

## Key points:

- > *Compliance is counter-productive, as is withdrawal from the labour market*
  - > *Individualised approaches are needed*
  - > *Complex problems don't necessarily need complex responses*
- 

This Chapter considers some of the key elements of approaches (both governmental and community-based) that are needed to address social exclusion as it affects jobless families. It highlights some approaches that have succeeded and some that have failed, in Australia and internationally. From this starting point, we are then better placed to understand the advantages and disadvantages of the current employment services system in Australia (discussed in the next Chapter).

## Sustainability

When designing and implementing policies and programs for jobless families, there is a tension between efforts to increase the level of work (that is, *immediate employment*) and to achieve sustainability of work (that is, *long-term employment* outcomes). Improving the sustainability of jobs may mean matching jobless people very carefully with appropriate jobs at an appropriate time for them. Improved job matching might mean reducing the speed and rate of movement into work in the short-term while someone waits for the right job to become available. However, in the longer term it will lead to better outcomes for the individual and their employer.

To achieve sustainable employment for jobless families, there is a need to connect disadvantaged job seekers to quality jobs with advancement prospects, rather than casual, inappropriate, short term positions with no future prospects, and which are therefore unlikely to be sustained job outcomes (Wren 2010). In order for jobless families to find and sustain employment, strategies need to be put in place that both improve the skills, employment, retention and advancement outcomes for disadvantaged job seekers, and meet employer needs by filling skill and labour shortages.

Research indicates that activation programs focused primarily on getting jobless individuals into employment have a number of issues affecting their ability to support social inclusion. For example, Perkins (2010) states that: "one of the greatest of these is the lack of attention to the quality of employment placements and sustainable outcomes".

In considering future policy directions to reduce the incidence of family joblessness, Whiteford (2009) argues that the current approach of encouraging parents to participate in the labour force should be maintained. He states: "... policies to encourage people to withdraw from the labour force to reduce headline unemployment rates are completely counter-productive, since in the long-term they only reinforce poverty and disadvantage". However, it is essential that, in encouraging people to increase their participation, a staged approach is adopted that considers the individual's needs and choices now, as well as in the mid to long-term.

## Individualisation and flexibility

An *individualised approach* (sometimes referred to as personalisation), with the *flexibility* to meet the diverse and complex needs of those in jobless families, is imperative to achieve successful outcomes for parents in jobless families. Such approaches have become increasingly popular in many welfare regimes around the world. For example, in 2010 the UK's Secretary of State for Work and Pensions, Iain Duncan Smith, stated the Coalition Government's commitment to create a single Work Program that aims to offer "targeted, personalised help for those who need it most, sooner rather than later" (Ben-Galim, 2010).

Significantly, it has been found that people with multiple and complex needs do not necessarily

need complex solutions, but rather that they need assistance in “overcoming ‘small things’ in order to be able to re-enter and maintain their involvement in the labour market” (Australian Institute of Family Studies, 2010).

In relation to the Australian approach, Dina Bowman and Michael Horn (2010) argue that changes to employment policy that are compliance-centred, rather than customer-centred, risk undermining an individualised approach. They claim that early indications are that Australia’s current employment services system, under JSA, retains the key elements of a tightly controlled contractual, compliance-centred approach, which affects the degree to which services can be individualised to meet the needs of all jobseekers. They state:

*Anecdotal and research evidence suggests a number of factors prevent there being an individualised approach. These include inadequate funding levels and an entrenched culture that emphasises compliance rather than innovation... Contracts still require overly burdensome monitoring and reporting within a tightly controlled transactional model. There is also a stronger risk under such models of perverse outcomes, such as ‘parking’ of jobseekers with complex barriers to safeguard financial targets.*

The JSA system, and its advantages and disadvantages for jobless families, is discussed in more detail in Chapter 4 (Employment Services).

This Report notes Perkins’ view that the capacity of the JSA system to assist the most disadvantaged job seekers in Stream 4, and to increase economic and social participation, appears greater than that existing under previous systems, for example Job Network services.

Perkins also argues that Australia can draw useful lessons from the Individual Placement and Support (IPS) model, which has been used successfully in the US and Europe to assist unemployed people with multiple complex barriers to employment. The IPS approach recognises the complex, ongoing support needs highly disadvantaged jobseekers have, as well as the other barriers they face, and seeks to address these needs in tandem with their vocational needs to achieve successful employment outcomes (p276, 2010).

Likewise, in Norway, the Qualifications Program (QP) adopts an ‘active inclusion’ strategy, which

takes an intensive, individualised and flexible approach to supporting the most disadvantaged move towards greater workforce participation (Duffy, 2010). Under QP, the relationship between the customer and adviser is critical. Quality relationships are facilitated by low caseloads (of approximately fifteen) and opportunities for group activities. However, Duffy argues that under the QP “personalisation is incomplete.” She states that, in general, there is still a categorical approach to activity plans, that adviser accountability is unclear and that there do not seem to be common standards to ensure the quality of the service.

One Australian example of a personalised, flexible approach to supporting highly disadvantaged jobseekers is the Brotherhood of St Laurence’s (BSL) Centre for Work and Learning, Yarra (CWLY) in inner Melbourne. Co-funded by DEEWR’s Innovation Fund and BSL, the project was established in late 2009 with the aim of promoting work and learning opportunities in public housing neighbourhoods that have high concentrations of unemployment. The CWLY is an intermediary model providing a holistic, client-centred approach to case management, linking a variety of services including employment assistance, skills development, traineeships and personal support to highly disadvantaged jobseekers with a line of sight to job opportunities.

A key part of the project is its multi-pronged evaluation. This includes documenting the service delivery model and assessing innovations in the integrated approach in order to assist potential replication. The evaluation also focuses on mapping client work and learning outcomes. A survey of public housing residents in the City of Yarra has been completed to provide a baseline of local needs and issues.

### Incremental achievement

Internationally, there is evidence that at least 50% of participants in welfare-to-work and workforce development programs do not end up working steadily, even in programs that have high job placement rates. There is a sizable subgroup that does not work at all (Wagner and Herr, 2010). This underlines how crucial it is to provide parents in jobless families with alternatives and choices that are realistically achievable and attractive to them.

Through its development-based approach, the Chicago-based Project Match exemplifies such

an incremental perspective on participation. Working with some of the most economically disadvantaged populations in the United States, Project Match's approach—described as an “incremental ladder to economic independence”—recognises that the level of job-readiness within disadvantaged populations is wide-ranging. That is, some people need only a job lead, while others struggle to even arrive on time. Underlying Project Match's philosophy is the recognition that mainstream employment may not be a realistic goal for all program participants.

Accordingly, “there must be a correspondingly broad range of activities to serve as starting points and stepping stones” (Wagner and Herr, 2010). Project Match recognises that employment, training and education are not a good first step for some people, especially if they have failed in those environments before. Instead, for some disadvantaged jobseekers—like many in jobless families—other activities in which they are already involved as parents and community members, can be structured to support the acquisition of the basic skills and competencies necessary for workforce success. These activities might include child-focused activities, volunteer/community-service activities and self-improvement activities. Once one level of activity is mastered, the person progresses up the ladder to the next, progressively more challenging, activity.

Given the other demands on jobless parents—particularly on single jobless parents and those with children under school age—the Project Match approach, which seeks to support and develop individuals in the context of their current situation and capacities, is likely to be particularly effective for this cohort. By not placing undue demands on jobless parents—and by allowing them a choice among a range of different alternatives to create their own pathway—individuals are likely to be more engaged in the short and longer term.

### Accessibility

Finally, accessibility is a crucial element in any successful policy or program for jobless families. As outlined in Chapters 1 and 2, jobless families frequently face multiple issues of disadvantage that, in many cases, are likely to impact upon their ability to access government and/or community services. These issues may include structural barriers, such as access to transport, the Internet and child care, as well as personal barriers such as poor education and health,

and stigmatisation. In addition, jobless families' knowledge and understanding of the services available to them, their location, and how they operate may also be an issue that acts as an impediment to their accessibility.

Accordingly, it is essential that any approach seeking to increase the economic and social participation of jobless families is readily accessible to this cohort. One model for enhancing access is through outreach activities and services that are community-based and integrated, such as the Brotherhood of St Laurence's CWLY.

Another approach to improving accessibility for jobless families is through early intervention service providers, such as playgroups. The Townsville Playing Together Project, initiated by Playgroup Queensland in 2010, is one example of a program providing integrated service delivery through playgroups. The Project supports families with young children by offering a range of universal and targeted intensive participation options. Its services include playgroups covering a range of target groups and areas, including teen parents, multicultural families, Indigenous families, women, and families with a child with a disability. For jobless families, playgroups can be particularly effective as a soft-entry point into other services. In addition, playgroups have the capacity to increase families' connection to their community, to enhance child development and parenting outcomes, and to provide sustainable support structures to jobless parents and their children. In some instances, networking can also lead to jobs.

### Conclusions

This Chapter has briefly outlined four key elements of approaches that are likely to achieve the best results in terms of social inclusion for jobless families. The evidence—in addition to anecdotal reports—from Australia and overseas clearly points to *sustainability; individualisation; achievability and accessibility* as integral aspects of approaches seeking to support jobless families to increase their economic and social participation. This appears to be the case whether the programs are government or community operated.

Having considered what approaches—in general—work best for jobless families, the next chapter will specifically look at what employment services currently exist for jobless families, how effective these are, and how they might be enhanced to operate better for jobless families in Australia.



# Employment Services





# Employment Services

## Key points:

- > *In developing a more individualised and responsive system the following concerns will need to be addressed:*
  - : *collaboration between agencies and employment service providers;*
  - : *the compliance framework; and*
  - : *the administrative burden built into the system.*

This Chapter examines the adequacy of the employment services system currently available to parents in jobless families in Australia. It looks at mainstream employment services, and then, more specifically, at the employment services available for those with disabilities and Indigenous Australians (both of which groups face multiple issues of disadvantage and are over-represented as a proportion of the total number of jobless families).

This Chapter asks—and suggests some answers to—the following questions: what employment services are available to jobless families? What gaps are evident in the employment services system? In what ways are employment services lacking? How can those in employment services better meet the needs of jobless families?

## Themes of this Chapter

Two key themes are repeated throughout this Chapter. The first is the importance of taking a holistic, *collaborative* approach to employment services for jobless families. Fragmentation in employment services is not only evident among those contracted by DEEWR to provide employment services, that is, the employment service providers (ESPs) themselves, but also in Australian Government policies and in bureaucratic approaches to their implementation. To meet the complex and multifaceted needs of jobless families as highlighted in Chapter 2 (Jobless Families Examined), without allowing people to fall through the cracks, a coherent, joined-up approach to employment services design and delivery is essential on both fronts.

The second key theme of this Chapter is the degree to which an *individualised* approach to employment services is imperative for jobless families. The barriers to employment and issues of disadvantage facing a jobless family are multidimensional and often very personal. Accordingly, a successful employment services system must be sophisticated enough to address and accommodate both the internal (personal) and external (structural) issues experienced by each jobless family.

## An opportunity to strengthen employment services in Australia

Significantly, the contracts for Job Services Australia (JSA) (the national employment services scheme) and Disability Employment Services (DES) (the national employment services scheme for people with a disability) are due to expire on 30 June 2012.

The Australian Government will, in the first half of 2011, be examining the effectiveness of the current arrangements for employment services delivery and will be identifying opportunities for strengthening those arrangements to ensure these services are best placed to meet the needs of jobseekers, including those with multiple issues of disadvantage, and are designed to address future labour market challenges. Accordingly, now is an opportune time to review the effectiveness of the JSA and DES schemes as they operate for jobless families and to consider improvements to increase workforce participation.

## Employment services under Job Services Australia

The Australian Government launched JSA, on 1 July 2009. The design of the JSA model is underpinned by principles of social inclusion. Accordingly, JSA—through ESPs—was intended to provide flexible, individualised employment assistance to jobseekers, across all four streams (as explained further below), with the most disadvantaged job seekers receiving the most assistance. Among the stated aims of JSA are to increase employment participation, build skills in demand, and help individual job seekers—particularly disadvantaged job seekers—to find sustainable employment.

JSA resulted from a review of the previous employment services scheme—Job Network—that revealed the need to simplify, streamline, and improve employment services and to provide a greater emphasis on skills development and training for jobseekers.

Given that it has been operating for just over one year, it is still relatively early to be assessing the extent to which JSA has been successful in achieving its aims as Australia's national employment services scheme. However, despite this, our consultations with industry peak bodies and ESPs have proved useful in highlighting a number of aspects of JSA that are working well, and those that are working less well, for jobless families in Australia. The most salient issues in both categories are canvassed below.

### Aspects working well

The feedback received from ESPs consulted in the process of preparing this Report is that JSA works much better for Stream 3 and 4 clients than the Personal Support Program (PSP) (which existed under the Job Network) previously did. The main reasons for this are the greater flexibility provided under JSA; the softening of the jobseeker compliance framework; the ability of ESPs to provide more intensive support to those experiencing issues of disadvantage; and the availability of additional resources to do so.

In the twelve months to August 2010 (since JSA was established) ESPs made 370,000 job placements (Arbib, Address to NESA National Conference, 2 August 2010). Significantly, while jobseekers in Streams 3 and 4 together comprise 21% of the of all jobseekers in JSA, one third (or 125,000) of the total JSA placements were for those in Streams 3 and 4 (Arbib, 2010). Also notable is the fact that almost 10% of

placements—35,500 for the year—were for Indigenous Australians. This data would tend to indicate that, in relation to the other jobseeker streams in JSA, those jobseekers in Streams 3 and 4 have at least as good (or greater) likelihood of achieving a job placement. In underscoring the success of JSA, in his address to the National Employment Services Association Conference, the Hon Minister Mark Arbib MP stated: “These are people with real and significant barriers to employment—people who might not have worked for a very long time, who might have had to overcome some challenging personal issues, or who might not have finished school or done any further study.”

### Aspects not working well

However, despite the positive aspects noted above, it is apparent that there are numerous ways in which JSA is not operating well for those in jobless families. Some of the most significant issues in this regard are outlined below. Perhaps the most problematic of these issues relates to the lack of collaboration between ESPs.

Our research indicates that the competitive nature of the JSA model, combined with the fact that Australia is currently a relatively tight job market has not been conducive to generating a cooperative environment between ESPs.

One element of the JSA scheme that appears to militate against collaboration is the star ratings system. The JSA star rating system is the key performance management framework for employment service providers providing JSA services. Each JSA site receives a quarterly overall JSA rating as well as star ratings for each JSA stream. DEEWR also uses star ratings to drive improved performance and to allocate business share to ESPs.

The JSA star ratings assess the relative performance of ESPs against two of the key performance indicators in the JSA contract for services. The two indicators assessed are:

- (i) **Efficiency**—the average time taken by ESPs in comparison to other ESPs to place job seekers into employment; and
- (ii) **Effectiveness**—the proportion of participants for whom outcomes (defined as the completion of 13 weeks and 26 weeks in a job by their client) and placements are achieved, including social outcomes for Stream 4 job seekers.

The JSA star ratings do not assess the quality of employment services. Instead, quality is monitored and assessed by DEEWR outside of the star ratings system (and referred to as KPI 3). This has been raised as a limitation in the current model by some stakeholders as JSA providers are not being provided with any incentives under the star rating system to work in partnership with other providers and community organisations. That said, it could be expected that a number of providers do take collaborative approaches without specific incentives.

Stakeholders have also raised concerns that the star rating system does not measure the performance of ESPs against indicators of capacity building or social inclusion, which are considered to be important in supporting positive (and sustainable) employment outcomes for disadvantaged job seekers, such as those in jobless families.

Overall JSA ratings are calculated on the basis of the individual ratings an ESP receives for each stream, with higher weightings for Stream 4 (40%) and Stream 3 (30%). All JSA sites receive a JSA star rating based on a comparison of their individual site performance compared to the national average performance score. Sites awarded a 5-star rating have demonstrated performance 40% higher, or more, above the national average; whereas sites awarded a 4-star rating are between 20% and 39% above the average. Sites with a 3-star rating are between 19% above and 19% below the average and 2-star rated sites are between 20% and 49% below the average. One-star rated sites are 50% or more below the average.

The JSA star rating system was formulated by DEEWR to take into account different job seeker skill sets and labour market conditions across Australia. The methodology for determining star ratings uses statistical regression analysis by measuring the outcome levels of all providers for the job seekers they are assisting and then applying the results to a set of established job seeker and labour market characteristics which impact most on the achievement of job outcomes. This enables the star ratings model to calculate what providers could reasonably be expected to have achieved given the characteristics of job seekers they have assisted in their specific labour market.

Feedback from a number of JSA providers and the national peak body, the National Employment Services Association (NESA), indicates that

the star ratings system is a key consideration for all JSA providers given its direct link to the allocation of business from DEEWR. Anecdotal feedback suggests that the strong focus of providers on star ratings is resulting in tension and competition between providers that, in turn, is hindering collaboration and, in turn, proving counterproductive for the quality (and, therefore, sustainability) of jobseekers' outcomes. In contrast, it is also suggested that the star rating system is driving high performance across providers.

Coupled with the fact that the JSA model does not currently measure partnerships in the formulation of star ratings, this may have implications for jobless families, given it has been reported that one of the essential factors to improving outcomes for this cohort is the ability of the JSA provider to collaborate and work in partnership with other relevant providers and community organisations. However, it should be noted that the degree to which greater collaboration could drive positive outcomes for job seekers may differ according to individual circumstances, the region and types of partnering services available, the types of services offered by the provider and whether or not they have a speciality.

In addition to the star rating methodology being perceived to drive competition and tension between ESPs, ESPs have also commented that they do not believe the system is adequately reflecting the results they are achieving in assisting disadvantaged job seekers (that is, those in Streams 3 and 4, including many parents in jobless families). In particular, there are concerns that the system does not sufficiently acknowledge providers with specialist expertise (who are also required under JSA to provide employment services across all four streams). Some argue that such providers are disadvantaged in their rating under the current methodology in comparison to larger and general providers (who are able to achieve better across the board results even though they lack the specialist expertise to meaningfully address the needs of Stream 3 and 4 jobseekers).

Given these concerns, it appears that the provision of further information by DEEWR to providers on how the regression analysis functions and is applied may improve ESP confidence in the star rating model. In addition, it is recommended that a review assessing the effectiveness and accuracy of the JSA star rating

system be undertaken at the same time as the arrangements for the 2012 employment services program are being developed. Further, providing financial (or non-financial, such as star rating) incentives to ESPs working collaboratively may be one way the issue of lack of cooperation among ESPs could be addressed.

A second aspect of JSA about which serious concerns have been expressed by ESPs and others is the operation of the classification system under JSA: the Job Seeker Classification Instrument (JSCI). A key feature of JSA is the provision of services in accordance with a job seeker's assessed level of disadvantage. The services are provided in four streams, with Stream 1, for the most work-ready job seekers, up to Stream 4, for the most highly disadvantaged job seekers with severe non-vocational barriers. Each stream also offers access to work experience. The JSCI is also used to identify job seekers who may benefit from referral to the Language, Literacy and Numeracy Program; the Adult Migrant English Program; the Early School Leavers measure; and/or to a Centrelink Social Worker. The JSCI may be conducted by Centrelink, JSA providers, DES providers or Job Capacity Assessment (JCA) providers on behalf of the DEEWR.

While all ESPs are required under JSA to provide services to all four streams, the wrong streaming of a client or their referral to a generalist service provider (where an ESP with more specialist expertise is needed) can have very serious consequences, particularly for those in vulnerable situations like many parents in jobless families.

For example, ACE Employment Services have reported instances to us where culturally and linguistically diverse (CALD) clients, including some refugees, were classified as Stream 1 or 2 despite their obvious difficulties and lack of basic English language skills. While this outcome could be explained by the misapplication of the JSCI and/or by a problem with the JSCI itself, it does highlight the need to review stream definitions within JSA to determine whether they are operating effectively. In addition to such a review, improved training of Centrelink, JSA and DES providers' staff (who determine jobseeker classifications) and better guidelines for their implementation would assist in addressing these issues.

Thirdly, compliance-related concerns, including the lack of consistency in interpreting DEEWR's rules regarding the operation of JSA, have been identified as further issues for jobless families seeking to access employment services. For example, it has been reported that different contract managers (and even the same contract manager on different occasions) can interpret JSA's rules differently. Combined with the compliance culture built into the system, it appears that this can result in ESPs taking an overly cautious and conservative approach to accessing alternatives open to them for assisting their clients. In many cases, this leads to inferior and less sustainable outcomes for jobseekers.

One example of how this lack of clarity and consistency in interpreting rules can lead to an overly cautious approach is the use made by ESPs of the 'job seeker' account (the Employment Pathway Fund (EPF)). The EPF was designed with the intention of creating a flexible pool of funds to be available to JSA providers to purchase a broad range of assistance to help jobseekers get the right training and other support to help them find and keep a job. DEEWR states that: "The fund is designed to enable optimum flexibility so that each eligible job seeker receives assistance based on their individual needs and their barriers to employment. So the more help you need, the more help you get". ESPs report that inconsistent advice from DEEWR as to what may or may not be covered by the EPF, and lack of clear, objective guidance around its operation, has meant that many have adopted a conservative approach to its use. Greater objectivity regarding compliance issues would assist to clarify matters in this regard.

In a similar vein, in the area of training there is evidence that some ESPs are not linking with the broader range of training initiatives available and are, instead, focussing only on free training for their clients (for example, the Productivity Places Program). Greater clarification of the training initiatives available and cooperation among training providers, ESPs and DEEWR would assist in ensuring that jobseekers are referred to the training most appropriate to their circumstances and current needs.

This Report notes that an independent review of the jobseeker compliance framework (the Disney Review) was tabled in both Houses of Parliament on 30 September 2010. The review, chaired by Professor Julian Disney, commenced in April 2010

and included a series of public consultations in all state capital cities and some regional centres. The panel also invited written submissions. Among its terms of reference of most relevance to jobless families, the Disney Review looked at the effectiveness of the compliance regime in meeting job seeking requirements; its impact on vulnerable job seekers, including Indigenous job seekers; the impact of the compliance regime on employment participation and long-term unemployment; and the effectiveness and use of criteria such as hardship, vulnerability and reasonable exclusion within Comprehensive Compliance Assessments.

Among other issues, the Disney Review recommended that a major review of all Centrelink's and DEEWR's public documentation and electronic materials relating to the compliance system be conducted. It suggested that this review should aim to reduce substantially the number, length and complexity of documents and electronic material; remove inconsistencies between them; improve the clarity and accuracy of the formats for electronic reporting by providers; and improve the interoperability between the DEEWR and Centrelink IT systems. It also recommended that ESPs' employees receive adequate information and training regarding the compliance system, particularly regarding the Participation Report process and interacting with highly vulnerable jobseekers.

The Disney Review also recommended a number of changes that would operate to improve access, continuity and quality of employment service delivery for vulnerable jobseekers, which, if implemented, would be likely to impact positively on parents in jobless families. For example, encouraging ESPs not to be overly prescriptive in designing a jobseeker's Employment Pathway Plan until their individual circumstances have been fully explored; providing appropriate alternative contacts for hard to reach jobseekers, such as those who are homeless or from a non-English speaking background; and ensuring that (except in a narrow range of circumstances) where a jobseeker with a vulnerability is being assessed under the JSCI, the assessment occurs in person.

A fourth area of concern regarding JSA's operation (and inter-connected with many of the compliance issues discussed above) relates to its process-heavy administration systems. The Nous Group in its recent report, "*The evolution*

*of the Job Services Australia system*" found that ESPs spend close to 50% of their time with any one job seeker on JSA administration and compliance. Nous claims that close to 30% of this administration time (or 15% of overall time) is spent on unnecessary administration and duplicated effort with Centrelink.

An illustration of the complex, process-heavy nature of JSA is given by looking at the requirements of the Employment Pathway Plan (EPP) as one example. In order to draft a jobseeker's EPP, difficult judgements are required by employment consultants on a range of matters and their familiarity with a plethora of materials is necessary. Specifically, there are four ring binders comprising the EPP Guidelines; 200 different activity types; and, in total, 3,000 pages of JSA rules.

The Nous findings provide some *prima facie* evidence that not only is time and money being wasted on unnecessary administration by ESPs, in addition, the quality of jobseekers' experiences with and outcomes from the system are likely to be compromised. For example, the Nous Report states that: "ESPs are increasingly employing staff with process management rather than job seeker engagement skills to ensure compliance". For parents in jobless families, in particular those facing complex, multi-faceted barriers to employment (as discussed in Chapter 2) such an emphasis on process over interpersonal engagement with the jobseeker may well prove detrimental. Significantly, Nous estimates that, if JSA's administrative effort were to be 'reoriented' to focus more on the jobseeker experience, an estimated 46,700 additional jobs could be secured through the system.

## Disability Employment Services

This Report will now consider the adequacy of the DES scheme as it impacts upon jobless families in Australia. A large number of people in jobless families suffer from disability of some kind. This number appears to be increasing consistently. While in the period from October 2008 to May 2010 the total number of jobless families increased by 14%, in the same period the number of jobless families on the Disability Support Pension (DSP) and Carers Payments increased by 16% and 45%, respectively. Internationally, Australia ranks 13th out of 19 OECD countries on the engagement of people with disability in the workforce.

Briefly, though, before the adequacy of DES is examined, we provide a basic overview of how the scheme is structured. DES incorporates two programs:

(i) Disability Management Services (DMS) for jobseekers with disability, injury or health condition who require the assistance of a DES but are not expected to need regular long-term ongoing support in the workplace; and

(ii) Employment Support Services (ESS) for job seekers with permanent disability and with an assessed expected need for long term, regular support in the workplace.

The current DES model commenced on 1 March 2010. There are approximately 220 organisations contracted by the Australian Government to deliver DES at around 1900 sites across Australia. They provide a wide range of services and support to help find and maintain sustainable employment for jobseekers with disability. DES providers work to develop an Employment Pathway Plan, tailored to a jobseeker's individual needs. This sets out the services and assistance that individuals will receive to help them find and stay in a job. Once a person is placed in a job, their DES provider will continue to support them for at least 26 weeks, or longer if required.

The Employment Assistance Fund (EAF) provides financial assistance to individuals looking for, or already in work, as well as to employers, and DES providers seeking to fund services including workplace modifications and Auslan interpreting services for job interviews and work related activities. The Supported Wage System provides an industrial relations mechanism that enables the payment of a productivity-based wage to people who cannot work at full productivity.

We are advised that for many people wanting to return to work, a major disincentive is fear of losing their pension and associated benefits, in addition to a lack of awareness of currently available work incentives.

From our research, it appears that a number of aspects of DES could be improved to achieve better outcomes for parents in jobless families with a disability.

The Australian Government is currently piloting a new workforce re-engagement contact strategy through Centrelink for new entrants onto the DSP. Through this pilot, Centrelink will contact those newly granted the DSP to:

- > determine the most appropriate time and method for successfully encouraging re engagement in the workforce, including face-to-face interviews, telephone canvassing and group information sessions; and
- > make clearer the assistance and incentives available, the tapered withdrawal of income support, and the workforce re-entry suspension provisions.

This additional support will be provided to around 16,000 new DSP entrants each year, providing them with the assistance and confidence to successfully re-engage with the workforce and to participate more fully in community life.

Knowing the complexity and multifaceted nature of issues of disadvantage facing many jobless families (as outlined in Chapter 2), the effect of the additional challenges posed to an individual and their family by disability is likely to be especially potent. Accordingly, for these families in particular, reliance on their pension and related benefits is understandably likely to be very high. To increase workforce participation of this cohort, removing the disincentives to work (whether full or part-time), and ensuring the system facilitates a smooth transition from welfare to work, is imperative.

Second, like employment services for jobless families more broadly, DES could be improved by taking a more holistic approach to assisting a person with disability. As noted throughout this Report, in order to provide effective employment assistance to jobless families, the multiple barriers to employment and the issues of disadvantage facing the individual and their family must be addressed comprehensively, in a coordinated manner. DEEWR's Family Centred Employment Program (discussed in Chapter 5) and other proposed initiatives on jobless families (discussed in Chapter 3 and Chapter 6) are examples of how this might be achieved.

Thirdly, in order to prevent alienation from the workforce and social exclusion of jobless parents with disability, early intervention at critical points on the life/employment cycle spectrum is essential. Our consultations indicate that many people with disability face discrimination and/or stigmatization in the workforce. Support mechanisms must be built in to the disability employment services system to swiftly and appropriately deal with these issues when they arise and to direct the jobseeker towards positive employment outcomes.

## Indigenous Employment Services

The Australian Government has stated its commitment to halving the employment gap between Indigenous and non-Indigenous Australians within a decade. In the area of jobless families, this objective will be particularly challenging, given the fact that family joblessness is three times more prevalent among the Indigenous community compared to the non-Indigenous community.

While there are no specific programs or services targeting Indigenous jobless families, a large number of JSA providers deliver employment services to Indigenous job seekers, with 188 (approximately 9%) JSA providers specialising in Indigenous employment in locations across Australia.

For Indigenous job seekers living in a remote area, an ESP may refer them to their local Community Development and Employment Projects (CDEP) provider, who can work closely with the ESP, the Indigenous Employment Program (IEP) and other training and service organisations to help them get the skills they need to find a job.

The CDEP program contributes to the economic and social development of communities through the delivery of two streams—work readiness and community development. The work readiness stream supports Indigenous job seekers in remote communities to achieve their training and employment goals through activities such as vocational training, on-the-job work experience, English literacy and numeracy training, mentoring support and general work and life skills training. Employers who provide work experience placements for CDEP participants have access to the CDEP Work Experience Subsidy that aims to encourage them to offer work experience placements and pay wages directly to CDEP participants.

The community development stream facilitates CDEP providers to work with their communities to develop community action plans to support the needs and aspirations of communities. The plans set out the goals, actions and targets to improve community life and support the social and economic participation of people in the community. CDEP providers also provide an information and referral service to help Indigenous people and their families access other support services available in their region.

A number of reforms have been made to the CDEP program over the life of the program. The Australian Government is currently subject to some criticism for removing the program in a number of regional locations with services in these areas being replaced by JSA. It is expected that CDEP may be subject to further change over the course of 2010–11.

A second Australian Government initiative to support Indigenous employment is the Indigenous Employment Program (IEP). The aim of the IEP is to increase Indigenous employment outcomes and Indigenous participation in economic activities. The IEP supports a range of activities that assist employers, Indigenous Australians and their communities.

The IEP offers tailored solutions to assist employers to recruit, train and provide sustainable employment for Indigenous Australians. The program also supports Indigenous Australians and communities to pursue self-employment and business development opportunities in urban, regional and remote areas.

In addition, the Australian Government has implemented a range of measures to support Indigenous employment and economic development. These include the Indigenous Economic Participation National Partnership (a joint Commonwealth and state initiative to increase Indigenous employment in the public sector) and funding for the Aboriginal Employment Covenant (AEC) and Aboriginal Employment Strategy (AES).

The AEC and AES have experienced varying degrees of success and both take-up and the level of employment placements in some areas has been low. There are also reports of low levels of retention of Indigenous staff and difficult in servicing remote areas of Australia. ESPs in particular have reported that the costs associated with remote servicing arrangements pose significant strains on provider viability. Balancing these concerns with the importance of having a permanent presence to ensure continuity for jobseekers is highly problematic.

The recently released Australian Government draft Indigenous Economic Development Strategy for public consultation raises a number of options to increase the number of Indigenous Australians in the labour market. While this Strategy has yet to be finalised, it is useful to consider its early priorities and

recommendations in the context of exploring recommendations to support jobless Indigenous families. Some of the key recommendations in the Strategy include:

- > ensuring welfare and government programs do not discourage Indigenous Australians from joining workplaces—incentives could be introduced to support Indigenous Australians to return to work and support young Indigenous Australians in earning or learning activities;
- > improving employment services to match Indigenous Australians' job aspirations and employer business needs—this could involve trialling new ways of brokering government services and employer needs and encouraging employment services to extend their reach to large corporate organisations to promote Indigenous employment and retention;
- > increasing public sector employment and continuing progress to meet the target of achieving 2.6% representation in public sector employment by 2015—the Australian Public Service Commission implements a range of training and employment programs to increase Indigenous employment in the Commonwealth public service;
- > building the skills of the Indigenous labour force by ensuring Indigenous Australians have the necessary literacy, numeracy and language skills to allow them to be work ready; and
- > building private-sector employment and retention and better matching employment supply and demand—this could include encouraging employers to develop productive partnerships with Indigenous Australians and local employment service providers to increase demand, building partnerships between employers and governments to match supply with demand in regions and sectors experiencing skill shortages and working with the private sector and industry to support the transition from school into employment and to promote inclusive workplaces.

Like in other areas, it appears that siloed approaches in government policy and implementation may hamper efforts to address family joblessness in Indigenous communities. From the Board's consultations with relevant agencies, it appears that some objectives in government policy regarding Indigenous education and employment may be contradictory and not mutually reinforcing.

The target under Closing the Gap on Indigenous Disadvantage "to halve the gap for Indigenous students in year 12 attainment or equivalent attainment rates by 2020" is one example of an area where government policy on education may have militated against providing earlier awareness of employment options to Indigenous young people, based on the fear that such knowledge may lead students to choose to leave school prematurely. For example, the supposition has been made that, largely due to the Indigenous education target, there may be some reluctance on the part of educators to introduce Indigenous students in the first four years of high school to the full gamut of employment options available to them. These options might include tertiary education, trade qualifications, and direct paths from school to employment, that may engage the interests of different students, and therefore provide a smoother transition path from school to work, or from school to further study depending on the individual's goals and aspirations.

One possibility for improving the support provided to Indigenous jobless families—and to address some of the issues raised above—would be for the Australian Government to engage Indigenous caseload workers with the capacity to link in with various ESPs based on the number of Indigenous jobless families in a geographic area. In remote areas, such a mechanism would mitigate some of the challenges and costs of ESPs maintaining a permanent presence and, for the jobseeker, would provide continuity of service and an individualised service that is sensitive to personal and cultural factors.

## Conclusion

This Chapter has explored the adequacy of the current employment services system for jobless families in Australia, looking at JSA and DES, as well as the services available to Indigenous jobseekers. It appears that, while JSA and DES provide improvements to the previous Job Network services, there are a range of aspects that warrant significant changes being made if they are to meet the needs of parents in jobless families. In particular, concerns surrounding collaboration, the compliance framework, and the administration burden built into the system must be addressed, if a more individualised and responsive system is to be achieved.

# Family Centred Employment Project





# Family Centred Employment Project

## Key points:

> *The main issues raised during the pilot of the Family Centred Employment Project are:*

- : mechanisms for enhancing cooperation and sharing information*
- : enhancing linkages and connections between FCEP sites and ESPs*

Following our review in Chapter 4 of the adequacy of employment services currently available to jobless families in Australia, this Chapter considers DEEWR's Family Centred Employment Project (FCEP) as a particular example of a program directly targeted at improving the workforce participation of parents in jobless families.

First, it considers the objectives of the FCEP, that is, what problem the pilot is seeking to solve and what the evidence is for this problem. Second, it goes on to explain how the program is structured to seek to address the problem. Third, the Chapter sets out some preliminary comments on the evaluation of the program, noting that it has only been operating for a short period of time. Fourth, the Board provides some recommendations regarding how FCEP may be further developed to achieve the greatest benefits for jobless families in the future.

## What is the FCEP?

The FCEP is a demonstration project funded through the 2009-10 Federal Budget. According to DEEWR, the project aims to "increase the employment participation of people in jobless families by promoting co-ordinated service delivery among local service providers and by promoting the social, as well as educational and economic, participation of specific jobless families."

The FCEP is a social inclusion initiative and the Board has played a guiding role in developing and designing the project. Some of its input has been in the form of research, directing DEEWR to key contacts, acting as a sounding board and offering opinions and suggestions. Since implementation, the Board has been regularly updated on the ongoing progress of the FCEP. The FCEP is being run in three sites across Australia. It commenced in Broadmeadows,

Victoria and Goodna, Queensland in July 2010. In Mansfield Park and Angle Park, South Australia, the FCEP is being delivered as a subset of the South Australian Government's Building Family Opportunities (BFO) program. The delivery model in each site is different, and has been designed by service providers to reflect the specific needs, and incorporate the existing services and expertise, of the individual communities.

The eligibility criteria for accessing FCEP services are based on the Centrelink Administrative Data definition of a jobless family. To be eligible, a person must: be on income support for 12 months; have not declared any earnings in the past 12 months; have children under 16 years old; and live in one of the pilot program's postcodes.

## The objectives of the FCEP—what problem is the pilot seeking to solve?

As noted in earlier chapters, there are currently around 248,000 jobless families in receipt of income support for 12 months or more in Australia. Of this group, 84% are single parents; 52% of these families have been persistently jobless for the past three years; and, of the persistently jobless, 51% have a child under six years of age. Accordingly, when looking at the barriers to workforce participation faced by jobless parents, it is imperative to look at the entire context in which that individual and their family lives. By supporting the broader social and educational, as well as economic, participation of jobless parents and their children, the FCEP seeks to adopt just such an approach.

The evidence base for the FCEP was partly informed by the Australian Institute of Family Studies' (AIFS) Research Consultancy Project, Life Around Here, which was commissioned by DEEWR in November 2009. Participating in the

Study were 59 families living in Broadmeadows, Mansfield Park and Carole Park.

The three objectives of the FCEP are to:

1. support the employment, education and training, and social participation of jobless families in the community by increasing the capability of at least one individual within the context of their family and community;
2. establish wrap around services<sup>12</sup> and a no wrong door approach to service delivery within the locations, for those services associated with jobless families; and
3. identify, document and disseminate good practice behaviours and principles in assisting the participation of jobless families, including the establishment of wrap around and no wrong door approaches to service delivery.

### How is the program structured to achieve its objectives?

The FCEP involves family-centred, as opposed to individual-centred, servicing. Providers have developed service models that address the needs of the family as a whole, which may include assistance in areas such as child care, housing, financial management, parenting support, domestic violence, conflict resolution, mental illness and education participation.

This approach recognises that family joblessness is strongly associated with a wide range of issues of disadvantage, including low income, poor health, disability and low educational attainment, which may be an issue specific to the jobless individual, or may be an issue of a family member that affects the jobless individual's capacity to find and sustain employment.

Issues with access to child care form another significant barrier to finding employment. To support families in the FCEP (in Broadmeadows and Goodna) with children aged 0–5 years old, an Early Childhood Expert Officer will work with the FCEP participants to support improved servicing for these children.

To further support the goals of the FCEP, DEEWR has engaged a Local Jobs for Local Families consultant to work with employers to develop tailored employment opportunities for jobless families (in Broadmeadows and Goodna). The consultant will also play a role in influencing workplace policy and practice to achieve optimal results for both job seekers and employers.

### Preliminary indicators of progress of the FCEP to date

We note that the FCEP commenced in the Victorian and Queensland sites in July 2010; and in South Australia in August 2010. Accordingly, any assessments to date are necessarily highly preliminary in nature given the short time the project has been operating. While it is too soon to come to conclusions, one indicator of success will be the level of cooperation achieved with a broad range of stakeholders. With this qualification in mind, we make the following comments.

From consultations and site visits conducted by the Secretariat, it appears that cooperation between Australian Government agencies involved in delivery of the FCEP (specifically, DEEWR and Centrelink) will be a key factor in the success of this initiative and will benefit from early investment. In the case of the Broadmeadows pilot, enhancing coordination among and between Employment Service Providers (ESPs) in the immediate vicinity of the FCEP site would set the stage for a better integrated approach to employment service delivery. The large number of service providers located nearby to the FCEP offices is the perfect opportunity to build collaboration between the Commonwealth agencies, the states and local colleagues. A strong working relationship between ESPs and the FCEPs, would be a great opportunity to collaborate and share information.

<sup>12</sup> Wrap around services are services that address the full range of an individual's (and their family's) needs. For example, they incorporate not only employment services, but also assistance with housing, education and training, child care needs, physical and mental health, among other things.

### Emerging issues for evaluations:

It is recommended that the enhanced operation of the FCEP be evaluated in the following areas:

1. the eligibility criteria for determining access to FCEP, including the income threshold;
2. mechanisms for enhancing cooperation, and sharing information and systems, between Australian Government agencies responsible for delivering the FCEP;
3. enhanced linkages and connections between FCEP sites and ESPs working in their area, facilitating knowledge sharing, better and more efficient service delivery, and enhanced client outcomes; and
4. increased awareness between ESPs and communities, with ESPs assisting in clarifying the nature of the relationship, and opportunities for collaboration.

Lastly, consideration should be given to whether the learnings to date from FCEP can be incorporated into employment services in a more cost-effective way. The Board understands that some ESPs are currently considering this question.



# Conclusions and recommendations





## Conclusions and recommendations

As discussed throughout the Report, there are significant barriers to workforce participation (both internal and external) and issues of disadvantage impacting upon jobless families' social inclusion in Australia. Australia's high proportion of family joblessness compared to other OECD nations, while in part a reflection of aspects of the Australian social security system (which in many respects is more generous than those of other countries), has serious implications for our communities' wellbeing, today and into the future.

The research base indicates that the vast majority of jobless families are headed by single mothers. The evidence also highlights that *over half* of all parents in jobless families experience persistent joblessness for a period of three years or more. Over half (or 51%) of all persistently jobless families had a child aged six years old or younger. This leads us to the conclusion that, to be successful, any approach to improving the outcomes—work related and otherwise—of jobless families must include mechanisms to support single mothers and their children to maintain and strengthen their support networks in the community; to develop new skills and education; and, at the appropriate time, to transition from welfare to sustainable work (whether full-time or part-time) that is suited to their individual interests, capabilities and aspirations.

In general terms, the Board concludes that *sustainability, individualisation, achievability* and *accessibility* are integral aspects of approaches seeking to support jobless families to increase their economic and social participation. This appears to be the case whether the programs are government or community operated.

In relation to the Commonwealth employment services system, while the Board acknowledges that JSA is an improvement on its predecessor, the Job Network, there are still many respects in which JSA is ill-adapted to meet the needs

of parents in jobless families. Likewise, for parents in jobless families who are Indigenous or who have a disability (both groups who are statistically likely to experience the greatest disadvantage), changes to JSA and DES, respectively, are warranted. In sum, the Board considers that collaboration, the compliance framework, and the administration burden built into the system must be addressed, if a more individualised and responsive employment services system is to be realised.

With the above conclusions in mind, the Board makes the following recommendations to the Government:

### 1. That the Government seek to promote a holistic, collaborative approach to employment services for jobless families

The competitive nature of the JSA model, combined with the fact that Australia is currently a relatively tight job market, appears to militate against collaboration between ESPs under JSA.

By reviewing and amending the JSA star rating system to recognise—whether financially or otherwise—collaboration between ESPs, greater cooperation, expertise and information-sharing would be encouraged with the result that parents in jobless families would be more likely to receive the services they need.

In addition to incorporating recognition of collaboration, the Board recommends that some measurement of the *quality* of jobseeker outcomes should also be built into the JSA star rating system. For example, this might be achieved by attaching financial incentives to the quality of outcomes. Currently the JSA star rating system assesses ESPs based on measures of efficiency and effectiveness. By also incorporating a measurement of *quality*, more sustainable outcomes are likely to be achieved for jobless families.

## 2. That the Government address the multidimensional barriers to employment facing jobless families by adopting an individualised approach

There are many ways in which a more individualised approach to workforce (and social) participation might be achieved for jobless families. Some are system-oriented (for example, through DEEWR's FCEP; and by reducing the red-tape, duplication and emphasis on process faced by parents in jobless families as they navigate the JSA system); others are community-oriented (for example, by supporting community outreach programs, such as playgroups, one-on-one mentoring or advocacy through community-based or government initiatives, and community-based programs that provide transport options that are accessible and affordable).

The Board supports the development (and expansion) by government of personalised approaches to supporting jobless families, whether they are system or community-based.

## 3. That the Government address the tax and transfer system disincentives to work impacting on jobless families

One aspect of the tax and transfer system that provides a powerful disincentive to work for many parents in jobless families is effective marginal tax rates (EMTR). The impact of EMTRs and the withdrawal of concessions linked to income support payments can be a particular consideration for single parents at the boundary of Parenting Payment Single (PPS) and Newstart Allowance (NSA) when their youngest child turns eight.

While there are limits to the extent to which EMTRs can be reduced to improve incentives to work (because at some point the total level of assistance—comprising income support, family and rent assistance—has to be withdrawn), the Board recommends that the structure of incentives for lone parents be rationalised to provide clear incentives to work. In conducting this rationalisation, the Board recommends that

particular attention be given to the impact of such incentives on parents in jobless families:

- i at the border of the transition point from PPS to NSA; and
- ii entering into part-time employment.

## 4. That the Commonwealth and State Governments collaborate to ensure the transition points from welfare to work are better managed and conceptually coherent

Commonwealth and State Governments must work together to better support jobless families at the transition point from welfare to work. In order to do so, a holistic and whole-of-government approach is required. For example, by extending the eligibility period for access to non-financial benefits, such as the Pensioner Concession Card (PCC), a smoother transition for parents in jobless families returning to work would be facilitated. The PCC provides access to several Commonwealth concessions including bulk billing, pharmaceutical benefits and refunds for medical expenses.

States and territories also offer varying concessions including reduced utility costs, reduced fares on public transport and reductions on motor vehicle registrations. The Board underlines that inter-governmental and not-for-profit sector collaboration on the issue of access to transport and mobility, in particular, is imperative to assist highly disadvantaged individuals, in returning to the workforce. The Board suggests this matter be given further consideration as a possible issue to come before COAG.

Loss of access to these concessions due to a return to work can have a significant impact on additional costs, the ability to afford the on-costs of participating in the workforce, and loss of disposable income. By mitigating the negative impacts of sudden withdrawal of these benefits until an individual's work situation has stabilised, greater workforce participation would be supported.

## **5. That the Commonwealth and State Governments consolidate and increase child care subsidies**

For jobless families that have been able to make the transition into work, they should be able to access simple and appropriate financial assistance for their child care costs. The Henry Review (2010) recommended, and the Board supports, consolidating the current child care payments, Child Care Benefit and Child Care Rebate, into a single payment. The current arrangements are very complex and may mean some parents may be deterred from interacting with the system or may not recoup the full amount for which they are eligible.

Also supported is the Henry Review recommendation that child care subsidies should cover at least 90% of child care costs for low-income families, which is likely to include jobless families that have transitioned into work.

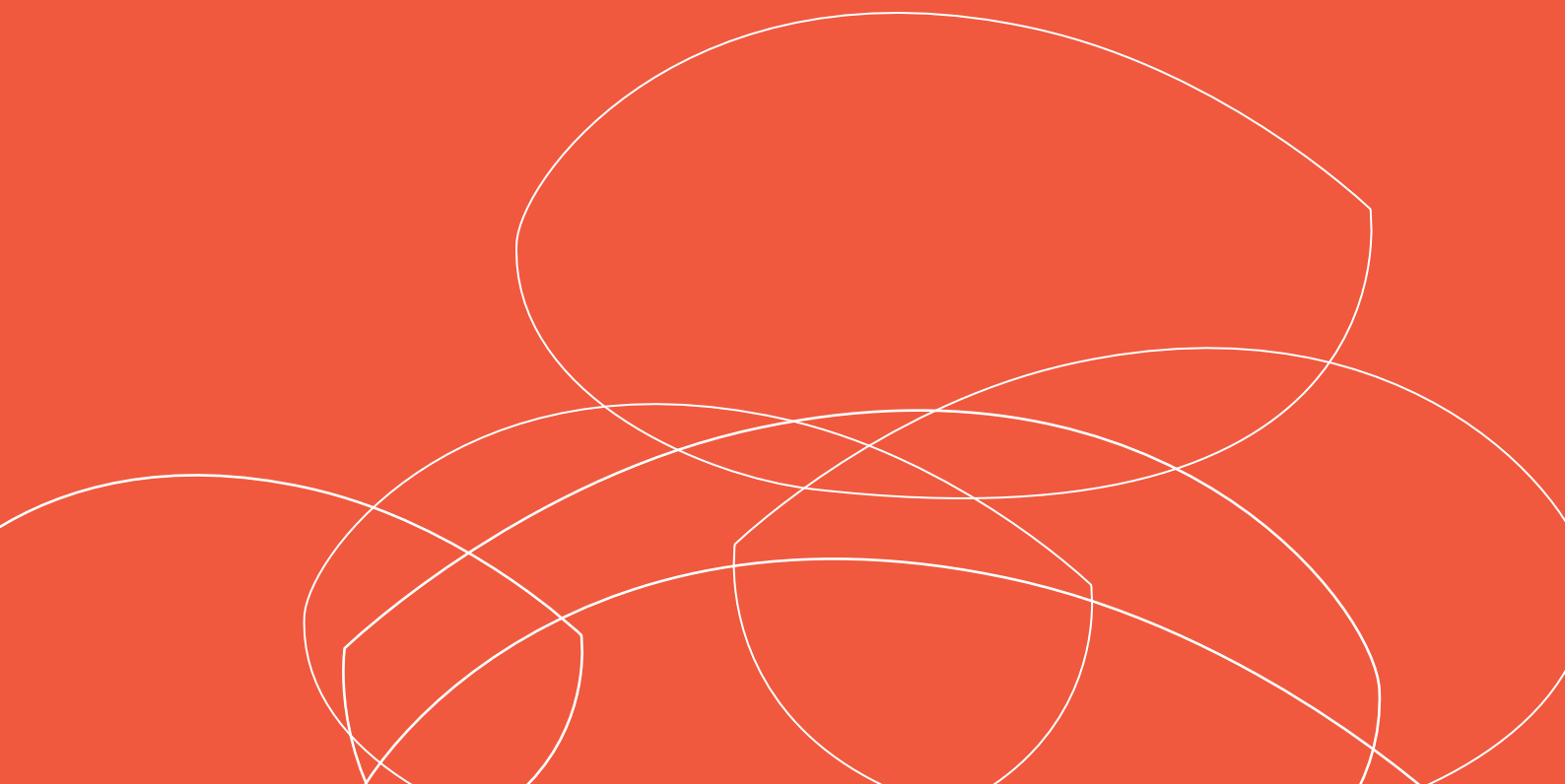
As part of this recommendation, the overall supply and distribution of child care places will need to be considered.

## **6. That the Commonwealth Government provide child care subsidies to support the development of children in jobless families**

In recognition of the role that high quality child care can play in supporting the development of disadvantaged children, the Henry Review (2010) recommended, and the Board supports, the Government subsidising the full cost of child care for children whose parents remain jobless. High quality child care has been shown to be one of the most effective early-intervention strategies to enhance developmental outcomes for disadvantaged children, in particular, regarding language and cognitive development.



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