



**The adequacy of Newstart
and related payments**

A submission to the:
**Senate Community Affairs References
Committee**

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yourtown, September 2019

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About yourtown

yourtown is a national organisation and registered charity that aims to tackle the issues affecting the lives of children and young people. Established in 1961, **yourtown's** mission is to enable young people, especially those who are marginalised and without voice, to improve their life outcomes.

We are one of the largest providers of charitable youth services in Australia, employing over 700 staff across four states. We currently have 50 service centres in 36 locations across Queensland, New South Wales, South Australia and Tasmania. Our service locations are focused in areas of high socio-economic disadvantage include:

- Kids Helpline, a national 24/7 telephone and on-line counselling and support service for 5 to 25 year olds with special capacity for young people with mental health issues
- Employment and educational programs and social enterprises, which support young people to re-engage with education and/or employment, including programs for youthful offenders and Aboriginal and Torres Strait Islander specific services
- Accommodation responses to young parents with infants and children who are identified as being at risk, and to women and children seeking refuge from domestic and family violence
- Young Parent Programs offering case work, individual and group work support and child development programs for young parents and their children
- Parentline, a telephone and online counselling and support service for parents and carers'
- Mental health service/s for children aged 0-11 years old, and their families, with moderate mental health needs
- Expressive Therapy interventions for young children and infants who have experienced trauma and abuse or been exposed to violence.

yourtown's work with unemployed young people

We have over 15 years of experience helping young people who face significant barriers to finding and keeping a job. We currently deliver youth specialist jobactive services under subcontract to MAX Employment in 26 locations and Transition to Work (TtW) in 12 locations across four states, as well as ParentsNext in Elizabeth in South Australia. As a result of our experience, we are currently piloting an innovative approach to addressing long-term youth unemployment in Elizabeth, South Australia, Caboolture in Queensland and Burnie-Devonport, Tasmania called your job your way.

We also run **social enterprises** that aim to tackle long-term youth unemployment and disadvantage by providing young people with paid work experience and training as a 'stepping stone' to open employment. Our social enterprises employ young people aged 15-25 years, who are not yet work-ready, and transitions them to sustainable employment through a combination of paid work, on the job training, and support to overcome personal barriers.

Most of our face-to-face services specialise in working with young jobseekers who are at the highest risk of long term unemployment, including: early school leavers; young Aboriginal and Torres Strait Islander peoples; young offenders/ex-prisoners; those from culturally or linguistically diverse backgrounds, and single parents from jobless families.

Introduction

yourtown strongly welcomes the Senate's inquiry into 'the adequacy of Newstart and related payments and alternative mechanisms to determine the level of income support payments in Australia'. We are keen to share the insight we have obtained through our work with the Committee on this important issue.

As a provider of a range of services to disadvantaged children, young people and families and a specialist youth provider of jobactive in 26 locations and of Transition to Work in 12 locations across Australia, we understand the transformational power of employment on young people's lives and, conversely, the long-lasting, detrimental effects that unemployment, underemployment, and particularly long-term unemployment, has on a wide range of life outcomes. We strongly believe, therefore, that supporting people who can work into employment should be a key policy focus of all governments. At the same time, we see that care has to be taken to ensure that policies relating to income support empower people to find work rather than trap them through creating dependence.

However, the current debate about the appropriate level of income support payments in Australia is significant not because present levels of welfare are too high but rather that they are too low, and thereby are preventing people from maintaining acceptable standards of living in line with community expectations – both national and international.¹ In our experience, the current levels of income payments are so low that rather than providing a safety net which enables those in receipt to support themselves, their family and find work, they are contributing to the often many complex challenges welfare recipients face and are increasing their vulnerability.

For example, in relation to young people specifically, we know that finding work is more challenging with the unemployment rate higher than the unemployment rate for all other persons (11.5% and 5.3% respectively²) and young people comprising just 16% of the total population, but 26.1% of long-term unemployed people.³ Whilst finding work can be especially difficult for any young person regardless of their qualifications or background given the lack of appropriate employment and changing labour force, we know that disadvantaged young jobseekers require significant support to prepare for, and to be able to maintain, employment. This is because they have significant issues – e.g. low educational attainment, mental health issues, intergenerational disadvantage and employer stigma they must overcome to find work. Being in receipt of low government financial support that is not suffice to pay rent and bills, buy work clothes or pay for transport and food, is an additional hurdle that means instead of being a path to fulfil their potential, jobseeking becomes another stressor in their life.

Indeed, for some of our clients, including survivors of family violence, a direct link between the low levels of income support they receive and their engaging of highly risky and criminal behaviour and activities is evident. Clearly, it is time that government considered the impact of its income support approach on the social and economic outcomes of our most vulnerable people, as well as the

¹ Organisation for Economic Cooperation and Development (OECD) (2015). Employment Outlook 2015. OECD Publishing.

² Australian Bureau of Statistics Labour Force data (August 2019)

³ Australian Government (2018) The next generation of employment services. Discussion paper. Appendix G, 108

repercussions that failing to appropriately support them has on their peers, families and communities and the increased demand it creates on wider support services and interventions.

Given the number and complexity of the challenges that young, disadvantaged jobseekers face, **yourtown** has long been an advocate for changes to the current jobactive model owing to its notable lack of effective, holistic support to address the multi-faceted issues facing disadvantaged jobseekers. We have even developed, and are trialling and evaluating, a new model of support (your job, your way) for long-term unemployed young people - a cohort whose numbers continue to increase - which is designed to better address their barriers to sustainable employment. Hence, in addition to reviewing the level at which it sets income support payments, we also ask that government considers the wider supports and mechanisms it has in place to assist disadvantaged jobseekers. For it is only by ensuring that government addresses and supports their holistic needs will it be successful in transitioning them to sustainable employment and, therefore, away from a lifetime of welfare support.

To this end, in our submission, we present the barriers and facilitators to finding employment for disadvantaged young jobseekers, in addition to highlighting just some ways in which Newstart and other related payments increase the vulnerability of our clients.

yourtown submission

In our submission, we respond to three areas of the Committee's terms of reference:

- b. The labour market, unemployment and under-employment in Australia, including the structural causes of long term unemployment and long term reliance on Newstart
- h. The adequacy of income support payments in Australia and whether they allow people to maintain an acceptable standard of living in line with community expectations and fulfil job search activities (where relevant) and secure employment and training
- f. The impact of the current approach to setting income support payments on families experiencing and escaping family violence

b. The labour market, unemployment and under-employment in Australia, including the structural causes of long-term unemployment and long-term reliance on Newstart

Through our work with young people, we know that employment has the power to provide every young person with the opportunity to reach their potential in life and, like many others, we believe that employment is critically important to an individual's wellbeing. We see firsthand the transformational change that stable employment brings to the young people with whom we work, driving our motivation to deliver services in this area.⁴ Employment has an array of social and economic benefits for individuals, families and communities, including:⁵

- Providing income stability and security
- Building and maintaining skills and knowledge
- Supporting social and community participation
- Improving health and wellbeing.
- Reducing the need for government welfare payments and support services across the board, while increasing productivity and tax collection.

Across Australia, significantly higher youth unemployment rates than the unemployment rate for all other persons continues to be the norm (11.5% and 5.3% respectively⁶). It is a pattern that is particularly evident following an economic crisis. For example, before the GFC, a young person spent an average of 13 weeks looking for work, less than 20% of whom were long-term unemployed. However, by February 2014, a young person spent an average of 29 weeks looking for work, and over 55% of them were long-term unemployed.⁷

Understanding what the barriers are that prevent young people from being able to engage with employment is clearly critical given the significant economic and social outcomes for individuals

⁴ yourtown submission to the Victorian Legislative Assembly, Economy and Infrastructure Committee on 'Sustainable employment for disadvantaged jobseekers':

<https://www.yourtown.com.au/sites/default/files/document/Sustainable%20Employment%20for%20Disadvantaged%20Jobseekers%20-%20submission.pdf>

⁵ Anglicare Australia (2018) Jobs Availability Snapshot 2018, Australian Government Productivity Commission (April 2015) Housing Assistance and Employment in Australia: Productivity Commission Research Paper. Volume I: Chapters, Social Ventures Australia (February 2019). Fundamental principles for youth employment. and Waddell, G. & Burton, K. 2006. Is work good for your health and well-being? Executive Summary. Norwich: TSO

⁶ Australian Bureau of Statistics Labour Force data (August 2019)

⁷ Social Ventures Australia (February 2019). Fundamental principles for youth employment.

and communities that arise from secure work. To this end, we set out the structural barriers that make young people a disadvantaged jobseeking cohort in their own right, as well as those barriers – systemic and personal – that place disadvantaged young people at higher risk of unemployment and long-term unemployment.

Structural barriers to youth employment

A number of structural barriers are held responsible for high youth unemployment and long-term youth unemployment, including:

- The increasing casualisation of work and underemployment
- An ageing workforce
- Fewer low skilled, entry-level jobs
- Higher demand for higher skilled employees and credential inflation
- Low levels of macroeconomic stimulation (e.g. public infrastructure spending)⁸

Together, these barriers result in there simply being too few appropriate jobs for young people.⁹ Indeed, Anglicare's Jobs Availability Snapshot has continued to show (since 2016 when it began) that there are insufficient numbers of low-skill, entry-level jobs available for jobseekers with barriers to work.¹⁰ In May 2018, there were 110,735 jobseekers with barriers to work but only 14% of jobs advertised were low-skill, entry-level jobs, with 4-5 people competing for each of these jobs.

Hence, there is a clear lack of appropriate employment for young people entering the workforce, and for disadvantaged young jobseekers in particular. As our economy and society evolves – and unless government intervenes – young people are likely to be further squeezed in the labour market and will find it increasingly difficult to gain secure and meaningful work, creating a range of long-lasting social and economic outcomes that detrimentally impact their lives, their families and their communities as a result.

Systemic barriers to youth employment

We have identified the following systemic barriers to disadvantaged young people obtaining employment: school engagement, employment services and jobseeker payments.

- School engagement

School and other educational institutions and community organisations can help prepare young people to enter the workforce.¹¹ However, we know that for too many young people – particularly those who have challenging circumstances at home (see personal barriers below) – school is not set up to support their engagement and many schools and their staff are ill-prepared to recognise and appropriately respond to the signs of student trauma and other serious issues. The result is that for too many children and young people school becomes a barrier and they disengage from school and leave without their Year 12 certificate.

⁸ Social Ventures Australia (February 2019). Fundamental principles for youth employment.

⁹ Muir, K, Powell, A & Butler, R. (19 March 2015) A whacking stick is not enough to get young people into work

¹⁰ Anglicare Australia (2018) Jobs Availability Snapshot 2018

¹¹ Social Ventures Australia (February 2019). Fundamental principles for youth employment.

However, as a provider of school reengagement programs for disadvantaged children and young people, we know that it is possible to provide this cohort with the support they need to achieve important educational outcomes. Hence, we believe that schools need to review their current ways of working with disadvantaged students so that they are better equipped to understand their backgrounds and thereby accommodate their needs - rather than see them as a problem or as a disrupting force, and continue to seek to make them to conform to circumstances in which they are not able to cope and thrive.

Furthermore, this should include preparing all students for the workplace by providing education on employment and pre-employment (which can be independently delivered) and inviting local employers into the school so that they can meet with students and share with them their expectations of employees. Leaving young people to learn about the world of work outside the school only further disadvantages at risk cohorts of young people who are less likely to have role models who work and can tell them about what to expect. In turn, employers can be educated about how best to support young people at work, particularly those most disadvantaged, which could have notable mutual benefits for local employers in need of employees and local students in need of work. It would also help to reduce employers' stigma about recruiting through jobactive and employing disadvantaged jobseekers.

- Employment services

Through our delivery of jobactive as a youth specialist, we have been struck by the prevalence of mental health issues in long-term unemployed young people. Indeed, it is an area of the program that we have long highlighted to the Federal Government as in need of reform as research, including our own, shows that unemployed young people, and especially long-term unemployed young people, are disproportionately affected by mental ill-health compared with both their employed peers and older cohorts of unemployed people.¹² However, given the structure and high caseload of jobactive, it is extremely difficult to meet the mental health needs of young people who present with them through the program due to the lack of funding to support psychological and/or psychiatric interventions.

For example, jobactive's assessment (the Job Seeker Classification Instrument), which is conducted by Centrelink, has been found to not accurately stream clients, and as a result many clients with complex issues such as mental health, homelessness or integrating back into the community post detention find themselves placed into Stream A (designed to assist job seekers with a high level of independence).¹³ In such incidences, we will reassess these clients so that their needs can be better met but even the scope for meeting complex needs in jobactive is limited given the caseload of jobactive staff (of around 130 clients), consisting of clients from a range of streams. In addition, the reclassification process is slow meaning that supports may not be provided when they are needed.

This is of particular concern given young people are among the most disadvantaged in the labour market, that their mental health suffers the longer they remain unemployed and since long-term

¹² yourtown (March 2016) Tackling Long-Term Youth Unemployment: Discussion Paper: https://www.yourtown.com.au/sites/default/files/document/Long-term%20Youth%20Unemployment%20Discussion%20Paper_0.pdf

¹³ Education and Employment References Committee Report 'Jobactive: failing those it is intended to serve' (February 2019)

unemployment itself is a contributing factor to mental ill-health. Yet too many find themselves in a system that is not well equipped to support and address their mental health issues, and therefore to help them find work. Furthermore, whilst we recognise long-term unemployment as a barrier to finding work itself, the jobactive system does not and so long-term unemployed clients are not automatically provided the greater support that they need.

In its 2018 Discussion Paper 'The next generation of employment services', the Australian government suggests that more support should be provided to help disadvantaged job seekers to find work, noting that some job seekers face significant, complex barriers to both entering and sustaining work.¹⁴ Hence, the Australian government's Employment Services Expert Advisory Panel has suggested that a future employment services model could direct additional resources to the most disadvantaged job seekers. The OECD also recommends that government employment services "concentrate...scarce resources on job seekers who have become long-term unemployed, or ideally those most at risk of becoming long-term unemployed".¹⁵

In fact, OECD analysis has found that job seekers who face substantial barriers to employment require intensive support if they are to find and maintain work, an approach to helping disadvantaged job seekers that has also been found to be effective in Australia's employment services.¹⁶ We have long advocated for person-centred and holistic support for Australia's disadvantaged young unemployed given, the number of, and multidimensional nature of the challenges they face. This includes calling for a much reduced caseload for employment consultants (jobactive consultants currently have an average caseload of 148 clients¹⁷) so that they have the time to develop rapport and trust with clients, which is an approach we are currently trialing in your job your way.

- Jobseeker payments

Issues relating to jobseeker payment are discussed in the following section (h).

Personal barriers

There are a number of cohorts of young jobseekers who are more likely to experience unemployment and for longer periods than their counterparts. The cohorts most at-risk of unemployment that are widely recognised in Australia are:¹⁸

- Young people with a disability,
- Young First Australians,
- Young people with caring responsibilities,
- Young people from low socio-economic families and
- Young people without Year 12 attainment.

For those young people who find themselves unemployed and for longer periods, many of these issues intersect or are interrelated, and often they are compounded by intergenerational

¹⁴ Australian government (2018). The next generation of employment services: Discussion paper.

¹⁵ Organisation for Economic Cooperation and Development (OECD) (2015). Employment Outlook 2015. OECD Publishing.

¹⁶ Department of Education, Employment and Workplace Relations (2013). Better Practice Guide 4: Case Management.

¹⁷ Lewis, J., Considine, M., O'Sullivan, S., Nguyen, P. and McGann, M (2016) From entitlement to Experiment: The New Governance of Welfare to Work - Australian Report back o Industry Partners. University of Melbourne.

¹⁸ Social Ventures Australia (February 2019). Fundamental principles for youth employment.

disadvantage. For example, when families experience multifaceted disadvantage - such as financial hardship, poor housing/overcrowding or homelessness, family conflict or dysfunction, mental health issues, involvement with the justice system or drug and alcohol misuse - children's school attendance and education is likely to suffer.¹⁹ Indeed, disadvantaged students are significantly behind in reading and maths, Year 12 completion rates are nearly 20% lower than for students from high SES backgrounds and university students from high SES backgrounds are three times more likely to attend than students from low SES backgrounds.²⁰

Research findings also overwhelmingly demonstrate that poor educational outcomes lead to poor employment outcomes, whilst financial hardship induces stress and significantly impacts on people's ability to function well in other areas of life. Conversely, higher educational attainment results in improved employment and therefore economic outcomes for an individual, a family and a community.²¹ **yourtown** works with many children and families for whom intergenerational disadvantage is a reality. Many of our clients accessing our employment support programs have parents who have never worked or who are unemployed, and have been affected by a range of other issues such as childhood trauma. It is likely, that without appropriate support they may too lead lives mirroring that of their parents.

Often, those young people with the most significant personal barriers to overcome become long-term unemployed. Given the increasing numbers of clients we work with who are experiencing long-term unemployment, we have undertaken significant research with this cohort to better understand both the barriers to employment from their perspectives and the support they require to help find secure employment. In the section below, we outline this research and our new model of support (your job, your way) which we are currently trialling and evaluating.

your job, your way – a new, evidence-based model of support

Increasing numbers of young people are experiencing long-term unemployment. Long-term youth unemployment is defined as young people aged between 15 and 24 years who have been unsuccessful in securing work for any period longer than two weeks, for at least one year. In 2006/07 over 44,000 young people were in long-term unemployment. This rose to over 51,000 young people in 2016-17.

yourtown works with more than 7% of these young people through our employment support programs. Subsequently, we have an extensive knowledge of the barriers young people face when trying to access sustainable work as well of the enduring detrimental impact that long-term unemployment can have on young lives.

What we know

Long-term unemployed young people deal with a range of highly complex and multifaceted issues, unlike those who are in short-term unemployment, which can increase their risk of social exclusion and permanent detachment from the labour market. These barriers and their

¹⁹ The Smith Family: <https://www.thesmithfamily.com.au/poverty-in-australia>

²⁰ Ibid

²¹ Ibid

consequences are compounded as time spent in unemployment is prolonged, further impeding their opportunities in acquiring long-term sustainable work. However, current difficulties in accessing suitable longitudinal data for young people means there is a lack of specific research in how to best support these young people and tackle this ongoing issue. Furthermore, rigorous evaluations of current responses to alleviate long-term youth unemployment are scant.

To help address this gap in knowledge, **yourtown** undertook a survey of nearly 300 young people in long-term unemployment across Australia. Through this research, young people told us that the following issues prevented them from finding employment:

- Educational - such as low levels of formal schooling, literacy and numeracy
- Vocational - such as limited work history and low work skills
- Contextual - such as intergenerational unemployment and living in low socio-economic areas
- Practical - such as not having a driver's licence and limited access to support through social/familial networks or services
- Psycho-social - such as mental health concerns, substance use, and homelessness
- Cognitive-motivational - such as low self-esteem and poor decision-making skills; and
- Anti-social - such as offending history and poor anger management

A diverse group with diverse needs

Our survey also showed that young people in long-term unemployment are not a homogenous group and different youth cohorts have varying experiences of long-term unemployment – critical insight when developing effective interventions. For example, young men, who have a higher rate of long-term youth unemployment than their female counterparts, told us that not having a driver's licence, limited transport, low literacy and numeracy, anger management issues, unstable accommodation, and offending history were more important barriers to employment. Young women, on the other hand, told us that they more often experience a lack of available jobs, low self-esteem and mental health issues as employment barriers.

First Australian young people ranked a lack of qualifications as the main barrier to employment, whilst young people with culturally and linguistically diverse (CALD) backgrounds rated difficulties in accessing social and institutional support due to their residency or citizenship status as a principal work barrier. The top issue for young people in regional and remote areas was the lack of jobs, whereas young people in metropolitan cities were more likely to view limited work experience, low work skills, and having no car as barriers to employment.

From our research findings, we developed a specific model to help long-term unemployed young people into work – your job, your way – and which in view of their needs, is based on providing relationship-based, holistic and intensive case management support. We are currently piloting and rigorously evaluating this model and set the details of this model below to demonstrate what we believe is needed to ensure that all young people have the opportunity to successfully find and sustain work.

Given the complex needs of long-term unemployed young people, it became increasingly clear that existing caseload sizes in jobactive do not provide our consultants with the time required to develop the rapport and trust necessary to work with these clients, to comprehensively understand their individual needs, strengths and interests, or to develop a detailed plan of action in collaboration with other service providers, including post-employment strategies targeting ongoing capability development.

We therefore used our research with young people alongside other existing research into tackling youth unemployment to develop a model for support services to effectively assist long-term unemployed young people to engage in sustainable employment. Named **your job, your way**, it is designed to meet a range of different needs throughout the life of a long-term unemployed young person's journey into work. In addition, it recognises that long-term unemployment is a barrier to finding work itself and compounds existing issues that prevent job obtainment.

your job your way targets young people aged 16-24 who have been unemployed for over 52 weeks, and are at high risk of social exclusion and permanent detachment from the labour market. Central to its approach is the delivery of intensive, concurrent services and support to small active caseloads of around 25 young people. This is achieved through the provision of a dual support team of a qualified case manager (Pathways Coach) and an Employment Mentor – both of whom have been recruited for their knowledge and skills in identifying and working with people with mental health issues – who work with the young person using a collaborative strengths-based, trauma-informed approach, coupled with targeted employer engagement and intensive 'in work' mentoring to 26 weeks.

We are currently funding pilots of the model in Elizabeth in South Australia, Caboolture in Queensland and, with the Australian Department of Social Services, Devenport-Burnie in Tasmania – three areas of high disadvantage and high rates of long-term youth unemployment. The Macquarie Group Foundation is also funding the Centre for Social Impact (University of New South Wales) to provide an independent evaluation of these pilots to ensure that the effectiveness and impact of these pilots on young people and the community is thoroughly tested and measured. We are confident that we will be able to share some positive results showing how intensive relationship-based approaches can effectively transition Australia's most disadvantaged job seekers into sustainable employment in the near future.

yourtown recommendations

Recommendation 1: Provide support for children and young people at risk of disengaging or who have disengaged from school and education, as well as consider how educational environments can be reformed to better accommodate the needs of a wider cohort of children and young people – particularly for those who have been affected by significant trauma or for whom the traditional school environment is not a good fit.

Recommendation 2: Provide guidelines for schools on how to work with local employers and increase employer-student engagement within school.

Recommendation 3: Provide intensive support to meet the mental health needs of young people accessing jobactive, TTW and other employment services.

Recommendation 4: Increase the current financial support available to young jobseekers to prevent the escalation of disadvantage and in acknowledgement of the significant barriers young people face to find work meaning many require long-term support.

Recommendation 5: Increase funding for specialist employment support programs targeting long-term unemployed young people.

h. The adequacy of income support payments in Australia and whether they allow people to maintain an acceptable standard of living in line with community expectations and fulfil job search activities (where relevant) and secure employment and training

Although Australians widely accept that there should be a safety net in place to support unemployed people, where the balance sits in regards to the level of payments to both enable and incentivise effective jobseeking is disputed. Currently, however, the levels of Newstart and youth allowance are undoubtedly too low and only further compound the desperate circumstances of individuals, families and communities in poverty. Research undertaken by ACOSS and Jobs Australia into jobseekers support this argument: of those currently in receipt on payments relating to unemployment, 44% had received them for more than 2 years, and 15% for more than 5 years.

The current Newstart Allowance is \$34.98 a day for a single adult with no children, \$37.84 a day for a single adult with dependent children and \$31.57 a day if you have a partner.²² When the average additional welfare payments that an unemployed person receives are combined to the average Newstart allowance, the total average allowance that someone who is currently unemployed has to live on is \$40 a day, or \$560 a fortnight.²³ Clearly, when rent, food, transport and other expenses are factored in, it is hard to understand how someone might live on this sum independently and it would be much hoped that for anyone having to depend on income support that they have additional savings or support networks to which they can turn. Yet we know many young people are unlikely to have savings, and too many often do not have such additional family support on which they can depend.

Given the average levels of Newstart payments, it would also be hoped that anyone depending on income support whilst looking for work would only have to depend on these payments for an extremely short period of time. Yet, as we have seen in discussion on barriers to finding employment in the section above, this is often not the case and many people depend on these allowances over the long-term. According to the Department of Social Services figures, the proportion of Newstart recipients on payments for more than a year has climbed from 69% in 2014 to 73% in 2016, and to 76.5% in 2018,²⁴ and the average period of time a person can expect to spend on Newstart is 3 years.²⁵

In addition, a 2018 Deloitte Access Economics report has found that as Newstart is indexed to prices rather than wages like the age pension, it has barely increased in real terms over twenty years whilst the age pension has doubled.²⁶ What's more, as long ago as 2010, the Organisation for Economic Cooperation and Development (OECD) raised "concerns about [Newstart's] adequacy".²⁷ In its report on Australia, the OECD found that Newstart was neither sufficient to live on or to support job search.

In relation to jobseeking, it is understandable that if people are having to fixate on how they will get by each day, there is little likelihood they will have the opportunity to prepare to look for work. In

²² <https://www.humanservices.gov.au/individuals/centrelink>

²³ <https://theconversation.com/factcheck-do-99-of-newstart-recipients-also-receive-other-benefits-116667>

²⁴ <https://theconversation.com/are-most-people-on-the-newstart-unemployment-benefit-for-a-short-or-long-time-120826>

²⁵ <https://www.theguardian.com/australia-news/2019/aug/17/newstart-and-life-on-40-a-day-its-not-living-its-surviving> and <https://data.gov.au/dataset/ds-dga-cff2ae8a-55e4-47db-a66d-e177fe0ac6a0/details>

²⁶ <https://www.acoss.org.au/wp-content/uploads/2018/09/DAE-Analysis-of-the-impact-of-raising-benefit-rates-FINAL-4-September-...-1.pdf>

²⁷ <https://theconversation.com/its-not-just-newstart-single-parents-are-271-per-fortnight-worse-off-labor-needs-an-overarching-welfare-review-107521>

our experience, disadvantaged young jobseekers cannot afford the basics – they lack appropriate work attire, transport options (including costs of obtaining a driving licence) and often will not have had a good night's sleep or good food if their housing situation is transient.

Indeed, we know through our work with young people that transport is a key barrier to this cohort successfully finding employment. In 2016, we found that 80% of our clients in jobactive who were long-term unemployed did not have a driver's licence.²⁸ Not having a licence arises from the barriers of costs and the lack of social and family support needed to assist them to complete their targeted driving hours, which is an eligibility requirement. Subsequently, young people must rely on public transport (where it exists), which can be costly. Newstart payments can easily and equally be used up by the costs of obtaining a driver's licence, running a car or catching local public transport to attend job interviews. It is clear that these factors will prevent many jobseekers from presenting in a credible way at a job interview. Hence, it is easy to understand why jobseeking may not be viewed positively by some as it becomes yet another significant source of stress in their lives.

Furthermore, research undertaken by the Australian National University found that the lack of real income growth for households depending on allowances such as Newstart had caused after-housing poverty rates to rapidly increase between 1993 and 2017 by 225%, with after-housing poverty rates for households living on Newstart nearly 80% in 2017, up from 39% in 1993.²⁹ Those depending on income support payments are undoubtedly struggling to get by.

yourtown recommendations

Recommendation 6: Revise the approach to setting jobseekers allowances so that they are indexed to wage and not price inflation.

Recommendation 7: Increase Newstart payments by at least \$75 a week as suggested by modelling commissioned by ACOSS evidencing its benefits more widely.³⁰

Recommendation 8: Review all income support payments to ensure they facilitate jobseeking activities rather than contribute to the further vulnerability of disadvantaged jobseekers.

²⁸ **yourtown** (March 2016) Tackling Long-Term Youth Unemployment: Discussion Paper:

https://www.yourtown.com.au/sites/default/files/document/Long-term%20Youth%20Unemployment%20Discussion%20Paper_0.pdf

²⁹ <https://www.theguardian.com/australia-news/2019/sep/13/households-on-newstart-have-suffered-dramatic-rise-in-poverty-over-25-years>

³⁰ <https://www.acoss.org.au/wp-content/uploads/2018/09/DAE-Analysis-of-the-impact-of-raising-benefit-rates-FINAL-4-September-...-l.pdf>

f. The impact of the current approach to setting income support payments on families experiencing and escaping family violence

yourtown runs a refuge for families affected by family violence in Queensland and through this service we see how the current levels of Newstart and other support payments have deleterious impacts on many of the families with whom we work. Indeed, the repercussions of setting support payments too low are starkly demonstrated with this cohort of people.

Survivors of abuse who are trying to or who have left a person using violence (PUV) are likely to be severely financially constrained. Many will have experienced financial abuse within the relationship with the PUV, whereby the PUV either subtly or obviously took control of finances and spending by, for example, restricting access to bank accounts and/or forbidding the survivor to work. In fact, financial concerns are a common reason why victims do not leave their abusive partner. For those who do leave, their financial situation is typically extremely precarious as:

- They now have no home and will likely be in temporary accommodation
- They face continued financial abuse from the PUV - e.g. through the PUV cutting off access to finances and dragging their feet in legal proceedings including those relating to financial settlements
- They now have to provide for any children who have fled with them – and again as legal settlements will take time to be resolved that is often without child support payments from the PUV
- They are likely to have left the local area in which they live, including therefore any employment they had and any support networks. Where they can continue to work they often are confronted by a lack of understanding by their employers about their predicament and need for flexibility or some time off.

For all these reasons, they will likely be financially dependent on the state. Yet following bureaucratic delays in being able to access income support through Centrelink, survivors will soon discover that when they do receive access to income support, it is not sufficient to live on and instead only adds to problems that confront them.

For example, we find that the current level of Newstart and any related payments that the survivors receive who we work with in our refuge are responsible for:

- Significant difficulty in accessing housing due to the level of income they receive:
 - Is not enough to be able to rent in the private market and therefore they often cannot access housing in an area of their choice or near their social supports or work.
 - Means that even supported housing providers are increasingly turning them down (even when they are supposed to support them) as 25% of their income is simply too little to cover the operational costs of the providers.
- Preventing survivors from leaving refuges as they cannot find affordable private or social housing, and therefore, from preventing other survivors from seeking refuge at family violence shelters. Our refuge is supposed to accommodate survivors for 3 months but we

typically support people for 9-12 months as they cannot find anywhere they can afford to live on their income.

- Some survivors not being able to care for or see their children as the courts may have made having stable accommodation a stipulation of their return to their care or of visits.
- Some survivors returning to unsafe relationships with PUVs due to being unable to afford to live independently.
- Increasing emotional harm as limited funds results in further social isolation and lack of ability to pay for transport or fuel to access supports, services and employment.
- Contributing to the health issues survivors experience e.g. depression, anxiety, suicide ideation, which then also increases fatigue and leads to physical health issues.
- Reducing the capacity of survivors to parent due to cost of living and affordability stressors.
- Forcing some survivors into (unsuitable) work, when they do not yet have the mental or emotional capacity to return to work.
- Survivors turning to unsafe coping strategies, e.g. AOD, paid sex and crime to cover cost of living and certainly to many not being able to deal with existing unsafe coping strategies.

In our experience, single women who have survived family violence find living on income support payments even more difficult as they do not have access to much needed additional income (e.g. family and child income support payments). These women find it harder to leave a refuge and find housing, and live well below the poverty line. Currently, we are aware of men who exploit the vulnerability of these single women and offer them housing together in return for becoming sex workers. These men commonly develop drug dependencies amongst these survivors too so that any chance they have leaving these houses are remote. It is not also uncommon for single women surviving family violence to become involved in other crime such as theft. We work with one young survivor, who has had her children taken from her, who has turned to sex work because she cannot afford cigarettes on which she depends to see her through every day.

Without question, we believe that the level of income support that survivors of family violence have access to is simply not enough to enable them to live independently and, therefore, is putting them at further risk of harm. This cannot be allowed to continue and the state must urgently review the support it provides to survivors of family violence.

yourtown recommendations

Recommendation 9: Provide survivors of family violence with levels of income that ensure their health and wellbeing, and those who they care for, and facilitate independent living.