

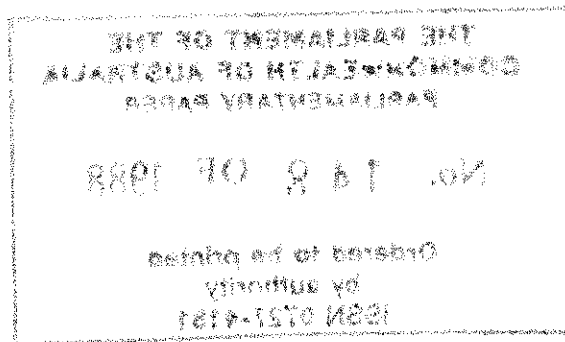
The Parliament of the Commonwealth of Australia

GETTING TO WORK

Report of the Inquiry into Entry or Return to the Workforce by Social Security Pensioners

House of Representatives
Standing Committee on Employment,
Education and Training

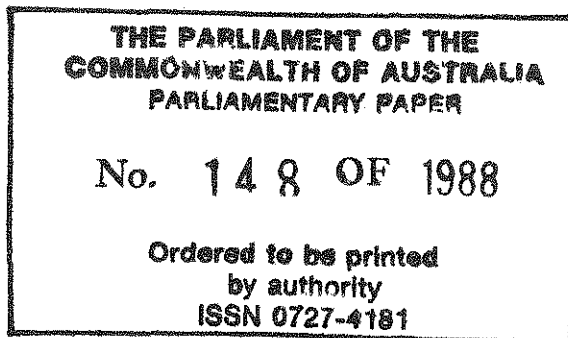
May 1988



Australian Government Publishing Service
Canberra

© Commonwealth of Australia 1988
ISBN 0 644 08046 9

This work is copyright. Apart from any use as permitted under the Copyright Act 1968, no part may be reproduced by any process without written permission from the Director Publishing and Marketing AGPS. Inquiries should be directed to the Manager, AGPS Press, Australian Government Publishing Service, GPO Box 84, Canberra, ACT 2601.



Printed in Australia by Canberra Publishing and Printing Co., Fyshwick, A.C.T.

Terms of Reference of the Inquiry

That the Committee inquire into and report on:

The cost-effective means of facilitating and encouraging entry or return to the workforce for social security pensioners (including supporting parent beneficiaries), having particular regard to appropriate education, training and support measures.

Note

1. In the case studies quoted in this report pseudonyms have been used to respect and protect the privacy of the individuals concerned.
2. Throughout this report, "long-term unemployment" means absence from the paid workforce for 2 years or more but not necessarily involving the payment of Unemployment Benefit.

Glossary

Austudy: Commonwealth age-related scheme of education allowances for secondary and tertiary students.

Carer's Pension: may be paid to a person who is unable to work because he or she is providing constant and long-term care to a person who is severely disabled and who is receiving an age or invalid pension.

Class A Widow's Pension: payable to a woman who has a child aged less than 16 years and who is a widow, a divorcee, or a deserted wife, or whose husband has been imprisoned. A woman who has been the de facto wife of a man for at least three years immediately before his death may also qualify.

Class B Widow's Pension: payable to a "widow" (defined as for Class A Widow's Pension) who is aged 50 or more, or 45 or more when she no longer has a child under 16 years. Class B Widow's Pension is to be phased out over the next 15 years and those who did not satisfy the age criteria at 1 July 1987 will not in future be able to qualify. Those currently receiving Class B Widow's pension will continue to do so while they continue to satisfy the eligibility criteria.

Invalid Pension: may be paid to people over 16 years of age who are permanently blind or who are permanently incapacitated for work to the extent of not less than 85% and at least 50% of that incapacity for work is directly caused by a physical or mental impairment. Except in the case of the permanently blind (who are not income-tested), the Invalid Pension is subject to income and assets test, as applies to other social security pensions. Unlike other pensions and benefits, however, Invalid Pension is not subject to income tax.

Sickness Benefit: is paid to people over 16 and less than age pension age who are temporarily incapacitated for work because of sickness or injury and who have suffered a loss of income as a consequence of that incapacity or who, but for the incapacity, would qualify for Unemployment Benefit. Claimants are required to provide a certificate from their own medical practitioner stating an

incapacity for work for a specified period of time. From December 1987 rates of Sickness Benefit will generally be aligned with Unemployment Benefit.

Sheltered Employment Allowance: is paid as an alternative to Invalid Pension to people under age pension age who work in approved sheltered employment and who would otherwise be eligible for Invalid Pension.

Rehabilitation Allowance: is payable to people who receive treatment and/or training through the Commonwealth Rehabilitation Service and who would otherwise be eligible to receive a social security pension, benefit or sheltered employment allowance.

Supporting Parent's Benefit: payable to sole parents (male or female) other than widows with children aged less than 16 years. The rates and other conditions are the same as for Class A Widow's Pension.

Unemployment Benefit: payable to unemployed persons who are available for and capable of undertaking full-time work, actively seeking work and registered with the Commonwealth Employment Service. Those people in receipt of the unemployment benefit are considered to be in the labour force.

Wife's Pension: may be paid to the dependent spouse of a male invalid pensioner, sheltered employment or rehabilitation allowee.

Abbreviations

| | |
|-------|--------------------------------------------------|
| ACOSS | Australian Council of Social Service |
| ACTU | Australian Council of Trade Unions |
| CES | Commonwealth Employment Service |
| CETP | Competitive Employment Training Program |
| CTEC | Commonwealth Tertiary Education Commission |
| CYSS | Community Youth Support Scheme |
| DCSH | Department of Community Services and Health |
| DEET | Department of Employment, Education and Training |
| DSS | Department of Social Security |
| LEI | Local Employment Initiative |
| NEIS | New Enterprise Incentive Scheme |
| NESB | Non-English Speaking Background |
| NOW | New Opportunities for Women |
| OSHC | Outside-School-Hours-Care |
| SPB | Supporting Parent's Benefit |
| TAFE | Technical and Further Education |
| TDC | Trade Development Commission |
| TEAS | Tertiary Education Allowance Scheme |
| UB | Unemployment Benefit |

Membership of the Committee

The House of Representatives Standing Committee on Employment, Education and Training was established by sessional order on 24 September 1987.

| | |
|----------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Chairman | Mr John Brumby, MP |
| Deputy Chairman | Mrs Kathy Sullivan, MP |
| Members | Mr Bruce Cowan, ¹ MP Ms Wendy Fatin, MP Mr Ross Free, MP Mr George Gear, MP Mrs Carolyn Jakobsen, MP Mr Gary Johns, ² MP Mr Roger Price, MP Mr Geoff Prosser, MP Hon Ian Robinson, MP Dr Bob Woods, MP |
| Secretary to the Committee | Ms Lindy Smith |

Membership of the Sub-Committee

| | |
|--------------------------------|-----------------------------------------------------------------------------------------------------------|
| Chairman | Mrs Kathy Sullivan, MP |
| Members | Mr Bruce Cowan, ¹ MP Ms Wendy Fatin, MP Mrs Carolyn Jakobsen, MP Mr Geoff Prosser, MP |
| Secretary to the Sub-committee | Mr Allan Kelly |
| Specialist Adviser | Ms Colleen Chesterman |

-
1. Mr Cowan replaced Hon D T McVeigh, MP from 18 February 1988
 2. Mr Johns replaced Mr J B Mildren, MP from 10 December 1987

Contents

| | <i>Page</i> |
|---------------------------------------------------------------------|-------------|
| Terms of Reference of the inquiry..... | iii |
| Note..... | iv |
| Glossary..... | iv |
| Abbreviations..... | vi |
| | |
| 1. THE INQUIRY..... | 1 |
| | |
| 2. STATING THE OBVIOUS..... | 3 |
| | |
| General Attributes..... | 3 |
| Income and assets..... | 4 |
| Education and literacy..... | 4 |
| Job skills..... | 6 |
| Low self-esteem and social isolation..... | 6 |
| Poor health..... | 6 |
| | |
| Major Groups..... | 6 |
| Unemployed beneficiaries..... | 7 |
| Supporting parent beneficiaries and widows pensioners..... | 9 |
| People with disabilities..... | 12 |
| | |
| Income Security and Workforce Participation..... | 13 |
| | |
| Changing Benefit and Pension Eligibility..... | 14 |
| | |
| 3. THE BARRIERS..... | 16 |
| | |
| Personal Barriers..... | 17 |
| | |
| Structural Barriers..... | 17 |
| Lack of jobs..... | 17 |
| Lack of training..... | 18 |
| Lack of child care..... | 18 |
| Administrative arrangements..... | 20 |

| | |
|---------------------------------------------------------|--------|
| Financial Barriers..... | 20 |
| Poverty traps..... | 20 |
| Training costs..... | 20 |
| Employment costs..... | 21 |
| Attitudinal Barriers..... | 21 |
| 4. COPING WITH CHANGE..... | 24 |
| Encouragement and assistance..... | 24 |
| Information and communication..... | 35 |
| Counselling..... | 28 |
| Job clubs..... | 32 |
| 5. TRANSITION TO EDUCATION AND TRAINING..... | 33 |
| Aptitude testing..... | 33 |
| Literacy..... | 34 |
| Preparatory training programs..... | 35 |
| Short training courses..... | 38 |
| Expansion of Australian Traineeship System..... | 40 |
| Post-secondary and tertiary education and training..... | 41 |
| Employers' role..... | 43 |
| Retraining..... | 44 |
| Training allowances..... | 45 |
| Child care..... | 49 |
| 6. TRANSITION TO EMPLOYMENT..... | 52 |
| Financial disincentives..... | 52 |
| The importance of fringe benefits..... | 54 |
| Access to secure, well-paid jobs..... | 57 |
| Part-time employment..... | 58 |
| Self employment..... | 59 |
| Local employment generation..... | 62 |
| Child care..... | 63 |

| | |
|----------------------------------------------------------------|----------------|
| 7. SPECIAL NEEDS..... | 66 |
| Sole parents..... | 66 |
| Young unemployed people..... | 67 |
| Middle-age unemployment..... | 69 |
| Non-English speaking migrants..... | 70 |
| People with disabilities..... | 72 |
| Aborigines and Torres Strait Islanders..... | 77 |
| Isolation..... | 78 |
| Women..... | 80 |
| 8. CO-ORDINATING STRUCTURES..... | 82 |
| National co-ordination..... | 82 |
| Co-ordination with State Governments..... | 83 |
| Local co-ordination..... | 84 |
| The role of CES..... | 86 |
| Ensuring access to CES..... | 88 |
| 9. CHALLENGING THE ASSUMPTIONS..... | 89 |
| Long-term unemployment..... | 89 |
| People with disabilities..... | 90 |
| Sole parents..... | 91 |
| Middle age unemployment..... | 91 |
| Unemployable people..... | 92 |
| Women..... | 93 |
| 10. COST-SAVING AND COST-EFFECTIVENESS..... | 94 |
| 11. SUMMARY AND CONCLUSIONS..... | 103 |
| Improving communication..... | 103 |
| Education and training..... | 104 |
| Support services..... | 104 |
| Additional measures for long-term unemployed people..... | 104 |
| Groups with special needs..... | 105 |
| Conclusion..... | 105 |

| | |
|--------------------------------------------------------------------------------------------------------|-----|
| Appendix 1 | |
| Submissions received..... | 106 |
| Appendix 2 | |
| Public hearing dates..... | 111 |
| Appendix 3 | |
| List of witnesses..... | 112 |
| Appendix 4 | |
| Letter sent by DSS to those losing eligibility for sole parent income maintenance..... | 127 |
| Appendix 5 | |
| Sample letters sent by CES Offices to sole parents removed from sole parent income maintenance..... | 128 |
| Appendix 6 | |
| Letter from sole parent..... | 131 |
| Appendix 7 | |
| State government labour market schemes..... | 134 |

Chapter 1

THE INQUIRY

The true worth of a researcher lies in pursuing what he did not seek in his experiment as well as what he sought. CLAUDE BERNARD

1.1 The Committee was asked by the Minister for Employment, Education and Training to inquire into and report on:

The cost-effective means of facilitating and encouraging entry or return to the workforce for social security pensioners (including supporting parent beneficiaries) having particular regard to appropriate education, training and support measures.

1.2 The Committee decided to seek information not only from government departments and non-government organisations, but also from social security recipients themselves. The inquiry was advertised nationally on 13-15 November 1987, and written submissions were requested by February 1988.

1.3 Press releases were sent to newspapers throughout Australia. In addition, all members of the House of Representatives and Senate were invited to provide any relevant information, and to draw the inquiry to the attention of their constituents. Copies of the advertisement and press release were forwarded to every CES and DSS office around Australia for display in their public areas.

1.4 A total of 139 submissions were received and are listed in Appendix 1.

1.5 The Committee sought further information through public hearings in most capital cities during February and March. 157 witnesses gave evidence, and more than 2600 pages of evidence were taken. The schedule of the public hearings is listed in Appendix 2, and the witnesses are listed in Appendix 3.

1.6 The evidence demonstrated a strong commitment to work amongst those social security recipients who are capable of work. The inquiry has therefore focused on barriers to their taking advantage of support measures and programs designed to assist them, and to their gaining work.

1.7 A number of submissions assumed that the terms of reference limited the inquiry to those people receiving payments termed "pension". The terms "pension" and "benefit" themselves do not indicate fundamental differences between recipients. For example, it would have been absurd to consider the position of Widow's Pension recipients but not that of Supporting Parent's Benefit recipients. In fact, the inquiry dealt with the situation confronting all social security recipients, whether on a "pension" or a "benefit". Further, whilst people in receipt of Unemployment Benefit are technically "in the

labourforce", unemployment beneficiaries can need just as much assistance with training or re-training to enable them to get a job, as do other categories of social security recipients.

1.8 The following groups were identified as being especially disadvantaged:

- long-term unemployed
- supporting parents
- widows
- people with disabilities
- Aborigines
- migrants.

1.9 A major barrier to social security recipients entering or returning to the workforce is the high unemployment rate which has been a feature of the Australian economy for more than a decade. (The consequent competition for jobs exacerbates the problems facing anyone who has been out of the workforce for a long time.) Macro-economic improvement will increase work opportunities for disadvantaged groups, but will not remove the disadvantages that result from either no recent employment history, or no previous employment record at all. These disadvantages or barriers are described in Chapter 3.

1.10 Nevertheless, even in a tight labour market it is possible for government programs to enhance the chances for employment of these groups. Chapters 4 - 9 focus on measures to assist social security recipients find paid work.

1.11 Obstacles to access to the workforce cause economic and social hardship to individuals and their families. Assistance in overcoming those obstacles is fundamental to any commitment to social equity, as well as to long-term cost-effectiveness.

Chapter 2

STATING THE OBVIOUS

If my aunt had been a man, she'd have been my uncle. ENGLISH SAYING

2.1 Employment is highly valued in our society. The amount of income earned is a key factor in determining an individual's social status and range of lifestyle choices. Furthermore, a job in the paid workforce is the most important step in reducing poverty.

2.2 In March 1988, 2,668,504 Australians were social security recipients.¹ Some of them are not likely to seek entry or re-entry into the workforce. For example, 1,324,976 Age Pensioners are not likely to be seeking full-time employment. The inquiry has therefore concentrated on those groups likely to be seeking economic self-sufficiency through full-time employment.

2.3 The biggest group is those on Unemployment Benefit. The second major group is sole parents, on Supporting Parent's Benefit or Widow's Pension. Many recipients of the Invalid Pension or the Sickness Benefit wish to enter the paid workforce, and they have also been included.

2.4 Many social security recipients do not receive income support long-term, but investigation of available statistics shows that some will rely on benefits for a considerable time. The inquiry's evidence showed that government intervention is vital if the latter group is to succeed in getting a job.

I General Attributes

2.5 An assessment of an individual's employability usually includes an evaluation of employment qualifications, education level, and employment record. However, there are other personal attributes which can affect the chances of gaining employment.

2.6 The likely characteristics of those welfare recipients most at risk of remaining out of the paid workforce are:

- low income and limited assets
- low levels of education and literacy
- low job skills

1. Department of Social Security: *Four-weekly Digest of Statistics*, Period ended 4 March 1988 [Aged Pensioners, Supporting Parent's Beneficiaries, Widow's Pensioners, Invalid Pensioners, Wives/Carers, Sheltered Employment and Rehabilitation Allowances, Sickness Beneficiaries, Unemployment Beneficiaries, and Special Beneficiaries].

- low self-esteem
- social isolation
- poor health.

2.7 The particular disadvantages of Aborigines, non-English speaking migrants, and/or people living in isolation, are considered in greater detail in Chapter 7.

Income and Assets

2.8 Prolonged periods of reliance on social welfare can leave the recipients with little or no financial reserves and unable to retain any significant assets - for example, a house. The Brotherhood of St Laurence, reporting on a study of low income families, said:

...families were often forced to cut back or go without basic necessities in order to afford the living costs to which they gave priority - rent and energy bills.²

2.9 When social security payments must be devoted purely to personal survival, there is a reduction in resources available for effective job hunting. *Australia Reconstructed* emphasises that:

unemployment benefits ...should be sufficient so as not to discourage individuals from making required changes.³

Education and Literacy

2.10 Long-term unemployed people tend to have a lower level of educational attainment than the average for the workforce. In February 1987, the unemployment rate for people without post-school qualifications was more than double that of people with such qualifications, as shown in Table 1.⁴

Table 1

EDUCATIONAL ATTAINMENT AND UNEMPLOYMENT (Feb 1983, 1987)

| | With post-school qualifications | | Without post-school qualifications | |
|-----------------------------------------|---------------------------------|--------|------------------------------------|--------|
| | Feb 83 | Feb 87 | Feb 83 | Feb 87 |
| Unemployment rate (%) | 7.4 | 5.3 | 12.6 | 11.6 |
| Mean duration of unemployment (weeks) | 23.4 | 39.4 | 34.6 | 51.9 |
| Median duration of unemployment (weeks) | 11.0 | 12.0 | 16.0 | 18.0 |

Source: Australian Bureau of Statistics, *Labour Force Status and Educational Attainment, Australia, February 1987*.

-
2. Trethewey, J: *When the Pressure is Really On*, Brotherhood of St Laurence, 1986, p 65.
 3. ACTU/TDC Mission to Western Europe: *Australia Reconstructed*, AGPS, 1987, p 124.
 4. Australian Bureau of Statistics: *Labour Force Status and Educational Attainment*, Australia, February 1987.

2.11 It is apparent that many people have literacy problems, which they often manage to conceal. Whilst it may be possible to effectively undertake some jobs despite low literacy competence, the options for employment are limited.

There is no point in putting on a whole lot of training courses to assist people getting back to the work force unless literacy is considered as a component and unless literacy is an issue in placing people in courses, so that people are asked to identify any literacy problems before they enter a course ...CYSS for example, has run a course for unemployed youths, and after six weeks in the course they have discovered that the people are not doing very well in the course because they cannot read and write. They cannot take notes.⁵

2.12 The abilities to read and write are not the only criteria on which a definition of literacy should be made. Literacy is seen by workers in the adult literacy field as a far broader concept which encompasses vital aspects of the person's ability to function as an adult individual and to achieve an acceptable and satisfying level of social integration.⁶

2.13 Current projections about literacy depend on surveys carried out by the Army in 1943 and by a Sydney researcher, Dr J Goyen in the early 1970s.⁷ It is estimated from these surveys that 4% of those from English speaking backgrounds were unable to read, even at a very simple level. This estimate would probably more than double if any written task were included in the test. The figure for those from non-English speaking backgrounds was 43%. Therefore, even without considering ability to communicate in writing, 220,000 adults in Sydney alone might be unable to read. Using the same base it is estimated that in Victoria this could mean some 430,000 adults could have difficulty performing even the simplest reading tasks. Most of these adults do not receive any form of literacy tuition.

2.14 As outlined in one submission, inadequate literacy:

Restricts knowledge of job vacancies. Reading newspaper advertisements as well as CES listings can be difficult. It may also be impossible to use the telephone book or to use a Refidex to find an address.

Causes difficulty with form filling. Many people are scared of filling out forms, however, people who cannot read have serious problems. They dread the embarrassment that goes with asking especially in a busy office. Many students can read the forms but cannot spell the answers - in particular - the names of places where they have sought work.

5. Wilston-Grange Adult Literacy Centre, Brisbane, evidence, p 2079.

6. A. Grant: *Opportunity to do Brilliantly*, AGPS, Canberra, 1987, p 11ff.

7. Victorian Adult Literacy Centre, *Adult Literacy Information Bulletin* January 1982.

Lack of oral skills and self-esteem prevent job hunting. A recent survey of students from this centre revealed that many never use the phone because of lack of confidence. Some will only ring numbers they are given and others depend totally on directory assistance. Oral skills are essential in gaining and maintaining employment.

Poor spelling ability restricts job chances. People's ability is frequently measured by their ability to spell. A less than perfect job application is not received well for any job even if writing skills are not required on the job.⁸

Job Skills

2.15 A long period out of the paid workforce is also likely to correlate with low job skills. Unfortunately, the longer an individual is out of the workforce, the less likely are any skills s/he has to be marketable because of rapid technological change.

Low Self-Esteem and Social Isolation

2.16 Those who are unsuccessful in gaining employment, despite attempting to do so for a long period, suffer diminished self-confidence. In extreme cases, they withdraw from society. This psychological withdrawal can be reinforced by low income which means that they have inadequate money for transport, clothing and social activities.

Poor Health

2.17 Finally, long-term social security recipients are more likely to have poor physical and psychological health. The principal causes are: inadequate diet, stress, loss of self-esteem.

II Major Groups

2.18 The characteristics outlined above are generally typical of people who have been out of the workforce for some time. There are some major categories of social security recipients - for example, on Unemployment Benefit, Supporting Parent's Benefit, Widow's Pension, Invalid Pension - to whom they would apply and who have additional characteristics, typical of their group, which also affect employability.

8. Wilston-Grange Adult Literacy Centre, Brisbane, evidence, p 2060.

Unemployment Beneficiaries (See Table 2)

2.19 The number of unemployment beneficiaries as at 5 February 1988 was 497,526, 72.6% of whom were men and 27.4% were women.⁹

2.20 Married women are under-represented in DSS unemployment figures because only one spouse is eligible for Unemployment Benefit. In the majority of cases, only the husband will register with the CES for employment even though the wife is seeking work and is eligible to register for employment assistance.

2.21 Unemployment beneficiaries represent all age-groups:

- 41% are under 25
- 51.4% are 25-54.
- 7.6% are over 55

Table 2

UNEMPLOYMENT BENEFICIARIES BY AGE, SEX AND DURATION ON BENEFITS AS AT 5 FEBRUARY 1988

| | Males | | Females | | Persons | |
|--------------|----------------|--------------|----------------|--------------|----------------|--------------|
| | No. | % | No. | % | No. | % |
| Under 18 | 12,277 | 3.4 | 11,446 | 8.4 | 23,723 | 4.8 |
| 18 - 20 | 45,904 | 12.7 | 37,305 | 27.3 | 83,209 | 16.7 |
| 21 - 29 | 126,336 | 35.0 | 51,083 | 37.4 | 177,419 | 35.7 |
| 30 - 39 | 78,945 | 21.9 | 16,269 | 11.9 | 95,214 | 19.1 |
| 40 - 49 | 44,677 | 12.4 | 15,028 | 11.0 | 59,705 | 12.0 |
| 50 - 59 | 36,608 | 10.1 | 5,390 | 4.0 | 41,999 | 8.4 |
| 60 - 64 | 16,254 | 4.5 | 1 | 0 | 16,255 | 3.3 |
| 65+ | 2 | 0 | 0 | 0 | 2 | 0 |
| Total | 361,003 | 100.0 | 136,522 | 100.0 | 497,526 | 100.0 |

Duration on Benefit:

| | | |
|---------------------|---------|-------|
| less than 6 months | 229,909 | 46.2% |
| 6 - 12 months | 88,979 | 17.9% |
| 12 - 24 months | 84,584 | 17.0% |
| more than 24 months | 94,054 | 18.9% |

Unemployed for more than 24 months at 5 February 1988:

| | |
|--------------|--------|
| Under age 25 | 21,658 |
| 25 - 54 | 57,731 |
| 55+ | 14,665 |

Source: DSS, *Quarterly Microfiche of Statistics, February 1988.*

9. All statistics in this section are drawn from Department of Social Security, *POSS Quarterly Microfiche of Statistics, February 1988.*

2.22 Most unemployment beneficiaries' time out of the workforce is short - 46.2% receive Unemployment Benefit for less than 6 months, and 64.1% for less than 12 months. Nevertheless, a significant proportion have been unemployed for over a year - 17% for 1 to 2 years, 18.9% for more than 2 years. The latter group is dominated by 25-54 year olds (61.4%) and 15.6% are over 55. The duration of unemployment for older people is rising markedly.

2.23 Although the majority of unemployment beneficiaries do not have family responsibilities, 19.1% do. It should be noted that the long-term unemployed are more likely to be married and to have children (See Table 3). Extended periods of unemployment place great stress on a family and contribute to marital breakdown.

Table 3

**CHARACTERISTICS OF UNEMPLOYMENT BENEFICIARIES WITH
BENEFITS TERMINATED AT LESS THAN SIX MONTHS DURATION,
AND CURRENT BENEFICIARIES WITH DURATIONS EXCEEDING
24 MONTHS, August 1987.**

| | Benefit Terminated Less than 6 months duration | Current Beneficiaries Duration over 24 months |
|---------------------------|------------------------------------------------------|-----------------------------------------------------|
| NUMBER ('000) | 177.9 | 96.2 |
| | % | % |
| SEX | | |
| Male | 68.7 | 81.6 |
| Female | 31.3 | 18.4 |
| AGE | | |
| Under 18 years | 11.2 | 0.1 |
| 18-24 years | 44.9 | 22.8 |
| 25-34 years | 26.0 | 27.5 |
| 35-44 years | 10.8 | 19.4 |
| 45-54 years | 4.9 | 15.4 |
| 55-64 years | 2.2 | 8.3 |
| BIRTHPLACE | | |
| Australia | 78.1 | 72.8 |
| Europe | 11.8 | 14.9 |
| America | 1.0 | 0.7 |
| Asia | 4.7 | 8.6 |
| Africa | 0.7 | 0.4 |
| Oceania | 3.6 | 1.7 |
| ASSESSMENT BASIS | | |
| Single Rate | 86.7 | 61.8 |
| Married/Half Married Rate | 13.3 | 38.1 |
| With Children | 6.6 | 25.3 |
| Without Children | 93.4 | 74.6 |

Source: Social Security Review, Issues Paper 4, Table 10.2 p 184.

Supporting Parent Beneficiaries and Widow Pensioners

2.24 Sole parents are not an homogeneous group.

Australian popular lore has it that the growth in the number of sole parent families is due to young unmarried mothers' decision to make a career out of sole parenthood, to purposefully have children outside marriage in order to claim a government pension. The facts do not support this belief. The majority of sole parent families (between 85-90 percent) are formed following separation, divorce or widowhood from a marriage or marriage-like relationship.¹⁰

2.25 More than 14% of Australian families have only one parent, and more than 80% of them receive Commonwealth Government income support.¹¹

2.26 Sole parents comprise one of the lowest income groups in the community. For many sole parents, the only source of income is social welfare. Research by the Department of Social Security¹² has shown that marital breakdown contributes greatly to the number of people dependent on this income support. In general, the level of maintenance payments by non-custodial parents is low, and 70% do not pay maintenance to assist their children on a regular basis.

Sole parents and their children have the highest incidence of poverty in Australia with an alarming poverty rate of almost 56%. Their vulnerability to poverty is created by severe disadvantages which make it more difficult for them to get the limited jobs that are available and thus obtain a decent income from work.¹³

2.27 As at 8 January 1988, there were 326,598 supporting parent beneficiaries and widows pensioners.¹⁴ The main features of this group as shown in Table 4 are:

- 96.9% are female
- 46.3% of female supporting parent beneficiaries are aged 20-29, 36.2% are 30-39
- 47.7% of Class A widows are aged 30-39, 38.5% are 40-49
- 69.5% of Class B widows are 50-59 and 12% are 60-69
- the average duration of dependence on Supporting Parent Benefit by women is 2.9 years: 32.9% receive it for one year or less, 48.8% for 1-5 years, 18.3% for 5 years or longer

10. Brotherhood of St Laurence, Melbourne, Evidence, p 1029.

11. Includes Age, Invalid and Widow's Pensions, Sheltered Employment and Rehabilitation Allowances, Supporting Parent's Benefit, Unemployment, Sickness and Special Benefits, as well as service and War Widow's pensions and those receiving subsidised assistance under the States Grants (Deceased Wives) Act. Source: Judy Raymond, *Bringing Up Children Alone*, Social Security Review, Issues Paper No. 3, AGPS, 1987, p 40.

12. *Child Support Bill*: 2nd Reading Speech, Hansard, 9 December 1987, p 3138.

13. Trethewey, J., pp 62-3.

14. Statistics in this section are derived from DSS: *POSS Quarterly Microfiche of Statistics*, 8 January 1988.

- the average duration of dependence on Supporting Parent Benefit by men is 2.15 years: 41.7% receive it 1 year or less, 46.4% for 1-5 years, 11.9% for 5 years or longer
- the average duration of dependence on the Class A Widow's Pension is 5.5 years: 38.2% receive it for 1-5 years, 48.4% receive it for 5 or more years
- the average duration of dependence on Class B Widow's Pension is 7.43 yrs: 34.6% receive it for 1-5 years, 56.6% for 5 or more years. (See Table 4 on Page 11)

SOLE PARENT PENSIONERS AND BENEFICIARIES

As at 8 January 1988

Table 4

| | SPB Female | | SPB Male | | WIDOWS A | | WIDOWS B | |
|--------------------------------|---------------|------|-------------|------|-------------|------|-------------|------|
| | No | % | No | % | No | % | No | % |
| Females | 169 495 | | - | | 59 304 | | 88 000 | |
| Males | - | | 9 799 | | - | | - | |
| TOTAL | 179 294 | | | | 59 304 | | 88 000 | |
| Age | | | | | | | | |
| Under 20 | 9 536 | 5.6 | 30 | 0.3 | 45 | 0.1 | 64 | 0.1 |
| 20-29 | 78 436 | 46.3 | 1 510 | 15.4 | 6 618 | 11.2 | | |
| 30-39 | 61 346 | 36.2 | 4 496 | 45.9 | 28 284 | 47.7 | | |
| 40-49 | 18 110 | 10.7 | 2 779 | 28.4 | 19 855 | 33.5 | 6 969 | 7.9 |
| 50-59 | - | | | | | | 61 155 | 69.5 |
| 60-69 | 2 112 | 1.3 | 984 | 10.0 | 4 502 | 7.6 | 10 681 | 12.1 |
| 70+ | | | | | | | 9 131 | 10.4 |
| Duration of Receipt of benefit | | | | | | | | |
| < 1yr | 55 827 | 32.9 | 4 088 | 41.7 | 7 931 | 13.4 | 7 792 | 8.9 |
| 1 to <5yrs | 82 708 | 48.8 | 4 547 | 46.4 | 22 660 | 38.2 | 30 426 | 34.6 |
| 5yrs+ | 30 960 | 8.3 | 1 164 | 11.9 | 28 713 | 48.4 | 49 782 | 56.6 |
| Average Duration on benefit | | | | | | | | |
| in years | 2.85 | | 2.15 | | 5.51 | | 7.43 | |

Source: DSS POSS Quarterley Microfiche of Statistics, January 1988.

2.28 This summary illustrates that the majority of sole parents dependent on social security payments is likely to have been out of the workforce for some time, because of the years they have spent caring full-time for children. As at March 1986, 65% of female Supporting Parent Benefit recipients had not worked during the past three years, more than 30% had either not worked for the last ten years or more or had never worked.¹⁵

2.29 Data show that, on average, female sole parents have the lowest level of educational qualifications compared to other parents. Almost 60% have not attended the highest level of secondary school compared to 52% for presently married mothers, 45% for presently married fathers, and 41% for male sole parents.¹⁶ The combination of low educational attainment and long absence from the workforce greatly reduces female sole parents chances of getting a job.

People with Disabilities

2.30 The Office of Disability¹⁷ estimates that there are at least 461,000 people receiving social security because of disability, comprised of:

| | |
|--------------------------------|---------|
| Invalid Pension | 292,000 |
| Sheltered Employment Allowance | 11,418 |
| Rehabilitation Allowance | 6,300 |
| Wives Pension | 87,214 |
| Carer's Pension | 6,500 |
| Special Benefits | 1,768 |
| Sickness Benefits | 71,019 |

2.31 People with disabilities are "just as interested in paid employment as people who are not disabled".¹⁸ During consultations conducted by the Office of Disability in 1987, disabled adults identified the loss of employment income and opportunities as a high priority concern.

2.32 Their lack of general employment opportunities has often meant that they become segregated from the main workforce, for example, in sheltered workshops. There are allegations that this makes them vulnerable to exploitation through low wages and poor working conditions. Witnesses emphasised that people with disabilities wanted to work in the same environment as other workers.¹⁹

15. Raymond, J., p 66.

16. Australian Bureau of Statistics: *Labour Force and Educational Attainment Survey*, February 1987.

17. Office of Disability, Sydney, evidence, p 1316.

18. *New Directions*, Report of the Handicapped Programs Review, AGPS, 1986, p 34.

19. Office of Disability, Sydney, evidence, p 1318.

III Income Security and Workforce Participation

2.33 There has always been a distinction between Unemployment Benefit and other pensions and benefits. The Unemployment Benefit was introduced at a time of full employment. It was assumed that it would be short-term income support during a limited period of job seeking; the work test is meant to discourage the view that Unemployment Benefit is a long-term means of support, as of right.

2.34 Most other benefits and pensions have had a different rationale and include additional assistance (such as fringe benefits). Until recently, there was little official encouragement for recipients to seek work. In fact, possible loss of some pension and fringe benefits because of income, even from part-time employment, acted as a disincentive to getting a job.

2.35 However, recent government investigations have questioned the appropriateness of conflict between income security and employment income. This questioning has been stimulated in part by the growing number of people reliant on social security payments.

A concern within the social security area over recent years has been the growing numbers and lengthening duration of income support payments for people of working age.

In this context we are concerned that income security arrangements should not provide just a passive form of assistance but should actively promote opportunities for workforce participation.

It should be recognised that the income security system is unlikely to provide more than a basic level of living standard for those requiring support for long periods.

In the longer term the economic circumstances of these groups can only be substantially improved through employment. To achieve this we will need to give attention to reshaping existing policies and programs so that they encourage pensioners and beneficiaries to maintain, or acquire, workforce attachment.²⁰

2.36 This view advocates that both those who are "jobless" but in receipt of income support, as well as those on Unemployment Benefit, should be actively seeking employment - a policy implemented in recent changes to eligibility for Supporting Parent's Benefit, Widow's Pension and Invalid Pension.

20. Department of Social Security, Background briefing to inquiry, 23 November 1987.

IV Changing Benefit and Pension Eligibility

2.37 As a result of changes announced in the 1987 May Economic Statement, as from 1 September 1987 sole parents are not eligible for Class A Widow's Pension or Supporting Parent's Benefit once their youngest dependent child is 16. Previously they qualified for sole parent payments if they had dependent children aged up to 24 years, who were full-time students. The Class B Widow's Pension is now available only to widows who were at least 45 years old in September 1987.

2.38 The Department of Social Security estimated that approximately 13,600 people would lose eligibility for Class A Widow's Pension or Supporting Parent's Benefit on 1 September 1987. In fact, 6,200 women aged over 45 retained a pension eligibility by automatically transferring to the Class B Widow's Pension. This left 7,469 sole parents whose benefits were cancelled in September. It was estimated that this would have grown to 10,900 by the end of December 1987, and to 13,000 by June 1988.

2.39 Only 3,850 sole parents - mainly women who had lost entitlement to sole parent support - registered with CES for employment by the end of December 1987. By the end of January 1988 this figure had risen to 4,513.

2.40 In November 1987, DSS conducted a post-implementation survey of 989 clients affected by the change. Of these, 37.5% had transferred to Unemployment Benefit, and 11% to Class B Widow's Pension. Only 2.5% had transferred to Austudy. 14% had transferred to Sickness Benefit and it seems possible that eligibility for Supporting Parent's Benefit or Widow's Pension has hidden a substantial number of people with long-term medical or other social problems. 27.5% were receiving no DSS income support. Anecdotal evidence to the inquiry suggests that these figures might not reflect the true position. An independent, commissioned survey is probably necessary to discover their current circumstances.²¹

2.41 An evaluation prepared for DEET showed that of the 3,850 sole parents registering with CES:

- 90.9% were women
- the majority were mature-age: 97.2% were over 35 years, 50.5% were aged 40 - 44
- many had a low level of educational attainment: over 50% of the women and 42.5% of the men had completed less than four years of secondary schooling
- despite a significant minority who were involved in part-time work, most of the women did not have recent work experience: 32.7% of the women had not worked for the past 10 years, and 29.2% had not worked for 2 - 9 years

21. DSS: *Effects of Changes to Sole Parent Pension*, Benefits Administration Branch, October 1987.

- the majority of the men had last worked between two and nine years ago.²²

2.42 The transfer of supporting parents and widows to Unemployment Benefit caused immediate financial hardship. If they transferred to Unemployment Benefit, they are eligible for lower levels of rent assistance, fewer concessions, and could earn less additional income. For sole parents wishing to undertake full-time study, the loss of income through transfer to Austudy after September 1987 was even more dramatic. Although 16 year olds are now eligible for Austudy, this is paid only at the \$50 per week dependent rate. The parent, however, has lost entitlement to the \$12 mothers' /guardians' allowance, and is not assured of gaining access to the child's Austudy.

2.43 Whilst it is desirable to encourage social security recipients to return to the workforce, the implementation of this particular change did not take account of the real problems of sole parents.²³ Adequate notice was not given to those whose status was to be changed, and appropriate support programs were not designed and implemented in advance. Therefore, it could not achieve the stated objective. 2.44 The 1987 May Economic Statement also announced changes to the assessment of Invalid Pension claims. A greater proportion of assessed incapacity must now be medically documented.

2.45 The crucial facts which emerge for social security recipients are:

- entry to the workforce is an important means of their improving their economic and personal situation
- considerable problems are caused by age, educational background, work experience, and sole parenthood
- additional support programs are needed for them to be successful in seeking jobs
- for the programs to be successful, the barriers to training and/or employment must be identified and overcome

22. DEET: *Evaluation of Special ATP Initiative: Needs Analysis of Former Widows and Sole Parents who have lost Pension Entitlements*, Program Assessment Branch, April 1988.

23. Outlined in Raymond, J., and in National Women's Advisory Council: *Paying the*

Chapter 3

THE BARRIERS

Self-confidence is the first requisite to great undertakings.

DR SAMUEL JOHNSON

3.1 The barriers facing social security recipients wishing to enter training and/or employment are many and varied - personal, structural, financial, attitudinal.

3.2 A letter received by a witness to the inquiry outlines the barriers experienced by one social security recipient:

I read with interest an item in the News last week about women returning to the work force. Until September 1987 I received a widows pension now I am on unemployment benefits. I have been out of the work force for 25 yrs and since my husband died 17 yrs ago I have been bringing up my four children on my own. I have been both mother, father, carpenter, plumber, accountant etc for this time working 7 days a week 24 hrs a day. Try and tell an employer this. When ever I make an application they look at my age 44 yrs, my work history is too old too. I thought, in fact I know my place for the last 17 yrs has been to be there for my children. They had lost one parent they didn't need one part-time parent. Now I am ready to do something for myself. I am fit, healthy and capable of handling a job but as far as the employer is concerned I'm too old and no work history. What have I done for the last 17 yrs, many a time I felt I couldn't go on any longer but some how got through.

When I registered with the CES they were sympathetic but told me straight out I didn't have a hope in the world of getting a job. I went to Bridging the Gap and got much the same response. I did a course with the working womens centre. They gave me the confidence to keep trying but its been nearly 12 mths and I still can't get past the receptionist. I fill out forms and keep going back again and again but not any hope at all.

I have a job starters card from CES which will pay anybody who is willing to train me for six months but that hasn't helped either.

I would like a job in a factory as a process worker and I have tried nearly every factory in the Lonsdale area but it is the same story no work history, too old. I need the job to survive not to buy extras for the house, for holidays or just to fill in time ...

I won't give up trying to work but my confidence is slowly disappearing.¹

I Personal Barriers

3.3 The typical personal characteristics of many long-term unemployment beneficiaries, supporting parents, widows and invalid pensioners are:

- a low level of education with limited or no post-school qualifications
- limited work experience
- few skills relevant to changing technology and job design
- low self-esteem
- low levels of literacy

3.4 The difficulties caused by an extended absence from the workforce are exacerbated for sole parents with responsibility for dependent children, and for invalid pensioners who require support to overcome their disabilities.

II Structural Barriers

Lack of Jobs

3.5 A major structural barrier facing all pensioners and beneficiaries is the limited number of jobs available. ACOSS' view is:

For a start, and most importantly, most will not find jobs, because there are no jobs to find. Currently, there are far fewer jobs available than there are people seeking employment.²

3.6 Recent years have seen a substantial increase in women's participation in employment, albeit in part-time jobs. However, the gender-based segregation of the workforce still limits the options available for women, and makes it additionally difficult for them to re-enter the workforce.

Although 45 percent of women are now in the labour force, 64 percent of women workers are employed in only three of the nine major occupation group: clerical, sales and service, sport and recreation, a situation which has shown little, if any, change over the decade. In general, jobs in these occupations attract low rates of pay and offer little prospects of advancement.³

1. Attachment to letter from S. Lenehan, MLA, Adelaide, 28 March 1988.

2. ACOSS, Sydney, evidence, p 1452.

3. The Prime Minister in announcing that the Government would develop a National Agenda for Women, *Setting the Agenda*, AGPS, Canberra, 1987, p 22.

3.7 The conditions for Invalid Pension entitlement - 85% incapacity for work or permanent blindness - conflict with recent employment demonstration projects for people with disabilities. These projects have proven that, with care in job selection and placement, some invalid pensioners can gain employment. However, the rigid qualification for the Invalid Pension deters a number of them from participating in such projects for fear of being disqualified from future pension entitlement should they not succeed in the workplace - even if that failure is caused by their disabilities.

Lack of Training

3.8 A barrier acknowledged by DEET is the limited availability of vocational training, particularly for people not on Unemployment Benefit:

Until the May 1987 Economic Statement no specific attention was given to encouraging sole parents to undertake vocational training under Commonwealth funded labour market programs. (A special scheme for civilian widows had operated between 1968 and 1974 but this was absorbed into a generic national employment and training scheme.) Less than one percent (1,086) of sole parent pensioners were undertaking either formal training or full-time education. Many perceive training programs as being specifically youth oriented.⁴

Lack of Child Care

3.9 The care of children is time and energy consuming, and a job in itself. Resentment was expressed by one group of witnesses at the lack of appreciation that parenting is work:

...parenting involves very long hours. Whatever the ages of their children, parents are on call 24 hours per day, 365 days of the year ...

...parenting is hard, physical work ...

...But parenting is also very rewarding and responsible work. It means having the total care of a young life. It involves teaching children, socialising them and safeguarding their health. All parents plan and implement nutritional, recreational and educational programmes for their children. Parents engage in liaison work with schools, hospitals, dentists, day care centres on behalf of their children. Parents act as advocates for their children.

4. Department of Employment, Education and Training, Canberra, evidence, p 2204.

5. Unrecognised Working People, Adelaide, evidence pp 566-7.

...parenting is also associated with another full-time job, that of domestic work. That is, all the strenuous, time-consuming, often monotonous and dirty jobs involved in keeping a home together. These include washing dishes, preparing meals, washing clothes, making beds, cleaning floors, negotiating with tradespersons, shopping, budgeting, cleaning toilets, tending gardens.⁵

3.10 Access by sole parents (both men and women) to employment, and education and training courses is highly dependent on the availability of adequate and affordable child care (including after school care). Evidence to the inquiry clearly indicated that there is a major unsatisfied demand for child care.

3.11 Child care must be seen as a basic component of workforce infrastructure. Without it, paid employment is impossible for many women and men who are responsible for the care of young children. Child care services ought to be seen as essential to the operation of industry, just as are such facilities as roads, electricity, public transport and ports.

3.12 The essential need for child care was acknowledged by all witnesses, not only by long-standing advocates of increased child care services (women's groups, child care providers and users) but also by employer groups and education institutions. On the whole, private and public sector employers have not provided sufficient child care and the community has had to try to finance it.

3.13 The younger the parent, the easier their entry both to training and the workforce. Therefore, access to child care whilst their children are young is important, because supporting parents and widows lose their eligibility for sole parent income support when their youngest dependent child turns 16.

3.14 The most disadvantaged parents are usually limited in their mobility, being restricted to public transport. Travelling on public transport with young children at peak travelling time is very difficult. Public transport is not always close to home, child care centres, workplace or training centre. Furthermore, infrequent services and poor connections affect accessibility and lengthen the total travelling time from home to work or training. Consequently, child care services need to be decentralised so as to be physically accessible to those who need them.

3.15 Present child care services include full-day, centre-based care and family day care. Most centres cater for children up to school age and usually operate from approximately 8.00am to 6.00pm. Family day care is a little more flexible, often being subject to negotiation between the parent and carer. For those parents who have to start earlier or finish later than these hours, or whose reliance on public transport means they must travel outside these hours, the child care available is limited.

3.16 The quality of care is important, especially for preschool age children. Socialising and early education are basic elements in a child's personal development, and increase readiness for school. Sole parents and other beneficiaries have as much need as anyone else to be assured that the quality of the care to which their children are entrusted will achieve these objectives.

3.17 The Supporting Parent's Benefit and Widow's Pension are close to subsistence level (particularly if it is necessary to use private rental accommodation). Therefore, parents who need training or education require some financial supplement for even subsidised child care.

3.18 Child care therefore needs to be more widely available, more flexible (to suit the varying needs of parents and children), and must be affordable.

Administrative Arrangements

3.19 DSS has principal responsibility for providing information about benefits available, whilst CES is responsible for information about referral to education and training programs. This division of responsibility inhibits effective communication of all relevant information to those who need it. Whilst it may be inevitable to formally structure the dissemination of information this way, it does not excuse departmental officers from not concerning themselves with ensuring that social security recipients are aware of the existence of programs relevant to them.

III Financial Barriers

Poverty Traps

3.20 The combined effects of income-tested welfare payments, taxation, and other income-tested assistance (such as child care and rental rebates) can result in social security recipients receiving limited financial advantage by working either part-time or full-time. The loss of entitlement to pensioner concessions, which vary considerably with individuals, is a substantial disincentive to seeking employment.

Training Costs

3.21 There is little financial incentive for supporting parent beneficiaries and widow pensioners to undertake training. They receive only \$15 per week Austudy allowance to cover child care, travel, books, fees, clothing, excursions etc. This limits their ability to undertake the courses most likely to lead to economic independence.

Employment Costs

3.22 On entering employment most social security recipients encounter considerable costs associated with the purchase of clothes suitable for workforce participation, and payment of child care and transport costs. These costs of entering training and/or employment are particularly high for invalid pensioners who may have to purchase additional supports or require attendant care.

IV Attitudinal Barriers

3.23 Attitudinal barriers exist among employers, workers and beneficiaries themselves.

3.24 Employers may have preconceptions which make them reluctant to consider employing certain people. These attitudes particularly affect people with disabilities since it is often assumed that all those who qualify for the Invalid Pension are unable, or do not wish, to work.

I found it very apparent when I was working in Social Security that the stigma of having the title "invalid pension" really affected people's chances of obtaining employment and I actively advised people to say they were on social security, which employers tend to assume was unemployment benefit. By doing that people's chances of getting a job really did increase.⁶

3.25 Some witnesses complained about an attitude of some DSS and CES employees that assumed certain types of pensioners were unemployable, and discouraged them from undertaking training or seeking employment. The CES was accused of imposing limiting assumptions on disabled people registering for work:

...we have many cases where people are told "you are on the pension; why do you want to work?" and we have had special placements officers from different Commonwealth Employment Services ringing us up and criticising us for referring people to them. I consider that it is everyone's right to be registered with a special placements officer so that they are eligible for any of the training programs that may be available.⁷

3.26 The most striking attitudinal barrier affects older women, usually widows and sole parents, who have not anticipated that they would be required to seek paid employment.

6. Western Australia Health Dept. Perth, evidence, p 26.

7. Active Job Services, Sydney, evidence, p 1442.

Another thing is that, if you go along to apply for benefits in any form at all, a lot of the people taking your information, people who are employed in the Public Service, do not treat you nicely. You are treated as a person who is down, and that in itself is very disturbing. A lady here this morning said that unless you get up and keep having a go, you get disheartened very quickly. This is the truth. It is almost the same with private employment agencies. It is a very, very difficult situation for the types of women that we are talking about, who have been wives and mothers. There is nothing wrong with being a wife and mother. It is the most important job in our country. Unfortunately, people get the wrong idea about it. You have to try to gain employment to keep providing your children with the type of upbringing that they should be having.⁸

3.27 Many of these women lack education, training and recent work experience because of attitudes which prevailed during their childhood and early adult years. Even as recently as within the last 20 years, it was commonplace for female students to be discouraged from completing their high school education. Jobs and post-school training, where undertaken, were almost invariably traditionally "female" occupations, for example, clerical work, sales assistant, teaching, nursing or hairdressing.

3.28 "Female" jobs were low paid and were seen only as temporary, until women married and had children. It was expected they would then leave paid employment for full-time homemaking and child care responsibilities with no thought of ever returning to work. Furthermore, women were sacked from many jobs when they married.

3.29 Consequently, many of these women have never undertaken any preparation for returning to work, nor even thought of doing so. Changes to their marital or economic position have altered their expectations and changed their lives.

3.30 The economically dependent status of women, together with their child-raising responsibilities, led governments to provide for widows and their children on the death of the male breadwinner. The government became their provider, and the expectation of never seeking paid employment remained. Government support provided social recognition for the work they performed as full-time mothers, reinforcing their expectations of remaining at home permanently.

3.31 Women with these expectations were angered and hurt by the Government's 1987 decision to terminate the Supporting Parent's Benefit and Widow's A Pension when their youngest dependent child turned 16. They were resentful that the society whose expectations they had complied with, had now turned against them with no warning. These feelings were expressed with some passion by one witness:

8. Queensland Country Women's Association, Brisbane, evidence, p 2019.

the more subtle one ...is the conditioning that your children would be inadequate as adults unless you stayed and cared for them during their whole childhood. This is the basis of some women's self-esteem, and they say, "Well, I stayed home for 20 years, so my kids will be all right". They are now disadvantaged by that. They are also very confused and a lot of them are very angry. Was that just a convenient message that was given, because we are now told, "You are not a productive member of society - you have to be unemployed"? That media image about the dole bludger worked - a lot of people have internalised that and see it as their personal responsibility that they do not have a job, even if they have been at home bringing up children or looking after children and grandchildren for 30 years. So their self-esteem is cut two ways: They think that perhaps they have wasted all that time with their children because they see younger women going out to work and yet their children do not appear to be damaged, and they are being told, "You had better be productive - you have to find yourself a job otherwise you are just being a drain on the country".

There are advertisements on television every day, saying, "Come on, we all have to work together". This is the big Australian campaign of "Let's all get in there and work for Australia", and these women have. They have brought up, supposedly, stable adults, a la Bowlby and all those sorts of people on child care and the growth of love. We dared not move five inches away from our children in case they were unable to form adequate relationships when they were adults. That was the theory and we bought it. We sold off our education, our degrees and everything, and at 40-plus we are unemployable they tell us.⁹

3.32 All the above barriers indicate that considerable effort will need to be made to facilitate participation in education, training or employment by social security recipients. The following chapters look at them in greater detail and recommend initiatives to overcome them.

9. Women's Information Service, Tasmania, evidence, pp 861-2.

Chapter 4

COPING WITH CHANGE

In England we have come to rely upon a comfortable time-lag of fifty years or a century intervening between the perception that something ought to be done and a serious attempt to do it. H G WELLS

- 4.1 The re-entry into the paid workforce by pensioners needs to be handled skilfully and the special needs of these people must be taken into account. The change should be a slow process as their lifestyles will be completely altered. The impact of looking for employment on these people after years of being out of the workforce must be taken into account.¹
- 4.2 For a significant number of people the period of time on pensions and benefits may be considerable. However, the current income security system seems to function satisfactorily only for short-term social security recipients.
- 4.3 The high number of long-term unemployment beneficiaries is a matter for concern. It is being increased by a growing number of sole parents and invalid pensioners. For the reasons outlined in Chapters 2 and 3, government action is necessary - not only to assist presently long-term unemployed people back into the workforce, but also to lessen the likelihood of these additional groups joining their ranks.

Encouragement and Assistance

- 4.4 Government policies in income security have altered from being passive support to active intervention to assist social security recipients into labour force participation. This change in emphasis and its expectations of recipients must be conveyed in a way which encourages, not threatens. It is particularly important that appropriate information be conveyed to those being transferred to Unemployment Benefit because this compulsory transfer carries not only financial disadvantages but also a change of social status.
- 4.5 The Widow's Pension and Supporting Parent's Benefit recognised the value of work as parents. It was indicated by many witnesses that there is considerable stigma still attached to living on the Unemployment Benefit. A survey by the Brotherhood of St Laurence indicated that sole parents transferred from Supporting Parent's Benefit to Unemployment Benefit in September 1987 felt "like dole bludgers". One woman said:

I thought the Government was paying me for caring for my kids and the community work I did, now I keep thinking they'll list me as a parasite.²

1. Women In Transit, Perth, evidence, p 146.

2. Brotherhood of St Laurence, Melbourne, evidence, p 1016.

In the same survey, the Invalid Pension was also criticised as demeaning:

...though 29 of the sole parents interviewed were too ill to get jobs, they reported unease at being transferred to Invalid Pensions, called "invalids", and classified as permanently unable to work.³

4.6 The Social Security Review outlines the characteristics of a process designed to assist unemployed people to find work:

- clear information as to what is expected of them
- encouragement as well as penalty
- provision of the necessary training, resources and continuing information
- requirements that are generally regarded as reasonable and achievable.⁴

4.7 Recent government policy has not always had these characteristics. For example, recent changes in the administration of the Unemployment Benefit, through increased emphasis on the administration of the "work test" are often perceived as only a "policing" measure. It is important that these administrative procedures are not viewed in this light, and that people are not being forced to search for jobs which are not available for them. The work test should be recast as an activity test, as proposed by the Social Security Review, and training and part-time employment should be seen as fulfilling its requirements.

Recommendation 1:

The work test requirements for long-term unemployed people should be eased to include other relevant job search activities, such as part-time and casual employment, training and education.

Information and Communication

4.8 When someone from the Department said that they had learnt their lessons from the problems in the way that the sole parent changes were introduced, my reaction was a bit cynical because those lessons were very obvious beforehand to anyone. The mistakes they made have not always been made in other cases. They were not, for example, made as much in the introduction of the assets test. So the problem is that some groups of people within the social security area are less popular, less politically powerful than others. Sole parents classically fall into that and they were very badly treated with very little effort made to reduce the problems. The Department

3. Brotherhood of St Laurence, Melbourne, evidence, p 1017.

4. B Cass: *Income Support for the Unemployed: Towards an Active System*, Social Security Review, Issues Paper No. 4, AGPS, 1988, p 146.

has shown that it knows how to do it when it wants to, but it did not want to in relation to sole parents.⁵

4.9 The importance of effective flow of information because of the division of responsibilities between DSS and CES has already been mentioned. Whilst this can affect all of their clients at one time or another, inevitably much evidence received related to their handling of the 1987 changes to eligibility for income support by sole parents and widows. Criticisms of the implementation of these changes included:

- the short notice of the change for those immediately affected
- the failure to phrase the advisory letter in simple, understandable language⁶
- the lack of an insert in community languages to alert non-English speaking people to the importance of the letter
- the lack of sympathetic counselling for those confused and distressed by the enforced change of status
- poor liaison between DSS and CES to achieve effective briefing of those being transferred to Unemployment Benefit.⁷

4.10 Contact, information and advance warning of change of status is particularly important since the affected pensioners and beneficiaries may need to undertake long-term training or study as a consequence. Such information needs to be presented with understanding and should include details of how to undertake training.

4.11 DSS evidence indicated that the 3 months' warning given to sole parents and widows about the imminent change to their status was not sufficient, and that they are now moving to give 12 months' warning in future.⁸ Immediate notification to all supporting parent beneficiaries and widow pensioners, regardless of how long they will be eligible to retain their present income support, would be more effective. Regular reminders - say, 6 months - should also assist effective communication with the affected group. Information about the time limit to eligibility should be given soon after a recipient qualifies for income support.

4.12 DSS' letter to supporting parents and widows, outlining the 1987 May Statement changes, was not easy to comprehend, did not give them an indication of people they could contact for further advice, and did not include information in any language other than English.

There are a few who did not realise that the onus was on them to go down and apply for unemployment. They thought that they would automatically be transferred.⁹

5. ACOSS, Sydney, evidence, p 1480.

6. Letter sent by DSS is at Appendix 4.

7. Western Australia Department of TAFE, Perth, evidence, p 71.

8. DSS, Canberra, evidence, p 1900.

9. Parents Without Partners, Hobart, evidence, p 881.

4.13 DSS indicated that the letter of notice was being redrafted so that it will be more comprehensible. Unfortunately, it appears that CES communications with the same groups about applications for training and child care also contain too much "bureaucratic" language and are difficult to understand.¹⁰

4.14 Other means of information dissemination are also important. Many clients resist going to DSS or CES, and find community centres less threatening. Contact between government departments and community and representative groups must be consciously sought, so that these groups can assist in spreading information. This contact should include the local level, and involve personal contact rather than only written information.

4.15 The importance of the telephone contact was demonstrated by the experience of groups who organised "phone-ins".

A lot of the women would ring in whereas they are not prepared to front. They are frightened of going to DSS but they will ring up if they can ring up. They will talk to you for a while and then they will finally admit where they live and what their situation is. There will be a sort of pause while they quiz you. If you had a 008 number then people could ring in from country areas ...people would not necessarily ring a government department.¹¹

4.16 The inquiry learned that some DSS officers are aware of the superior effectiveness of this form of communication. However, it encountered one unfortunate example of lack of such awareness (and undoubtedly there are other similar examples), in a CES office which was conscientiously attempting to inform sole parents of the services available to them. It sent them a letter inviting them to attend a "seminar", without realising that a number of their clients may not be literate, may not understand English, and probably would have no idea what a seminar is. For some, it could even have threatening implications. No one turned up for the seminar.

4.17 Notwithstanding the above criticisms, some regional office social workers do conduct constructive and useful workshops for beneficiaries, and facilitate supportive contact with CES.

4.18 Such contact between the DSS, CES and their clients is effective in providing information about benefits as well as training and employment programs. A means for regular communication between local DSS and CES offices could establish more effectively the links between income support and labour market programs.

4.19 DSS also expressed a commitment to developing more efficient information flow within the Department¹², with its clients and with the broader

10. Examples of CES communications are in Appendix 5.

11. New South Wales Women's Employment and Training Task Force, Sydney, evidence, p 1209.

12. Evidence that Departmental officers were not aware of the implications of the changes is demonstrated in a letter reproduced in Appendix 6.

community. It is experimenting with methods pioneered by the United States Department of Employment and Training to try to improve performance. This commitment to improvement is welcome, but attempts to achieve simplification of its information communication should be considered as urgent.¹³

Recommendation 2:

Full details about eligibility and time limits for social welfare support should be provided at the time of qualifying for the support.

Recommendation 3:

Where there are time or age limits to eligibility, regular written advice outlining those limits should be provided.

Recommendation 4:

Official letters should be simply worded and should include a departmental contact name and telephone number.

Recommendation 5:

An insert in community languages should accompany all general mailing advising of changes in eligibility, the insert containing simply one short message in a number of languages, alerting its recipient to the fact that the mailing's contents are very important, and giving a contact name and telephone number where there is access to an interpreter.

Recommendation 6:

Local DSS and CES offices should establish direct contact with representative groups and community centres to extend the understanding of changes in government policy which affect income support eligibility.

Counselling

4.20 DSS should already have been counselling supporting parents and widows about training and employment programs before the 1987 May Statement changes. The 1986 Budget announced an expanded counselling program:

The Government has decided to improve the administration of Supporting Parent's Benefit and Widow's Pension by more regular

13. DSS, Canberra, evidence, p 1400.

reporting, to ensure continuing eligibility, and counselling which will assist the recipients to find work and thus reduce outlays. From October 1986 recipients will be required to report to the Department of Social Security on their circumstances each month during their first three months on benefit and quarterly thereafter. In addition, interviews will also be conducted after three months on benefit to ensure that recipients are aware of opportunities for assistance in finding employment, child care and housing. These initiatives are expected to reduce outlays on both supporting parent's benefit and widow's pension by \$43m in 1986-87 and \$78m in 1987-88.¹⁴

4.21 However, it appears that this counselling program has not been implemented. The process described by DSS contains a minimal amount of counselling.

The cycle at the moment ... is pre-grant interview, at the time of grant ... and then people are required to lodge four - eight - and 12-weekly review forms and that 12-weekly cycle goes on. There is also an interview three months after the grant, which is an information-giving, as well as an entitlement review ... At the 12-weekly cycle there is simply lodgement at the counter of these forms and the person is not necessarily interviewed. Social Security does not counsel unless someone requests or is referred to a social worker.¹⁵

4.22 The requirement for regular reporting to DSS is therefore perceived as having only a "policing" function, rather than as being a positive step in job search assistance.

We have a member on the Council who represents the Council for the Single Mother and her Child; we have another member who represents the Association of Civilian Widows, and they have a considerable bulk of anecdotal evidence which indicates that there is quite a distrust there. There is a feeling that it is a bit like the third degree to go along there. There is a fear of loss of benefit through giving information which might then be used as a reason for losing benefits.¹⁶

4.23 The shortage of DSS social workers available to work constructively with clients was strongly criticised.

We have Stratplan, the new computer system, introduced in DSS. The strong argument put for introducing that was that it would free up other staff to work in other places. That is not going to be the reality - we are going to get staff cuts. The full staff savings from

14. 1986-87 Budget Paper No. 1, p 148.

15. DSS, Canberra, evidence, p 1905.

16. National Women's Consultative Council, Canberra, evidence, p 1874.

Stratplan were meant, for example, to lead to more social workers. There was a report three or four years ago from the Department's own inquiry calling for far more social workers in DSS but that just has not developed. We have also the major savings from a very harsh crackdown on unemployment benefit over the last few months, not one that we have vigorously protested against even though it is harsh. Are those savings going to be retargeted now into the constructive side of things? What we are tending to have is just the punitive side of things.¹⁷

4.24 An ACOSS representative told the inquiry

In one particular case a women did need counselling, she did want counselling. She was in a rather horrific situation and wanted to clarify the situation with Social Security. She asked for the social worker. I think that the letter had said, "if you wish, a social worker is available", and she was refused a social worker. She left there without the counselling at all. All those letters did say that a social worker would be available and many of the women reported that they went in and asked to see the social worker, and they were refused.¹⁸

4.25 Improved communication could be achieved by taking notice of the preference of many beneficiaries and pensioners to have contact with officers who are more likely to understand their personal problems. Evidence was given of the distress caused to older women by having to explain their situation to "little slips of girls younger than their daughters".¹⁹ Representatives of Aboriginal and migrant groups also emphasised the importance of departmental officers having experience of their situation and an understanding of cultural factors. The high turnover of CES and DSS staff complicates the establishment of a satisfactory advisory relationship.

4.26 It has also been suggested that on the basis of counselling and interviews, DSS could develop client profiles which could be useful in planning and implementing associated programs. For example, profiles of women who are within two years of losing the Supporting Parent's Benefit would assist DEET to better plan to meet training needs. Such a planned approach could include recommending that clients seek vocational advice and undertake training prior to the benefit cut-off date.

4.27 CES has an important role as the principal source of advice to people seeking training and employment. A DEET Task Force on Training and Education is reviewing client services and regional structures. It is to be hoped that this will result in greater integration of training and employment advice.

17. ACOSS, Sydney, evidence, p 1479.

18. ACOSS, Sydney, evidence, p 1481.

19. Parents Without Partners, Hobart, evidence, p 882.

4.28 It is difficult for CES to give individual attention to clients.

...the current self-service information approach (in CES), where you get a lot of information as you go in, was carefully planned to break down the barriers between the clients and the staff and to entice people in through the doors ... We moved to a system of self-service about seven or eight years ago. That is a much more cost-effective way of treating your clients but there is a cost involved - the amount of personal service which is provided to the individuals. Once you move to a self-service mode you have to work on the basis that most individuals who come in can read the cards on the board ... That moved us away from individualised personal attention to placing the emphasis on the person trying to get his own job. That coincided with the blow-out in unemployment numbers and, quite obviously, we had to tailor our organisation to meet the changing labour market needs ... The emphasis in all of our operations is to minimise the personal contact because that is the most expensive part of getting a job. The emphasis is placed on the individual getting his own position ... Any net addition to workload must be accompanied by increases in staff.²⁰

4.29 Efforts have been made to designate a Disadvantaged Persons' Officer in each CES office. This officer is charged with responsibility for disadvantaged, disabled and long-term unemployed people. However, this position does not have a Public Service designation, and does not carry a job description. Criticisms were made of the unrealistic expectations of such an officer, given the large numbers of disadvantaged people who must be assisted. Since the 1987 May Statement, all states have a women's contact officer. However, this person is based in the regional office, and therefore not necessarily available at the local level.

Recommendation 7:

Access to counselling should be increased to enable long-term planning.

Recommendation 8:

DSS counselling and reporting responsibilities should be expanded to include advice to social security recipients about suitable education, training and employment programs, before they lose entitlement to their pension or benefit.

Recommendation 9:

DSS and CES should appoint officers able to relate to particularly disadvantaged groups.

20. DEET, Canberra, evidence, p 27.1.

Recommendation 10:

The CES initiative of appointing Disadvantaged Persons Officers should be expanded to ensure such officers are available in all relevant offices.

Job Clubs

4.30 Several witnesses supported the "Job Club" trial program as a means to assist long-term unemployed people to get jobs. In Job Clubs, groups of people can be assisted and counselled about training and employment programs, attend classes and develop peer support and contact. They have been introduced on a trial basis for long-term unemployed young people. Half of them are based at CES. Approximately half are based at CYSS schemes and youth "drop in" centres, and draw on community support. This program should be expanded to include mature-age unemployed people. Neighbourhood centres could also be involved.

Recommendation 11:

Community-based Job Clubs should be established to assist long-term unemployed people, regardless of age.

Chapter 5

TRANSITION TO EDUCATION AND TRAINING

If a man's education is finished, he is finished. E.A. FILENE

5.1 Those most at risk of long-term unemployment are likely to have limited education and skills. They are also likely to lack self-esteem, to have poor confidence, and to undervalue their own skills. They are therefore more likely to require support in undertaking education and training programs.

Aptitude Testing

5.2 It is evident that judging workforce capacity must involve some sensitive assessment of the experience and background of pensioners and beneficiaries.

You should ask them when they have done introductory courses, "what do you want to be?" There is a program ... called Career Mate in which you actually look at the woman, you see her skills, you see her personality, you see her potentials, and you get a print-out that gives her ideas for the kinds of jobs that she might be best suited for. It is not enough just to say, "Everybody is going to do this". You have to find a match between the kind of person you are dealing with and the kind of job that would be good.¹

5.3 Where social security recipients have had only short-term work experience, have been out of the workforce for a number of years, or have not completed a relevant course of training, they may have little experience in judging their training needs and work potential. In particular, women who have spent years out of the workforce caring for a family do not appreciate the skills which they develop in organising a household, and how those same skills can be transferred to the paid workforce. Many submissions emphasised that those who advise on appropriate training courses frequently lack awareness of how a person's life experience can produce employment and training possibilities not immediately apparent nor measurable through standard testing.

Any housewife has developed an enormous number of skills but people often do not recognise those skills. People should say, "Look at all the organisational skills you have - how can they be adapted into the work force?", rather than saying, "You have learnt to cook and wash, and not much else". We often go through the process of examining how many skills are involved in getting a meal on the table for six people on the dot of six.²

1. Learning Centre Link, Perth, evidence, p 225.

2. Canning College, Perth, evidence, p 238.

5.4 A thorough assessment of job skills' potential should include:

- educational level achieved
- educational level which could be achieved
- work experience (paid and unpaid)
- interests and abilities
- training needed.

5.5 It is also important to assess the transferability of skills of people from non-English speaking background, whose qualifications gained overseas may not be recognised in Australia.

5.6 While support was expressed for most careers counselling services, the inbuilt cultural biases in some computer counselling ventures were criticised. Some result in highly inappropriate recommendations while others exclude women from non-traditional jobs. Computer counselling is useful but should be supplementary to interviews with a skilled counsellor. On the other hand, aptitude assessment provided by TAFE in Western Australia was commended.

Recommendation 12:

Aptitude assessments should be available for all people seeking retraining, and designed with an awareness of the experience and needs of particular groups.

Literacy

5.7 A national survey of levels of literacy in the population is being planned under the auspices of the Institute of Technical and Adult Teacher Education in Sydney and funds are being sought for it from the Commonwealth. Funds should also be provided to gauge the effectiveness of existing adult literacy programs since limited resources have precluded follow-up research on them. However, available information indicates that literacy programs are a cost effective means of increasing skills. These two initiatives would provide an essential data base for designing a national literacy program.

5.8 Additional funding for adult literacy programs is needed. It is not satisfactory to place people in training courses which are above their literacy competence. Evidence was received that in circumstances where someone is enrolled in a training program, and it becomes apparent during the course of the program that low literacy may hinder its successful completion, it is difficult to transfer into a literacy course without forgoing the right to further training. The present conditions for training subsidies, and of the work test, do not provide an incentive for people to improve their literacy. Rather, they may discourage people from acknowledging their literacy problems and attempting to improve their situation:

...but we really have some ludicrous situations at the moment: I can think of a client of mine who was illiterate and was doing a literacy

course one day a week. She was therefore not eligible for any Austudy or anything to help her do the course but was regarded by the Department of Social Security as not looking for full-time work because she was doing a literacy course and was also doing about four hours part-time a week. There was a person, who, in terms of both work and study, was trying to get herself out of a situation but was left in a position where she has no adequate income support. That is a classic example of the counter productive impact of the work test in its present form.³

Recommendation 13:

Research to assess the extent of literacy problems, particularly among unemployed people, should be undertaken through DEET.

Recommendation 14:

CES should assess the literacy skills of people seeking training, where appropriate.

Recommendation 15:

The availability of literacy courses should be increased, through educational institutions and community centres.

Recommendation 16:

Training subsidies and the work test should be redesigned to avoid creation of disincentives for people to improve their literacy.

Preparatory Training Programs

5.9 Many of those who have been out of the workforce for some time have few formal skills and qualifications. A significant number left school in their early teens, others have work experience or qualifications which are now outdated. Their lack of relevant skills and experience is associated with a corresponding lack of confidence and a sense of anxiety. They may need some time to develop confidence in their ability to acquire new skills.

Short courses combining social skills and information programs need to precede specific vocational training in many cases ... This is a stepping stone approach requiring flexibility and provision of support services such as child care, information, career counselling etc.⁴

3. ACOSS, Sydney, evidence, p 1483.

4. South Australia Government Department of Premier and Cabinet, Adelaide, evidence, p 366.

5.10 Many submissions referred to the Australia-wide success of New Opportunities for Women (NOW) Courses, provided by TAFE colleges in most States, which demonstrate the practical value of group work and counselling. These preliminary courses have been especially designed to address the needs of mature-age women re-entering the workforce. Most participants are married women.

Due to their lack of education and their lack of confidence they tend to blame themselves for having been out of the workforce. Also, because society has not valued their role as a wife and mother, or a single mother, as it may be, they have not valued that role. We actually go right back to the beginning and get them to value that first. They have to own and value that experience to feel good about the next step. If they do not own and value that, in the next experience there will be that sense of failure again if they do not recognise what has happened to them in the last 16 or 20 years.⁵

5.11 Several submissions indicated that similar courses are needed as a forerunner to either training or employment for all people who have been out of the workforce for a number of years. DEET is presently co-ordinating work to produce a course model based on NOW, and this initiative is commended.

5.12 Some concerns were expressed about the short length of the DEET designed courses. NOW courses have been developed to cover a 13 week period, and evaluations suggest that the students involved require that period of time to develop study techniques, and to rebuild their confidence. A six-week preparatory course may not be sufficient in itself for participants to move directly into the workforce. However, it could lead directly into specific skills training. In the view of New South Wales TAFE, where a student has been educationally and socially disadvantaged:

...preparatory or access programs should be recognised as an important part of vocational education, for without the general skills of literacy, numeracy, problem solving and communication, students will often lack the ability to succeed in education and training programs and in the workforce. These essential general skills can not be achieved in any depth in a course spanning a few weeks but require investment in longer-term programs. It is precisely those who are educationally and socially disadvantaged who are disproportionately represented among Social Security pensioners and beneficiaries.⁶

5.13 People should be able to enter retraining courses at the point appropriate to their experience. Courses need to be developed to cater for a wide variety of experience, either a discrete introduction to training and employment or a brief

5. Western Australia Department of Technical and Further Education, Perth, evidence, p 82.

6. New South Wales Department of Technical and Further Education, evidence, p 1225.

introduction to a skill training course. Not all social security beneficiaries will need extensive counselling, or confidence building; some may require only short term training in relevant job skills.

5.14 Easy transfer from one course to a more appropriate course should be possible. For example, when it is found that students have a literacy problem which would preclude their successful completion of the training course for which they are enrolled, they should be able to transfer into a literacy course without losing eligibility to re-enrol in the training course.

5.15 The present system of course design can be inflexible. Where possible, preparatory courses should be planned to lead into other courses.

An important principle in designing access and vocational programs is to ensure that courses articulate with other mainstream educational offerings. Where this is not built into programs, students can find themselves caught in a cycle of labour market and prevocational programs which neither facilitate access to further education nor provide them with negotiable labour market credentials.⁷

5.16 Some criticism was made of educational institutions as being intimidatory for people who had been out of education for some years. Providing preparatory courses in less formal surroundings - community based learning centres or neighbourhood centres - should be investigated.

5.17 Training courses should also be provided in a wider range of locations, since transport to a training centre may be difficult for many social security recipients. The use of correspondence courses, or special television programs, was advocated by some witnesses, and should be explored - especially for country people. Such courses would need to incorporate group activities since the participants' capacity to rebuild personal support networks seems an important part of their success.

5.18 Sufficient places should be provided in courses to assist all pensioners and beneficiaries interested in returning to training.

Recommendation 17:

Preparatory courses, on the model of the New Opportunities for Women courses, should be developed as an introduction to training or employment.

Recommendation 18:

Preparatory courses should be available to all long-term social security recipients, before re-entering training or employment.

7. New South Wales Department of Technical and Further Education, evidence, p 1226.

Recommendation 19:

Preparatory courses should precede specific training programs.

Short Training Courses

5.19 In 1985/86, the Adult Training Program was introduced to rationalise short training courses for long-term unemployed people. In 1988, participants in this program are able to receive a \$30 per week training allowance, in addition to their benefit. This payment is an encouragement to social security recipients to enter training programs as well as a recognition of the cost of undertaking training. However, finances are available only for courses which are identified as providing training for "skills in demand".

5.20 In September 1987, an additional \$2 million was provided to create new training places for those affected by the May Statement changes to eligibility for Supporting Parents Benefit and Widows Pension. By the end of January 1988 25 special Adult Training Program courses had been arranged, involving only 450 people. More people in the target group must be included in this program.

5.21 Whilst there is widespread support for a continuation of special purpose short training schemes, more work needs to be done to align available jobs with people looking for work.

5.22 To this end, the identification and provision of suitable courses needs to be improved as a priority. CES plays a major role in identifying potential areas for training schemes and it is capable of improving liaison with DSS to identify long-term social security recipients who may wish to participate. The Australian Conference of TAFE Directors argued:

Commonwealth funding for training programs for the unemployed has been provided by DEET on a fee-for-service basis for a number of years. The emphasis of these programs has been on providing short term skills courses which concentrate on meeting local labour market needs for low level skills. There are a number of problems with this approach. The first is in the mismatch between areas with job vacancies and those with high levels of unemployment. It appears that priorities for funding training programs is often given to regions where job vacancies occur rather than areas with the greatest numbers of unemployed. As people are more mobile than jobs there would appear to be merit in reversing this approach by directing resources to areas which have the highest levels of unemployment. The second issue relates to the type of courses currently funded. As experience has shown it is those with the lowest levels of education and skills who are likely to suffer most from unemployment, short courses which do not address these

problems are likely to provide skills which are only in short-term demand and which are thus likely to quickly become obsolete or which prepare students for the least productive and rewarding jobs.⁸

5.23 The selection of training courses must be undertaken sensibly to ensure that the opportunities of potential job-seekers are maximised. Evidence was received regarding training schemes which involved drilling holes in aluminium windows, house cleaning, or washing up, with, not surprisingly, little interest in these courses. A sustained case was made for developing broad-based training courses:

...you can slot into virtually anything and learn the job on the job.⁹

5.24 For female social security recipients, the availability of short-term training in service sectors should be explored. In particular, attention should be given to the expansion of community-based jobs in areas such as child care. Home support schemes, arising from the Government's policy of encouraging elderly people to remain in their homes, also provide opportunities. Unfortunately, evidence from DCSH did not cover the community-based employment implications of recent policy changes.

5.25 DEET is currently in the process of amalgamating its Community Programs, which fund community-based organisations to develop appropriate courses for disadvantaged groups. This presents an excellent option for long-term unemployed people. It is flexible, can be provided in a range of venues, and can be designed to suit the needs of participants. For example, a short course could be designed within school hours to suit sole parents. A suitable training program could be based on the New South Wales program Management Skills in the Community Sector, which trains people in skills such as basic accounting, financial management and administrative systems for use in community organisations such as child care centres.¹⁰

5.26 Identifying the training potential of long-term unemployed people, and bringing training courses to them, could have the advantage of training mature-age people in areas such as the trades or nursing, where trained workers are in short supply and which are often abandoned by younger people. When provided with training which builds on their experience, mature-age people are likely to remain in jobs, since they have family responsibilities and some degree of commitment to the region in which they live. The New South Wales Women's Employment Task Force noted that:

Studies from overseas, particularly a major U.S.A. study of disadvantaged groups (the Supported Work Demonstration Program) have shown that sole parents have the best record for job retention, once they find paid work. The programs of Workfare in

8. Australian Conference of TAFE Directors, Sydney, evidence, p 1239.

9. Learning Centre Link, Perth, evidence, p 229.

10. DEET, Canberra, Appendix to Submission, p 19.
and NSW Department of Industrial Relations, Submission to Inquiry, p 4.

the United States of America continue to demonstrate that there is value for employers in using older women, with the main responsibilities for child-rearing behind them.¹¹

Recommendation 20:

Sufficient resources should be provided through the Adult Training Program and Community Program to assist local CES offices to identify and establish short training courses for long-term unemployed people.

Recommendation 21:

Long-term unemployed people should be ensured of access to these courses.

Recommendation 22:

Commonwealth Employment Service and the Department of Social Security should be encouraged to design courses which are relevant to the skills and job needs of the long-term unemployed.

Expansion of Australian Traineeship System

5.27 Following the 1985 report of the Kirby Inquiry into Labour Market Programs, the Government established the Australian Traineeship System which provides training in a wide range of marketable skills for young people aged 16-18 years. Traineeships combine work experience in selected, non-trade occupations (such as retail and hospitality) with formal vocational instruction at a TAFE college for a minimum of 13 weeks.

5.28 The Kirby Inquiry also indicated that such an initiative could be extended to meet the training needs of people re-entering the labour market. This report recommended commencing with young people, but with a view to building a coherent training structure that recognises the interests of all age groups.

5.29 The Confederation of Australian Industry noted that:

...the Australian Traineeship System (ATS) is an appropriate attempt to provide young people with broad based vocational skills and the introduction of the job search allowance and the alignment of the Austudy allowance and unemployment benefit will encourage higher participation in education and training. There is still, however, a large number of young people who will receive no form of structured training, and therefore are undertaking jobs with

11. New South Wales Women's Employment Task Force, Sydney, evidence, p 1183. Relevant material was also provided by the Office of the Status of Women, such as Gueron, J: *Work Initiatives for Welfare Recipients* MDRC 1986.

no career potential and will be vulnerable to long periods of unemployment.

There is a need to expand the ATS or an equivalent in both numbers and age. Extending the eligible age group beyond 18 years would enable young people who had failed in employment to enter a form of structured training.¹²

5.30 The Australian Traineeship System has the merit of being a structured program, with identified target numbers of trainees in occupations, and involving the co-operation of unions and employers. At present job seekers older than 18 are not eligible to join.

5.31 There are problems with any expansion of traineeships to further categories of workers. Any such extension would need to be negotiated with the relevant unions and industry representatives. Furthermore, older trainees may have difficulties in entering a course with younger workers. Nonetheless, the option of traineeships for older unemployed people, in selected industries, should be explored.

5.32 One significant problem for older workers is the level of apprentice and trainee wages.

...we get many mature applicants. They have to drop off. They have gone the other way round: they have done various other manual jobs and they have decided that the only way forward is to have a skill - a portable, saleable skill. However, they cannot afford to go onto apprenticeship rates because very often they are married and have families. This is an area where, if we could devise a scheme to suit ...we could bring in some of the unemployed from older groups, subsidise their training and look at expanding the trades as well.¹³

Recommendation 23:

Extension of the Australian Traineeship System to all long-term unemployed people should be investigated by the Department of Employment, Education and Training through the establishment of pilot traineeships for mature-age social security recipients.

Post-Secondary and Tertiary Education

5.33 In addition to the specialised pretraining courses likely to be needed by social security recipients re-entering the workforce, specially-designed short courses and traineeships, it is essential that access to general post-secondary and tertiary education and training is eased. Some will have the appropriate

12. Confederation of Australian Industry, Melbourne, evidence, p 1102.

13. Victorian Building and Construction Industry Training Council, Melbourne, evidence, p 1093.

background and aptitude to attempt tertiary courses. Others may wish to pursue training provided through TAFE.

5.34 Easier access to such courses is essential if pensioners and beneficiaries are not to be relegated to low-income work. This is particularly important for female social security recipients. Equity issues for women and girls in schools and post-secondary education have been dealt with in the *National Policy on the Education of Girls*, and Pocock, B., *Changing Systems: Women, Work and TAFE*, prepared for the Commonwealth Tertiary Education Commission.

5.35 Due attention must be paid to the recommendations of these reports, to ensure continued female access to programs. The South Australia Government submission noted that too great an emphasis on narrowly-defined vocational training may disadvantage women:

The Commonwealth's moves towards a greater labour market orientation of TAFE programs is intended to alleviate skill shortages and provide for skill formation strategically relevant to Australia's future economic development. It should be remembered however, that a fundamental component of TAFE's labour market orientation is its Equity programs. Any cut-backs to TAFE funding in this area will have the potential to further disadvantage specific groups in society such as women re-entering the labour force.¹⁴

5.36 Many witnesses drew the attention of the Committee to the current shortfall in available places in training programs. DEET informed the inquiry that figures for current demand in TAFE need to be treated cautiously, because of different methods of estimating as between states. However, a conservative estimate for 1987 suggested that 98,500 students were unable to gain entry to TAFE (excluding Victoria and Northern Territory).¹⁵ 1988 has seen a significant expansion of 21,500 places. Additional funding will need to be provided for existing training programs to ensure that the development of courses for social security recipients does not mean that other disadvantaged groups are displaced from enrolment.

5.37 Just as preparatory courses may be needed for general training, so students who have been social security recipients may benefit from specially developed bridging courses at the post-secondary and tertiary levels.

Recommendation 24:

An increased number of post-secondary education and training places particularly in TAFE colleges should be provided to accommodate school-leavers and other potential job seekers including social security recipients.

14. South Australian Government, Adelaide, evidence, p 388.

15. Department of Employment, Education and Training, *Briefing on Unmet Demand in TAFE*, 24 March 1988.

Recommendation 25:

Bridging courses should be developed for students who have been long-term social security recipients.

Employers' Role

- 5.38 ..we should promote inplant and cadet style training by employers. The best, cheapest and most effective training is that by employers for their own needs.¹⁶

The contribution of Australian employers to training and retraining is too low. The development of educational and training programs by employers is therefore imperative for the improvement of workforce skills. The advances made in this area by employers in Sweden and Japan have been described in *Australia Reconstructed*.¹⁷ Australian industry has been encouraged by Government to develop appropriate training programs, both individually and through tripartite Industry Training Councils. Other initiatives such as the Information Technology Centres (ITEC) currently operating on a trial basis in each state were praised as drawing together commitment to training by community organisations, business and unions.

- 5.39 Employer organisations supported such moves in evidence to the inquiry but indicated some problems:

There is a recognition by industry of a need to do training in-house but there is a limited capacity depending on the nature of the industry and the size of the company. So there is a blend of what industry has to do for itself and what, through government and government bodies, has to be provided on a community base to ensure that you have that constant flow of better and more flexibly trained people.¹⁸

- 5.40 Improved liaison between DEET and business representatives is seen as essential nationally and industry participation on the National Board of Employment, Education and Training could help to achieve this end.

...when we are looking at industry needs, ...we have to be looking not only at what that need is at the moment, that there are certain tradespersons of a certain type required to do a particular job, but also have a perception of where that industry must be going. If it is going in an environment of rationalisation of industry restructuring, of making that industry more effective, more efficient, more productive, then we are looking a little bit further down the path and we must have in mind the impact of new technologies on that

16. Victorian Building and Construction Industry Training Council, Melbourne, evidence, p 1067.

17. ACTU/TDC: *Australia Reconstructed*, p 106ff.

18. Australian Chamber of Manufactures, Melbourne, evidence, p 1137.

industry. We must have in mind the fact that that skill for the job that is currently identified may not be necessarily the skill that is required a little bit down the track. So, in that sense, in the skills training area, we have to be looking at a more flexible approach to skills training, not simply isolated on one track in the way that many of us looked at skills training in the past.¹⁹

5.41 The CES should work with local businesses to develop skills-training for long-term social security recipients where there are shortages, and to plan for longer-term training where changes in production techniques are occurring.

Recommendation 26:

Employers should be encouraged to develop on-the-job training programs for skills in short supply.

Recommendation 27:

The Department of Employment, Education and Training - particularly the Commonwealth Employment Service - and employers should work together to identify future skill requirements.

Retraining

5.42 Some long-term unemployed people already have valuable skills which only need some upgrading to meet the requirements of new industrial technology. The upgrading of social security recipients' skills should be an integral part of a comprehensive strategy to assist social security recipients into the labour market.

5.43 Aptitude assessments should assess skills which could be upgraded or redirected, and suitable retraining courses could be developed for this purpose. Evidence referred to sole parents who had been nurses or teachers and whose skills could be made marketable by short bridging courses.

5.44 To encourage retraining, any disincentives must be removed. Witnesses referred to students whose previous tertiary qualifications made them ineligible for Austudy. Whilst it is appreciated that present restrictions are designed to discourage "professional students", those who have been out of the labour market for a long time may need to upgrade outdated qualifications to suit changed employment requirements.

...in my case, I did two-year teacher training. It was not even granted a certificate in those days because they were swapping over to three-year training. It is just a bit of paper. I have since been doing an associate diploma course, which I believed would be a step

19. Australian Chamber of Manufactures, Melbourne, evidence p 1134.

above something that was not even granted a certificate, but not so. I could not get Austudy for that. ...They do not seem to take into account the real situation of what value your old degrees have.²⁰

5.45 Particular attention should be paid to migrants whose skills could be the basis for qualifications relevant and acceptable to Australian conditions.

Recommendation 28:

Retraining of workers with outdated skills and qualifications should be encouraged and disincentives to retraining removed.

Training Allowances

5.46 The maintenance of income support is essential while pensioners and beneficiaries undertake training and preparatory courses. They are unlikely to have the financial reserves to enable them to undertake the additional costs of training: transport, books, child care and suitable clothing. Training, like employment, incurs costs additional to those of everyday living.

5.47 Although the Government offers a range of training allowances, evidence suggests that many people are not aware of them. This information should be provided to all pensioners and beneficiaries, during their regular counselling sessions.

5.48 Two reasons for confusion about benefits available are the range of benefits provided and recent changes in administration. For example, a Formal Training Allowance is payable to participants in certain DEET training programs. For adults, a training component of \$30 per week, is added to the equivalent of an Unemployment Benefit entitlement, plus allowances for children, exemption from fees and a hardship component. However, this allowance does not apply to courses such as preparatory courses which are not already related to the Department's "Skills in Demand" program. Since courses such as NOW are an essential component of a return to training for many people who have been out of the workforce, their eligibility for Formal Training Allowance is essential.

5.49 The relationship between benefits and Austudy was altered in the 1986 Budget. This has caused significant income loss for particular groups. Prior to 1987, students who received Supporting Parent's Benefit from DSS were also eligible to receive assistance under one of the precursor schemes of Austudy (ie TEAS, ASEAS and SAS). The Government's review of the relationship between student assistance schemes and pensions resulted in changes to this arrangement since both the Supporting Parent's Benefit and Austudy had living and dependents' allowance components. This was changed in 1987 to a student pensioner Study Allowance of \$15 per week under Austudy for

20. Tasmanian Council of Social Service, Hobart, evidence, p 915.

students on a Supporting Parent's Benefit, Widow's Pension Class A, Invalid Pension or Carer's Pension. Since 1988, some very limited assistance with child care fees has been available.

5.50 The Department of Finance explained the reasons for the changes.

The decision to eliminate dual eligibility was taken on the basis that it was not intended that pensioner students be entitled to more than one living allowance and followed on from an earlier decision to eliminate dual eligibility for unemployment and education allowances.

A number of options, including the provision of no additional Austudy Supplement, were canvassed at the time in the context of achieving budgetary savings. The supplement options were seen as providing a financial incentive to pursue education not as an allowance to meet particular additional educational costs, in addition to the incentives already provided through the longer term financial rewards of education.

We would have expected the take-up rate of pensioner students to have declined marginally from 1987 in view of the loss of dual eligibility for new tertiary students, but no specific allowance was made for this in the estimates. We are not in a position to measure the precise impact of the decision. Our advice from the DEET is that the statistics on numbers of pensioner students in 1986 and 1987 are unreliable and that figures for 1988 are not yet available.²¹

5.51 Although DEET estimated that students are now receiving, on average, about \$35 per week less than they would have under the previous arrangement,²² evidence was received of much higher costs being borne by students. It was also claimed students have had to abandon study because of the constraints of the work test. These case studies were provided by the Brotherhood of St Laurence:

Jean French was a part-time social work student whose eligibility for Supporting Parent's Benefit ended in the middle of her study year. She was told by the Department of Social Security that she had no choice but to apply for Unemployment Benefit and look for work. This meant that as soon as she was offered a job she would have to abandon her studies as they involved day time lectures and fieldwork placements.

Ruth Harris of Traralgon was studying HSC part-time when she received her notice of Widow's Pension cancellation. She had decided that as her son was doing HSC in 1987 she would also

21. Department of Finance: Letter to Committee, 16 May 1988.

22. DEET, Canberra, evidence, p 2210.

attempt it and so improve her chances of getting a job. Ruth had plans to study further after HSC, as did her son. Despite her distress and loss of income when her Widow's Pension ended, Ruth sat the HSC exam but felt hopeless about passing. She has abandoned plans to continue with HSC in 1988. Her part-time job will not support her and she will have to find a full-time job.

Lucy Denham of Castle Hill was studying part-time and working part-time to supplement her Supporting Parent's Benefit. When she lost her pension, she felt compelled to abandon her studies and seek full-time work in an unskilled area.²³

5.52 DEET has commissioned AGB: McNair to undertake a survey of sole parent full-time students, the results of which will not be available until later this year. However, preliminary evidence suggests that, whilst the take-up rate of TEAS by sole supporting parents increased from 1,379 in 1977 to 3,981 in 1986, there was a 15-20% decline in new students in this category taking up Austudy in 1987 (with total numbers down to approximately 3600). This is a matter of concern in the light of the Government's policy to encourage sole parents into the workforce.

5.53 Evidence from the DEET showed that:

Most sole supporting parents are engaged in directly vocational courses. In 1986, slightly fewer than half of the sole parents receiving TEAS were studying in CAEs and about one-third in TAFE colleges. About eighty per cent were enrolled in vocational courses, mostly teaching, secretarial and business studies, social and welfare work and nursing. Of the remainder, most were undertaking generalist courses with a view to subsequent professional qualifications such as a Diploma in Education.²⁴

5.54 The situation is also disturbing for long-term unemployed people. Unemployment beneficiaries were not eligible in the past for dual benefits since a condition of the receipt of Unemployment Benefit was the person's availability, and active search, for work. Full-time study was not regarded as compatible with these requirements. Consequently, unemployed people had to choose between full-time study financed only by student assistance, or part-time study (up to 8 hours) on the Unemployment Benefit.

5.55 Whilst the financial incentive for under-21 year olds to remain on Unemployment Benefit rather than undertaking full-time study has been removed, the same is not true for the adult unemployed. Anyone 21 years of age and over faces an income reduction of \$17.20 per week if they transfer from adult rate Unemployment Benefit to the independent student rate Austudy. It follows that there are different rates between the Formal Training Allowance paid for short courses, and Austudy, even if the courses studied are directly vocational.

23. Brotherhood of St Laurence, Melbourne, evidence, p 1013.

24. DEET, Canberra, evidence, p 2211.

5.56 A further anomaly is that whilst Formal Training Allowance recipients receive a fee exemption, social security recipients at universities and colleges have to pay fees in advance of receiving Austudy and wait several weeks before getting a refund of them.

...on entering college, they have to apply for Austudy, but they receive no financial assistance from the time they apply. In the letter this woman talks about a friend who was accepted into a college in Wagga and had a four to six week wait for Austudy, but she had to have the college fee paid before she could apply for Austudy in the first place.²⁵

5.57 Current government policy provides an incentive to study short courses which may be narrowly vocationally based. The anomalies between the different categories of pensioners and beneficiaries are also unacceptable. In the light of the commitment to assist unemployed people into employment social security recipients undertaking vocational courses should receive similar assistance. Further, this assistance should be adequate for mature-age students with family responsibilities. Whilst DEET estimates show that \$15 can cover course-related costs²⁶ it is quite inadequate for sole parents with child-raising responsibilities. The South Australia Trades and Labour Council noted:

...it is commendable to see the payment of Austudy move into line with unemployment benefits. However, it is still a very low living allowance particularly with the additional and increasing costs of study (\$91.20 maximum per week). A woman on SPB basic rate of \$116.10 per week plus \$17 (1 child) receives \$15 per week Education Supplement from Austudy and \$5 (top-up from FAS - 1 child under 13 years) giving a grand total of \$153.10 which is less than the wage of a 17 year old apprentice mechanic.²⁷

Recommendation 29:

Adequate financial support should be given to all long-term unemployed social security recipients undertaking courses enabling them to re-enter the workforce.

Recommendation 30:

Full information on all available allowances should be provided to all who would be eligible for training.

Recommendation 31:

An exemption from educational institution charges should be extended to approved courses.

25. New South Wales Women's Employment Task Force, evidence, p 1190.

26. DEET, Canberra, evidence, p 2211.

27. South Australia Trades and Labour Council, evidence, p 542.

Recommendation 32:

Payment of the Formal Training Allowance should be extended to preparatory courses.

Recommendation 33:

The over-21 independent rate for Austudy should be increased to equal the adult single-rate Unemployment Benefit.

Recommendation 34:

The Austudy supplement for social security recipients should be increased to equal the level of Formal Training Allowance.

Child Care

5.58 The overwhelming evidence is that child care and after-school care are essential for sole parents with dependent children who are attempting to gain training. Since they lose income when the youngest child is 16, the best time to commence training for a return to the workforce may be when their children are young.

5.59 Further, a recent Australian National Opinion Polls survey of women out of the workforce found that as their children get older their motivation to re-enter the workforce appears to diminish.²⁸ This underlines the need for increased provision of child care for parents of young children to enable them to attend universities, colleges or community-based courses which will enhance their prospects of employment.

5.60 Child care services required for those in training programs may be different from those who are in employment. Finding child care for short periods is often difficult. For short courses conducted in a number of centres, the development of centre-based care may not be financially viable. It is therefore important that child care arrangements be developed wherever training programs are held.

5.61 These arrangements must meet the differing needs of parents undertaking either short or long-term study courses, and take account of such differences as travelling distances to, and isolation from, larger centres.

5.62 Centre-based care is important for parents attending colleges and universities, and child care centres must be seen as a necessary part of the educational infrastructure. New South Wales TAFE argued that:

28. Australian National Opinion Polls: *The Skills of Home Duties Women in the West and South West of Sydney, and their Attitudes to Paid Employment*, DIDD, NSW, November 1987, p 5ff.

NSW Department of TAFE has a target of 1000 full-time child care places by 1990, with child care centres established in 16 colleges. Provision of campus based child care has advantages over voucher systems employed in other states whereby students are forced to compete for already scarce places in community child care centres. Campus based provision better meets students needs in terms of its location, hours of operation and flexibility of services. Targeted Commonwealth capital and recurrent grants for child care in TAFE would fill an important gap in providing access to vocational training.²⁹

5.63 Achieving an adequate number of centre-based child care places will take some years, but it must be seen as a priority for funding. In the short term, funds must be available to educational institutions for the establishment of family day care schemes. They have the advantage of not requiring capital investment, but help maintain the impetus to encourage social security recipients into training programs.

5.64 Occasional care must not be overlooked as it remains an essential service for people with short-term needs such as training courses, job hunting, job interviews or part-time education. Outside school hours and holiday care are also required.

5.65 New South Wales and Victoria reported success with mobile child care facilities, which can be provided close to the location of short courses for their duration. These schemes should be further developed and tested.

5.66 Another possible model for this type of temporary child care is provided by the Adult Migrant Education Program.

5.67 It is essential that the quality of child care is maintained and that funding be increased. The Children's Services Branch of DCSH should retain its critical role in quality maintenance in association with State licensing authorities.

Recommendation 35:

Child care should be recognised as part of the cost of training and be included by training institutions and employers in their proposals for training funding.

Recommendation 36:

Mobile and occasional child care should be provided, where other child care is not be available, and especially in rural areas, and in housing commission developments.

29. New South Wales TAFE, Sydney, evidence, p 1229.

Recommendation 37:

The number of after-school and holiday care places should be significantly increased.

Recommendation 38:

DEET should ensure that adequate child care is provided in all training and employment programs and should liaise with DCSH to ensure that standards are maintained.

Chapter 6

TRANSITION TO EMPLOYMENT

There are only three ways by which any individual can get wealth - by work, by gift, or by theft. HENRY GEORGE

Financial Disincentives

6.1 Full-time employment provides most workers with a higher income than pensions or benefits. However, for some - particularly those with a number of children - the difference can be small. To achieve a standard of living equivalent to that of an unemployment beneficiary receiving \$70 from part-time work, a full-time employee with dependent spouse would need to earn \$260 per week.

Table 5

**"BREAK EVEN" INCOMES FROM FULL-TIME WORK RELATIVE TO
UNEMPLOYMENT BENEFIT PLUS PART-TIME WORK (\$70 A WEEK)
January 1988**

| Category of Beneficiary | Gross Income from Full-time Work (\$ per week) | Disposable Income | |
|-------------------------|------------------------------------------------------------|-------------------|-----------------------------------------|
| | | F/T Work (a) | UB & P/T Work (\$70 per week) (b) |
| Single, 16-17 yrs | 114.00 | 88.90 | 88.30 |
| 18-20 yrs | 156.00 | 119.60 | 119.50 |
| 21 yrs + | 173.00 | 131.30 | 131.10 |
| Married, no children | 259.00 | 209.80 | 209.25 |
| one child | 259.00 | 235.60 | 235.05 |
| two children | 259.00 | 257.60 | 257.05 |
| four children | 259.00 | 301.60 | 301.05 |

(a) Assumes tax as per standard PAYE schedule and work expenses of \$20 per week. Includes Family Allowance Supplement where applicable but not family allowances.

(b) Assumes tax deducted from total gross income as per standard PAYE schedule and work expenses of \$10 per week. Does not include family allowance.

Source: Social Security Review, Issues Paper No. 4., Table 6.3.

Recent research, from the Social Welfare Research Centre's analysis of the 1981-82 Australian Bureau of Statistics Household Survey, shows that 3.6% of households with at least 1 adult member in the full-time paid workforce were below the austere poverty line. The incidence of poverty was higher among female sole parent families, at 5% and for male sole parent families at 7%¹

6.2 A point made strongly in many submissions is that the prospect of a higher income may not in itself be sufficient incentive for pensioners to seek employment. Going to work costs money: transport costs can be high, the purchase of a car may be necessary, suitable clothing is needed and child care costs must be met.

A single parent with one child under 6 years of age, taking on a part-time position in a lunch bar and working 25 hours per week will actually be \$19 in pocket after paying for subsidised child-care, transport, clothing and extra food costs (fast-cooking meals tend to cost more).²

This is based on an estimate of the essential costs of employment being \$106.85 a week. The qualitative effect of this cost is spelt out by a Tasmanian lone-parent group:

One fear common to all long-term pensioners or beneficiaries is that if "the job does not work out" or ill health/family commitments means the termination of employment - will there be difficulty or delay in having the previous pension benefit reinstated? For the sole parent, who has no partner to share the responsibility for children, this is a very real fear. Not only does the sole parent carry full responsibility for children. Home payments or rental, electricity and telephone accounts, and all the other responsibilities normally shared by two people within a marriage, fall on this one person. For the sole parent re-entry into the workforce requires careful consideration. The initial costs of returning to work may involve a substantial investment in clothing, child care, means of transport and possibly (in the case of lone fathers) tools of trade. Very few pensioners have sufficient cash in hand to cover such costs. The immediate loss of pension on commencing work together with the costs of doing so, does not make it economically feasible for the pensioner to accept low paid work i.e. unless wages less than the expenses of working (child care, travel costs, uniforms etc) sufficiently exceed the total value of pension plus fringe benefits - it is not worthwhile to work.³

-
1. Bradbury, Encel, James and Vipond: *Poverty in the Workforce*, Social Welfare Research Centre, Reports and Proceedings, No. 72, UNSW March 1988.
 2. P. Wilson, P. Rear, Perth, evidence, p 255.
 3. Parents Without Partners, Hobart, evidence, p 875.

6.3 Employment costs are particularly severe for people who have been reliant on a benefit for some years, since they are not likely to have assets accruing from a previous period in employment. Witnesses put forward various proposals to assist beneficiaries whose low level of income had not enabled them to budget for a return to work. These included: a clothing allowance, a once-off allowance for the cost of job interviews, continuation of pension for a period to enable re-planning.

6.4 It is clear from the submissions that there is a need for a special payment to ensure people have an incentive to move from welfare benefits into employment, and to tide them over in their new situation.

Recommendation 39:

Consideration should be given to the provision of a return-to-work allowance, paid as an advance, for social security recipients who have been out of the workforce for a long period of time.

The Importance of Fringe Benefits

6.5 Social security recipients are entitled to a range of means tested benefits which are not generally available to anyone earning wages, except that some very low income earners are entitled to limited benefits such as the Health Care Card.

6.6 The type of fringe benefit varies according to the category of social security pension or benefit being received. People receiving an Invalid Pension or sole parent benefit, with income and assets within prescribed limits, may receive a Pensioner Health Benefit Card. This card carries a number of Commonwealth benefits which include:

- a range of free pharmaceuticals
- telephone rental concessions
- reduced fares on Commonwealth rail services

Pensioners and beneficiaries in private rental accommodation are also eligible for up to \$15 per week rent assistance.

6.7 On the other hand a person on Unemployment, Sickness or Special Benefit receives a Health Care Card which provides access only to reduced cost pharmaceuticals and some other limited concessions. Unemployment beneficiaries are eligible for \$10 per week rent assistance after a 6 month qualifying period.

6.8 In addition, many state and local governments provide additional benefits to Pensioner Health Benefit Card holders including:

- state housing rental rebates

- cheap or free public transport
- reduced council rates
- electricity rebates
- lower level of car licence fees
- entitlement to the Personal Aids for Disabled People Scheme (in most states).

Pensioners are also often entitled to reduced fees or concessions for community activities, entertainment, or services.

6.9 It was pointed out that the contribution to fringe benefits by states is now much higher than that of the Commonwealth. New South Wales, for example, estimates its annual contribution as \$600m.⁴ The implications for government policy should be discussed with the states.

6.10 Representative groups indicated that the loss of fringe benefits, particularly the Pensioner Health Benefit Card, is a major concern about entering employment. The problem is particularly severe for invalid pensioners, and for sole parents with a number of dependent children. It can take some time before long-term pensioners and beneficiaries have sufficient capital to pay full rent, council rates, electricity and other charges, or be able to meet their families' health care costs.

6.11 All the evidence received by the inquiry suggested that sole parents transferred to Unemployment Benefit were devastated by the loss of fringe benefits without adequate time to plan finances and to save for major expenditure items such as rates. ACOSS estimated the difference as \$20 - \$50 per week,⁵ though it could be much higher for individual pensioners, and this was confirmed by the Brotherhood of St Laurence survey:

Rita Collins of Traralgon said that loss of fringe benefits was "the last straw" for her very tight budget, which includes mortgage repayments. She is considering selling her house and buying a small flat with her teenage children.

Janet Brown of Perth has a part-time job and recently transferred from Supporting Parent's Benefit to Unemployment Benefit. She now receives \$40 less income per week as a result. And Helen Fisher from Western Australia claims she is \$76 per week worse off after transferring to Unemployment Benefit, whilst working part-time.⁶

The problems are worse for people with disabilities, as shown in an example from a disability group from South Australia:

4. New South Wales Women's Employment Task Force, Sydney, evidence, p 1218.

5. ACOSS: *Analysis of Income-Security Effects of May Statement Changes to Supporting Parents Benefit*, 1987.

6. Brotherhood of St Laurence, Melbourne, evidence, p 1009.

I have a situation at present with a young chap in his early twenties who has had about five years with a sheltered workshop. He is in our landscaping and gardening area. He is now a leading hand and living independently with a group of other people, and he is earning about \$190 a week. He is going to start soon the horticulturalists' certificate course at around \$120. He will keep his travel warrant and his health card for 12 months, but even on his second-year apprenticeship wages he is only going to earn around \$150. He is looking at his situation now and talking about selling his car and a few other things because he definitely wants to try this. It is a big disincentive in that area.⁷

6.12 During the crucial period of return to work, and as part of the Government's commitment to encouraging social security recipients to return to the workforce, extra assistance through some maintenance of fringe benefits may be needed. This is particularly important for widow and invalid pensioners and supporting parent beneficiaries who have been out of the workforce for a long time. If they are transferring to Unemployment Benefit, they should have the assistance of adequate income support to see them through a period of job seeking.

6.13 The potential for workforce participation of long-term unemployed people may also be assisted by giving them access to similar fringe benefits for a limited period and is proposed by the Social Security Review, as a means of alleviating their hardship. Whilst accepting the need for these measures as a transition, the incentive to retrain or seek employment must be maintained.

Recommendation 40:

Fringe benefits (particularly the Pensioner Health Benefit Card and the \$15 Rental Assistance) should be provided for all social security recipients who have been out of the workforce for longer than 2 years whether in receipt of Unemployment Benefit or some other pension.

Recommendation 41:

Fringe benefits should be continued for a limited period to assist social security recipients who have been out of the workforce for a long time with the extra costs incurred in re-entering paid employment.

7. ACROD (SA), Adelaide, evidence, p 524.

Recommendation 42:

Negotiations should take place between the Commonwealth and State Governments to ensure that extensions of their concessions are not contrary to the primary objective of assisting social security recipients to return to work.

Access to Secure, Well-Paid Jobs

6.14 A major disincentive to long-term beneficiaries re-entering employment is their likely restriction to poorly paid, insecure, low-skill jobs. This is particularly true of women with little work experience, who are therefore more likely to be employed in unskilled work such as retail or cleaning.

6.15 This point is emphasised in the submission from WEL:

Women are severely disadvantaged, vis-a-vis men, in the employment stakes by the expectation, on the part of employers, educationists, parents, peers and themselves, that, once they have children, they will withdraw from the workforce and thereafter only work intermittently. The deduction from this thinking is that extended career-oriented education and training would be a waste of time and money for girls. Thus there is little incentive for them to undertake lengthy courses of study and training in preparation for a lifetime career.

The result is that most women are only qualified for comparatively unskilled jobs - mainly clerical, sales and service - which require little education and training. Women remain occupationally segregated from men and, despite recent efforts by government to correct the situation, the position has actually worsened. Not only are most women's jobs less well paid than jobs held by most males but, since the advent of electronic price-scanning, word processors and other technological devices, many of them have disappeared altogether.⁸

6.16 The counselling staff of DSS and CES should be aware of the major financial disincentives posed by poorly-paid jobs and note that in many areas it is impossible for women to find jobs.

...women living in country towns have far less access to work or training opportunities and were amazed that they could be expected to regularly seek work when there may be only a potential 3-4 jobs available to them locally, jobs which were already filled.

One caller who lived in the far north of South Australia stated that she had been advised that if she did not constantly look for work she

8. Women's Electoral Lobby, Australia, Canberra, evidence, p 1667.

would have her UB cut off. She lives in an opal mining town which traditionally has very few work options for women and speculated as to whether she was expected to seek employment in "the oldest profession in the world".

Other women mentioned the futility of seeking employment in a town where "everyone knew everyone else" and supporting parents were not kindly regarded. Many despaired of approaching the same employers week after week and being subjected to the humiliation of laughter and being told to "go home, you're too old".⁹

Wherever possible, pensioners and beneficiaries should be directed to training programs which provide access to better paid and more secure jobs. Counselling should also ensure that they are aware of family assistance and rental assistance programs designed to help low-income working families.

Recommendation 43:

Counselling by Department of Social Security and Commonwealth Employment Service officers should ensure that workers entering low-paid and insecure jobs are aware of assistance programs to support them while in employment.

Part-time Employment

6.17 For some social security recipients - particularly invalid pensioners and people with dependent children - full-time employment may not be possible. Others, particularly in rural areas, may be able to find work only on a casual or seasonal basis. The tapered means test may mean that the income earned is not sufficient to cover the costs of employment, and may act as a disincentive to part-time or casual work.

6.18 Part-time work may be a better way for many social security recipients to re-enter the workforce. It enables them to gain work experience, develop or upgrade skills, and still maintain family or personal responsibilities. It may also be a bridge to full-time employment.

6.19 Participation in part-time work should be encouraged for the following reasons:

- greater availability of part-time work
- the increased likelihood of subsequently gaining full-time employment
- the improvement in income, however limited, through supplementation of the pension or benefit
- the gradual encouragement of workforce attachment

9. Women's Information Switchboard, Adelaide, evidence, p 464.

6.20 Nevertheless, the Social Security Review points to the need to ensure that the income test for unemployment beneficiaries should maintain incentives for full-time work, particularly for young and "prime age" workers during the early months of unemployment.

6.21 The Office of the Status of Women notes that part-time work should be encouraged for some female sole parents. It says that it may be necessary to get them into part-time work by:

...inclusion of incentives to enter the labour market through part-time work, taking into account that while sole mothers have a strong preference for part-time work they have low labour force participation rates and are less likely to work part-time than full-time. The reasons for this dichotomy may be found in the difficulties associated with the transition from the security of pensions or benefits, and that part-time wages are not economically viable.¹⁰

6.22 At present, sole parents and invalids are able to take on part-time or casual work up to a reasonable cut-off point. They can earn \$40 per week without penalty, with a gradual decrease from the full pension from there.

6.23 However, there are still major disincentives to part-time work for adult unemployment beneficiaries who can earn only \$30 per week, without penalty, and with a more severe reduction from then on. If single and earning between \$140 and \$316.80 per fortnight, their gain in salary over total reliance on benefit is only \$100 per fortnight. Married unemployment beneficiaries with two children receive no net gain in income for earnings between \$140 and \$575 per fortnight.¹¹

6.24 The disincentives for long-term unemployed people to earn more than \$140 per fortnight through part-time work or casual work must be removed or they will have little hope of ever getting off benefits.

Recommendation 44:

Existing disincentives to part-time employment for long-term unemployed people should be removed.

Self Employment

6.25 Several submissions canvassed the possibility of self employment for some pensioners and beneficiaries.

6.26 Many women may have home-based skills in cooking, cake decorating and flower arranging which can be developed as marketable skills. Work in

10. Office of the Status of Women, Canberra, evidence p 2155.

11. Cass, B., p 117ff.

crafts may also have relevance, particularly in tourist areas. Evidence was given of successful encouragement of self employment. The HUB program, established by the Western Australian Government, was described as highlighting ideas for self employment ventures.

It is an action research project put together by the Department of Employment and Training, to find out what women want to go into self-employment. ...The women do a questionnaire about their expectations of getting into self-employment. ...The woman sitting next to me on Saturday has wonderful ideas; she has a business plan; she is on social security; she has been to seven places to get money and she has been knocked back by the lot of them. So I guess the problem you have to address is how these women can actually get a loan.¹²

6.27 In rural areas, self employment may be the only option, as in this example from Queensland:

I was involved once before with a co-operative that grew from just a neighbourhood employment need. We ended up owning two fruit and vegetable stalls and running a part-time handyman service, using unemployed youth. Everyone gained out of it, mostly old age pensioners from the food service and from having their odd jobs done. There is a snowballing effect within a community. It can work.FHarlaxton Neighbourhood Centre, Brisbane, evidence, p 1245.

6.28 An issue raised as a concern in many states is the discouragement given to women to upgrade traditional skills through the winding down in TAFE of so-called hobby courses. These also now carry service or tuition fees which may act as a barrier to participants. Many witnesses pointed out that hobby courses could provide the opportunity to prepare for self employment ventures. The importance of such courses as a means to employment should be investigated by CES as a possible component in short training courses.

The traditional areas for women's access have been through the hobby courses - floral art, cake decorating - and many women actually get employment in the home through that. For cake decorating they make little roses and things for the caterers who do the wedding cakes, and they make quite a good living out of it. The decision makers in TAFE, who are confronted with the fairly significant cuts that they have had to suffer in the last few years, and who have mostly achieved a decision making capacity in TAFE are tradesmen who have come up through bricklaying or plumbing, so they do not recognise cake decorating and many of the other things that women do as a valid employment option. That has been a problem for a long time. It is a broad problem and it is very difficult

12. Western Australia Women's Advisory Council, Perth, evidence, p 140.

to address within the system until we have more women across the board in decision making positions who appreciate these things.¹⁴

6.29 Many men also have relevant experience which can be developed into successful small ventures. The South Australian Government described the successful operation of its Self Employment Venture Scheme, which enables workers to capitalise their unemployment benefits. The Federal Government's New Enterprise Incentive Scheme was described positively by the Department of Finance.

The New Enterprise Incentive Scheme appears highly suited to social security pensioners who are restricted through a disability or illness, who prefer or need to work at home, eg for child care purposes, or who require flexible hours of work. NEIS assists unemployed people into self employment by providing small business training and up to 12 months income support. It operates in conjunction with State Government small business loan schemes.¹⁵

6.30 Further, migrants may have the experience and interest to develop goods and services relevant to their communities, but may need assistance with the Australian context.

6.31 The continued encouragement of self employment ventures is essential, together with sufficient funds being made available for some innovative and experimental work in this field. DSS and CES counsellors should be well briefed on the operation of both state and federal schemes, and conduct introductory workshops for social security recipients interested in self employment.

6.32 Nevertheless it is acknowledged that long-term unemployed people may not have the confidence and the skills to enter this field. A preparatory course (as outlined in Chapter 4) could provide sufficient stimulation and support for money-making ideas to develop. These courses should contain an introduction to self-employment.

6.33 The high failure rate of many small businesses is a disincentive. Consequently, beneficiaries entering into self employment should be assured of long-term contact with a support network. In particular, the provision of small business support units needs to be encouraged to ensure that basic business supports, such as accountancy systems or marketing advice, are available. This is particularly important in rural areas:

If you are talking about women with traditional home-making skills, a grant of say \$2,500 would buy a lot of material, if that is what they are going to do - if they are going to sew things or get a lot of

14. Western Australian Department of TAFE, Perth, evidence, p 93.

15. Department of Finance, Canberra, evidence, p 2486.

materials for craft and things like that. But they need help in the area of marketing, in the areas of contacts, knowing how to sell their skills - not just taking their home-made soap to the local shop, but knowing how to distribute.¹⁶

Recommendation 45:

Counselling on self-employment options should be available to unemployed people seeking to re-enter the workforce.

Local Employment Generation

6.34 Evidence was presented about the importance of encouraging local employment initiatives. Job gaps and employment opportunities, particularly in the service sector, can often be more easily identified at the local level. The Report *Local Employment Initiatives: A Strategic Approach* points to the importance of:

- building up local trends, activities
- furthering the take-up of programs at local level
- creating permanent jobs
- harnessing the energy of local communities, businesses, trade unions and others to create new employment opportunities.¹⁷

6.35 The Report's recommendation to establish local monitoring groups should be endorsed, and DEET should continue documenting and publicising successful models of local employment initiatives.

6.36 A South Australian group representing the unemployed supported this perspective and emphasised the value of a community basis:

The success of LEIs comes from being of local origin providing a capacity to harness, nurture and develop local entrepreneurial talent, increase economic value of a region or community, retain homegrown talent, encourage economic diversification and technological innovation and build upon the superior ability of local organisations to identify under-utilised or neglected local resources. It is important that economic programmes are sensitive to the local social and political context. Planning at the local level will aid this and provide an opportunity to integrate economic aims with broader community and social goals.

Programmes developed within the local community are seen as investments in its future. This fosters a greater sense of ownership and hence a greater commitment to see it work successfully. The

16. Women's Information Service, Hobart, evidence, p 867.

17. Report of the National Advisory Group on Local Employment Initiatives, AGPS, Canberra, 1987.

sense of power, purpose and community spirit that the ownership of a successful project brings to a community should not be underestimated.

The local community offers the opportunity for tackling new resources through co-operative action from a broad range of sectors, such as service organisations, churches, local business groups, schools, TAFE, unions and local government.

Finally and most importantly, involving the community is an acknowledgement and responsibility for people to take some control and direction over their lives. Community participation in employment development recognises that employment creation is not only an economic issue but also involves broad social and political aims.¹⁸

6.37 To improve the employment prospects of social security recipients, it is essential that the CES adopts an active role in the encouragement of local employment generation, and ensures that long-term pensioners and beneficiaries are directed towards training and employment in areas where job generation can occur.

6.38 Local job generation must be acknowledged as a viable option. Government funding of these programs should take account of areas with high concentrations of beneficiaries (eg housing commission estates) and few job prospects. A well-planned, funded and supported scheme could potentially generate employment in such areas.

Recommendation 46:

Local Employment Initiative programs should be encouraged to target long-term social security beneficiaries in areas of high unemployment as a priority.

Child Care

6.39 Chapter 5 has identified the lack of provision of child care places as a barrier to training. It similarly poses a barrier to employment for beneficiaries with family responsibilities.

6.40 Child care responsibilities are particularly acute when children are pre-school age, but the problem does not end there.

6.41 Children of school age need outside school hours care and vacation care which are in short supply, even though these do not need much capital investment because school buildings can be used. For many sole parents the entry of their youngest child into school is seen as the starting point for their own entry to education, training or work.

18. South Australian Unemployed Groups in Action, Adelaide, evidence, p 609.

6.42 The Committee sought details from DCSH about the number of Outside School Hours Care (OSHC) places provided in the triennium 1985-1988. A total of 12,045 new places have been provided. The 1987/88 allocation for OSHC is \$7.6 million, and \$4 million for Vacation Care. At the end of December 1988 the Commonwealth will be funding a total of 30,000 OSHC places. Although this is a marked improvement, it is still not sufficient for the number of children with parents in the workforce.¹⁹

6.43 A group whose needs are difficult to meet are shift workers, particularly those on broken or changing shifts where the hours or days of the week on which care is required change frequently. In certain regions, tourism and hospitality provide jobs such as waiting and bar work, which do not require extensive training and could be undertaken by sole parents if suitable child care was available.

6.44 Witnesses emphasised the need for extended- hours' or 24-hour child care. These are more expensive to operate and evidence to date shows they have tended to be under-utilised raising their cost further. A modification of family day care would appear to be more economic, flexible and geographically accessible.

The majority of child care centres funded by the Commonwealth to provide extended hours care are under utilised and hence high cost. Family day care is considered a more appropriate and cost effective means of meeting the need for extended hours care, because it is better able to gear its operations to demand and is not constrained by licensing regulations to the same extent as centres.

Family day care schemes are not obliged to provide evening or overnight child care; this is usually decided by individual co-ordinators and caregivers. The DCSH is not, however, aware of any lack of caregivers willing to provide care in these hours. Extended hours care through family day care is a commonly used and highly valued service.²⁰

6.45 As previously noted, significant advances have been made in the area of child care provision, but if the number of people transferring from welfare to the workforce is to grow significantly, expenditure must be maintained and increased, and a flexible range of services developed. Publicly funded child care will remain important, as will an increased commitment by employers to meeting this need of employees.

19. Department of Community Services and Health, letter to inquiry, 20 April 1988.

20. DCSH letter, 20 April 1988, p 2.

Recommendation 47:

The number of child care places should be increased with a specific target of new places over the next three years, and covering full-day care, outside school hours care, vacation care, family day care and occasional care.

Recommendation 48:

Negotiations between employer groups and government on options for employer participation in child care should be extended.

Chapter 7

SPECIAL NEEDS

They that are whole have no need of the physician, but they that are sick.
JESUS OF NAZARETH

7.1 Amongst social security recipients who have been out of the workforce for a number of years, there are groups with special needs. Their particular difficulties must be recognised and met before they can re-enter the workforce.

7.2 The Commonwealth Government's Access and Equity policy should ensure that all Australians have equal access to its services. All departments are required to plan to ensure this. However, affirmative action legislation demonstrates that special access measures may be necessary to remove specific barriers applying to particularly disadvantaged groups.

Sole Parents

7.3 Sole parents dependent on social security are not an homogeneous group. Their employment experience, educational levels and skills vary considerably. However, whilst this diversity means that a wide range of supporting measures is needed for them to enter or remain in the workforce, all members of this group experience common barriers to labour force participation as a result of their child care responsibilities. These barriers also vary according to the age and numbers of children for which they are responsible.

ABS data indicate that 56% of sole mothers who wanted work and could start within four weeks were not actively looking for work because their children were too young or they could not find suitable child care. The recent AMR survey data showed that of those not currently working, more than half cited the need to look after children as the main factor inhibiting them from seeking employment. Preliminary findings from the smaller-scale DSS study showed that some 60% of sole parents saw caring for children as the major barrier to workforce participation.¹

7.4 Sole parents identify responsibility for children as their major problem.

It is that kind of problem. I think there should be some more positive discrimination for sole parents re-entering the workforce. Whatever kind of training programs we have, we are competing against people who do not have child care worries. Even if we overcome all the obstacles and get retrained and, happily, are

1. Raymond J., pp 86-7.

retrained in the right area, we still have to be competitive with people who do not have child care problems.²

7.5 In many instances these problems are compounded by long periods out of the workforce, low educational and occupational skill levels, and low earning capacity. In order to address the implications of this, a wide range of assistance is needed, combining training and employment opportunities as well as child care. Recommendations to this effect are incorporated in Chapters 4 to 6.

7.6 A matter of concern to the inquiry is claims about what happened to a number of sole parents who lost eligibility for Supporting Parent's Benefit or Widow's Pension in the 1987 May Statement. For example, evidence was given that some were forced for various reasons to depend on family support.

Recommendation 49:

The Government should commission an independent survey to discover the current circumstances of those sole parents who lost their eligibility for Supporting Parent's Benefit or Widow's Pension but have not transferred to other income support.

Young Unemployed People

7.7 The particular difficulties experienced by young people seeking employment can be summarised as: lack of relevant training, lack of experience, and negative community perceptions.

7.8 Although the level of unemployment - or under-employment - of young people remains high, the inquiry received limited evidence on their particular problems in access to training and employment.

7.9 This may reflect the effect of such programs as Priority One, which has established a range of employment and training programs for young people.

7.10 As yet, it is too early to estimate the impact of these programs - and of State initiatives such as Victoria's Youth Guarantee and the youth employment schemes in South Australia and Western Australia - but their effects should be carefully evaluated.

7.11 One particular group of young people with major problems are the children of long-term unemployed people. The Social Security Review notes that these young people are often likely to face long-term unemployment themselves because of low education participation rates.³ Poverty affects family stability, children and family relationships. The lack of clothing, fewer possessions and the inability to afford school excursions, distinguish children

2. Tasmanian Council of Social Service, Hobart, evidence, p 921.

3. Cass, B., p 191.

in poverty from other children at school. Their attitudes to schooling and, consequently, participation can easily be affected. CES officers must be aware of the likely disadvantage of this group, and make additional efforts to channel them into training programs.

7.12 There is also considerable evidence of the problems caused by the cut-off of the Supporting Parent's Benefit or Widow's Pension when the youngest child reaches 16. For this child, the Government's policies are in conflict. The parent's loss of income and fringe benefits may lead to the child having to leave school, usually to take an unskilled dead-end job with a high probability of eventually becoming dependent on Unemployment Benefit. This undermines the Government policy to increase school retention rates.

7.13 The Brotherhood of St Laurence reported that:

Ten of the 60 families said their children were leaving school, mostly for the reason that there had been a joint decision that the child had a better chance of getting a job than the mother, so in some ways the child was protecting the mother from the stigma of looking for work unsuccessfully or going onto an unemployment benefit.⁴

7.14 The sole parent group SPARK noted:

We would support a cut-off of the pension at 18 years of age. We feel that 16 years is quite a bad age, for several reasons. Teenagers are going through a great many changes at that time in their lives and often need a great deal of parental support. They are too old for child-care but often too young to be really left unsupervised for long periods of time. If a parent has been in the workforce or partially in the workforce for some years before that stage, then I think the child gets accustomed to that, but it is wrong to add that stress to the family where there is a great deal of parenting and financial commitment needed and all that sort of thing. It is a decision time for education, too. Quite often at 16 years of age children are reluctant to continue with their education, and to put a further stress on the family at that time is really bad.⁵

Recommendation 50:

Priority One's impact on the level of youth unemployment should be closely monitored.

Recommendation 51:

CES should ensure that the children of long-term unemployed people are encouraged to take advantage of available training and employment programs.

4. Brotherhood of St Laurence, Melbourne, evidence, p 1060.

5. SPARK, Adelaide, evidence, p 696.

Recommendation 52:

Eligibility for Supporting Parent's Benefit and Widow's Pension should remain until the youngest child in a family has completed secondary education.

Middle-age unemployment

7.15 The disadvantage experienced by middle-age unemployed people must be recognised and programs introduced to redress the low provision of specific services to support their return to the workforce. Their problems have been outlined by the Social Security Review. As noted in Chapter 2, the group over 55 are likely to face longer periods on Unemployment Benefit.⁶ The Social Security Review recommends the introduction of a Transition Age Payment, to act as a bridge between benefit and age pension.

7.16 The inadequate levels of Unemployment Benefit for the long-term unemployed is demonstrated by the number who seek pensions which have higher levels of support, for example, the Invalid Pension. The Review notes that 87% of those over 55 not in receipt of the Age Pension are on a pension other than Unemployment Benefit. This trend is exacerbated by a higher risk of injury or poor health among long-term unemployed people.⁷

7.17 The need for a more satisfactory system of income support and job training arrangements for older social security recipients is underlined by the phasing out of Class B Widow's Pension, which has transferred onto Unemployment Benefit a number of older women who have been out of the workforce for a long time. It should be noted that many of these women have already been contributing to society through volunteer work and by undertaking family responsibilities.

7.18 The Department of Social Security has changed the reporting arrangements for older, long-term unemployed people, (following a successful trial in Wollongong) so that they do not have to report for work testing on a fortnightly basis. This acknowledges the effects of industry restructuring on numbers of mature-age workers whose skills are now redundant. This modification of the work test must not disadvantage those who are still actively interested in full-time employment. Every effort in training and referral must be available to assist them in their search for work.

7.19 Whilst the recommendations of the Social Security Review are seen to deal with the situation of older people who have been reliant on social security benefits for a long time, they should not set up a situation where it becomes advantageous for people to remain on Unemployment Benefit. It is important that the government set in place the measures proposed in earlier chapters,

6. C. Crompton: *Too Old for a Job, Too Young for a Pension, Income Support for Older People Out of Work* Social Security Review, Issues Paper No. 2, 1986.

7. Cass, B., Table 12.2, p 217.

such as counselling and training, so that people are assisted into paid employment at an earlier stage. In the short term, however, for the middle-age group currently on benefits, a series of special assistance measures may be needed.

Recommendation 53:

The particular needs of middle-age long-term unemployed people should be recognised by:

- unified long-term support arrangements for middle-age social security recipients, including access to concessions and allowances.
- increased incentives such as eligibility for adult training allowances to upgrade skills through short training courses.
- less frequent reporting requirements without discouraging their attempts to find a job.
- liberalisation of the income test to encourage part-time and casual employment.

Non-English Speaking Migrants

7.20 From such statistics as are available, migrants from a non-English speaking background (NESB) comprise a disproportionate number of the total recipients of social security benefits of all kinds. Therefore any measures aimed at encouraging social security recipients to enter the workforce should take account of this group's particular needs.

7.21 Labour force indicators show that certain ethnic groups are particularly affected by unemployment. Recently arrived migrants, and those with English language difficulties, experience greater disadvantage in the labour force.

7.22 Issues of major concern to NESB social security recipients were outlined in the submission of the Office of Multicultural Affairs.⁸

7.23 English proficiency is the most important factor in NES migrants gaining employment. The Department of Immigration, Local Government and Ethnic Affairs administers the Adult Migrant Education Program which provides English tuition. However, it can be an inflexible program. Recent migrants attending English classes are eligible for a living allowance, equal to Unemployment Benefit, but only if they attend courses full-time. Benefit is not paid for part-time courses, yet migrants undertaking part-time study are precluded by the work test from getting Unemployment Benefit.

8. Office of Multicultural Affairs, Canberra, evidence, p 2302-53.

7.24 Migrants who have been in Australia for some time may not be proficient in English, but do not have easy access to language courses. Furthermore, courses may provide language skills, but may not deal with literacy skills, which may be essential for certain jobs. They actually refused some of the women because they said that their English was too good for the course. Now, the difference between those who were too good and the other women was that some spoke none and the others spoke a little bit. So, after going to the trouble of actually trying to get the okay for the course and then motivating these women, that set back was more destructive than anything else.⁹

7.25 The changes to Supporting Parent's Benefit and Widow's Pension conditions have severely affected some migrants who may have been in Australia for many years, but who missed the chance of learning English. They now have to go into the workforce with no English language skills. One case study from the Brotherhood of St. Laurence shows this:

Katarina Karpov of Broadmeadows is 44 years old and has a 16 year old daughter. She speaks only Russian, has had almost no education and has never had a paid full-time job. She has few Russian speaking contacts and totally relies upon her daughter to help her seek work. Katarina cannot use the telephone, read the papers or communicate if she personally approaches employers. She feels hopeless about her chances of getting a job.¹⁰

7.26 Non-recognition of certain overseas qualifications causes major frustration in gaining entry to some occupations. This important issue is covered in detail in *Skills for Australia*.¹¹ The current lack of courses designed to remedy the difference between overseas and Australian qualifications constitutes a barrier to labour force participation.

7.27 NESB migrants are less likely to register with CES, relying on family networks and word of mouth to find jobs. They feel particularly keenly that receiving Unemployment Benefit is a stigma. This feeling is strongly reinforced by their family. Many migrant women are effectively prevented from applying for Unemployment Benefit and become mendicant members of the family. This places them at a disadvantage in eligibility for training and employment programs.

7.28 Local Employment Initiative programs may not build on areas of expertise developed by migrant communities. Provision of introductory sessions with interpreters would encourage migrant communities to consider producing specialised goods and services for which there would be a demand.

7.29 Planning, implementation and evaluation of strategies to assist NESB unemployed migrants is often hampered by a lack of useful statistics. Data on migrant participation in the labour force and labour market programs is vital.

9. Co. As. It, Sydney, evidence, p 1528.

10. Brotherhood of St Laurence, Melbourne, evidence, p 1011.

11. Dawkins and Holding, *Skills for Australia*, AGPS, Canberra, 1987, p 83.

Recommendation 54:

Any proposals put forward to encourage the entry and return of social security recipients to the workforce must incorporate access and equity principles to ensure that all programs and services respond effectively to the special needs of non-English speaking background people. Principles to be observed are:

- staff administering labour force programs should be aware of the cultural barriers facing certain ethnic groups
- essential information should be available in relevant community languages
- NESB staff should be employed by DSS and CES in offices located in areas of high migrant population
- interpreter services should be available for counselling sessions
- the special needs of migrant women should be recognised, particularly where cultural traditions make it unacceptable for women to work outside the home
- English language and literacy courses should be developed and disincentives to involvement in part-time courses should be removed
- facilitation of greater recognition of overseas qualifications should be given high priority
- bridging courses should be assessed for their relevance to upgrading skills found in migrant communities
- CES should run a campaign to encourage NESB workers to register with CES
- Local Employment Initiative programs should work closely with ethnic communities to build on their specialised experience for the production of particular goods and services
- up-to-date data should be collected in order to assess migrant involvement in training and employment programs

People with Disabilities

7.30 When considering proposals to reduce barriers to labour-force participation of disabled people, it is important to distinguish between those who are dependent on Sickness Benefit or another benefit for a limited time, and those with more permanent conditions receiving the Invalid Pension.

7.31 To qualify for an Invalid Pension an individual must be classified either as blind or more than 85 percent incapacitated for work for either physical, intellectual or psychological reasons. Therefore a significant proportion of this group is likely to be dependent long-term on social security with very little prospect of future workforce participation. However, every effort should be made to reduce barriers to entry to the labour force for those who either regain fitness for work or want to test whether their incapacity does make work impossible.

7.32 Positive submissions were received from organisations, some of which have received funding from DCSH for demonstration projects to establish the employability of people with disabilities. It is clear that the additional assistance provided by these specialist advisory services is essential to gain employment for many of these people. These organisations' submissions suggested a high success rate, and their ongoing funding is important.¹²

7.33 Evidence to this effect was also given by advocacy groups such as the Commonwealth Office for Disability, the Disability Advisory Council of Australia and the Disability Council of New South Wales. They emphasised the waste of human resources if disabled people are ignored as potential workforce participants.¹³

7.34 The comparative economic disadvantage of disabled people is dramatic:

- only 40% are employed, versus an Australian average of 70%
- the unemployment rate amongst the disabled is double the community average
- the average household incomes are one-third lower than the Australian average

7.35 Barriers to employment are experienced not only by invalid pensioners, but also by beneficiaries who may have an unrecognised disability. They include:

- fear that if they do not succeed in a job attempt they may lose future eligibility for, or face long delays in returning to, the income support they were previously receiving
- the financial disincentive of losing vital fringe benefits, particularly those relating to health and aids
- physical difficulty with, and higher costs of, transport to the workplace
- lack of ramps and stair rails in the workplace
- negative preconceptions amongst employers, other workers and the community

12. Evidence, Project Employment (SA) pp 486-512; HETA (SA) pp 701-727; Vocational Resource Agency (SA) pp 767-830; Active Job Services (NSW) pp 1404-1449; Jobsupport (NSW) 1533-1559; Help Industries (Qld) pp 1947-74; Schizophrenia Fellowship (Qld) pp 1976-1992; Koomarri (ACT) pp 1568-1594.

13. Evidence, pp 1307-1403, 1485-1509, 1596-1612.

- inadequate education and training for those whose disability affected their participation in school.
- assumptions that people on Invalid Pension or Sickness Benefit are not suitable to be part of the workforce (32% of 2000 disabled people who registered with Active Job Services, were not registered with CES, often because of CES discouragement to do so).¹⁴

7.36 Clearly, specific assistance is required if disabled people are to have the opportunity of employment and a number of programs do provide this assistance.

7.37 Following the Report of the Handicapped Programs Review,¹⁵ there has been a move away from sheltered workshop and adult training centres. Sheltered workshops have been criticised for their unchallenging and inappropriate work and low wages. Sheltered workshops have had limited success in the role of training people for open employment. More than 9,000 people were receiving Sheltered Employment Allowance in 1983/84 - however, only 27 Training Fees were paid for the placement of disabled people from sheltered workshops into open employment in that year.

7.38 Competitive Employment Training Programs (CETP) place jobless disabled people in open employment and train them in work skills and related work behaviour. This is the place-and-train model. Other programs operate on a train-and-place model.

7.39 Varying evidence was received on the effectiveness of special placements officers in CES offices. The heavy workloads, high staff turnover and lack of resources limited the effectiveness of often dedicated officers in dealing with individual cases.

...there is such a high turnover of special placement officers in the Department. Their workload is not designed specially for that job; they can be taken off that at the whim of the manager to be put on to something that is more productive for the office, to get their statistics up for the month or something like that. ... a lot of special placement officers see their role as special placement officer as being a form of purgatory until they move onto something more appropriate ... I do not think it is punishment but it is just to see their capability for handling difficult jobs and then they move onto something, I suppose, more rewarding to them. They talk about burnout a lot, too.¹⁶

7.40 Some labour market programs for disabled people are administered by DCSH which co-ordinates them with other support measures for this group.

14. Active Job Services, Sydney, evidence, p 1406.

15. *New Directions*, AGPS, 1986.

16. Active Job Services, Sydney, evidence, pp 1442-3.

Other labour market programs administered by DEET do not specifically address the needs of disabled people wishing to enter the workforce. Within the Australian Traineeship System, 15% of places are for disadvantaged groups, but there is no specific target for disabled people nor does there appear to be any adequate monitoring of traineeships for them. The Adult Training Program does not have a target for, nor monitor, participation by disabled people, but it does waive the entry requirement of having been unemployed for 6 of the previous 9 months.

7.41 The Jobstart program (which is being curtailed) does not have targets for participation by the disabled. However, it has been used by CETP schemes to assist initial placement. The Disability Council of New South Wales noted:

The link between the skills of a person with disabilities and the recruitment and hiring practices of employers is sometimes tenuous.¹⁷

The Jobstart subsidy provides an incentive to the employer and an opportunity for the disabled person to demonstrate their abilities. The intermediary role of the agency is also believed to markedly reduce the possibility of the job finishing with the ending of the subsidy.

7.42 The CEP, which targeted disabled people had considerable success in providing them with employment, according to some evidence. The expressed wishes of disabled people are to have assisted access to mainstream programs rather than specialised, segregated programs.

7.43 Monitoring is essential to determine whether access is adequate or some targetting is necessary. Better co-ordination between DEET, DCSH and DSS is also necessary if disabled people's dependency on social welfare is to be reduced.¹⁸

Recommendation 55:

Additional assistance should be provided to assist disabled people on pensions or benefits to gain access to employment. Principles which should be followed include:

- **discouragement of discrimination in all areas of employment and training**
- **specific provision for inclusion of disabled people in government training and job creation programs**

17. Disability Council of New South Wales, Sydney, evidence, p 1490.

18. Examples of poor coordination are given by Vocational Resource Agency, Adelaide, evidence pp 829-30.

- pilot projects by specialist advocacy and job training organisations to assist disabled people gain employment should be continued at 100% funding level
- part-time work opportunities should be encouraged
- programs to persuade employers to favourably consider the employability of disabled people should be introduced

7.44 The Office of Disability recommended:

- the removal of financial disincentives to invalid pensioners to gain employment . disability rebate
- deductions for the additional costs of working - for example, medical expenses, attendants, etc
- disability allowance
- expansion of mobility allowances
- continuation of fringe benefits for a limited period until possibility of economic independence can be established
- assistance to employers to design jobs for disabled including aids

Additional financial assistance for disabled people may be necessary. These Office of Disability recommendations should be taken into account in light of the recommendations of the forthcoming Social Security Review Issues Paper on improving the labour force participation of disabled people. 7.45 The high incidence of disabled children in sole parent families should be noted. The Social Security Review estimates that there is a 25% greater likelihood of a handicapped child in a sole parent family than in a two-parent family.¹⁹ The difficulty of coping with a disabled child can contribute to marriage breakdown. The personal demands on sole parents with a disabled child decreases their ability to work and increases the likelihood of that parent having to depend on social welfare.

7.46 Such parents may need special assistance to enable them to remain in or return to the workforce. For some parents, their feelings of responsibility mean that they would prefer to remain the primary caregiver to the child. In such a case, removal of the Supporting Parent's Benefit when the child is 16 may not be appropriate, as the child can remain dependent even when an adult. Where a child turning 16 is sufficiently disabled to obtain the Invalid Pension or Rehabilitation Allowance, the parent may be eligible for a Carer's Pension if the parent receives no other pension in their own right. A parent looking after a disabled child may be eligible for the Child Disability Allowance until the "child" is 24 years old. However, this is less than 25% of the Supporting Parent's Benefit rate. Disabled children who do not meet the stringent requirements of the Invalid Pension nonetheless restrict the employment options of a sole parent.

19. Raymond, J., p 88.

Recommendation 56:

DSS and CES counsellors should be made aware of the particular needs of parents with disabled children when referring them to employment or training, and should not place additional pressures on them to seek employment if they wish to remain the primary caregiver of their child. If they return to the workforce, special provision should be made for child care costs.

Recommendation 57:

In special cases, eligibility for the Supporting Parent's Benefit or Widow's Pension should be maintained where specialised care is required for a very disabled child over 16 years of age.

Aborigines and Torres Strait Islanders

7.47 The Department of Aboriginal Affairs drew attention to the overrepresentation of Aborigines in the social welfare system, and their lower level of workforce participation.²⁰

7.48 Barriers to working include:

- lack of education and training
- lack of marketable skills
- rural isolation
- cultural factors
- discrimination

7.49 Additional barriers face Aboriginal women, who often have several dependents. A high proportion of them are sole parents.

7.50 These female Aboriginal sole parents experienced additional problems after the 1987 changes to eligibility for Supporting Parent's Benefit and Widow's Pension. They are unlikely to be registered with CES, are not aware of training and employment opportunities, live in remote communities or in welfare housing estates on the edge of towns, and need strong support groups to enable them to enter training. They may also require additional programs if they are to enter paid work, and consideration for their traditional role in nurturing.

7.51 The recently released Aboriginal Employment Development Policy emphasises the need for a comprehensive approach, with due attention to self-determination by individual communities. The Department of Aboriginal Affairs administers the Community Development Employment Program, which enables benefit payments to be used as a base for local employment

20. Department of Aboriginal Affairs, Canberra, evidence, pp 1787-1819.

generation. DEET also administers a number of training and employment programs for Aboriginal people.

7.52 In traditional communities, women may not wish to participate in paid "work", but the value of their contribution to the community in their own terms needs to be recognised. Unemployment Benefit is not an appropriate form of income maintenance. Programs such as CDEP should acknowledge that traditional women's work should also be paid, and that women's projects should be developed and funded under this scheme.

Recommendation 58:

Additional assistance should be provided to assist Aborigines and Torres Strait Islanders on pensions and benefits to gain employment. Principles which should be followed include:

- **Aboriginal employment programs should be closely monitored to ensure an increase in Aboriginal participation in the workforce.**
- **an increased emphasis should be given to community involvement, through programs such as CEDP, with special consideration for Aboriginal women's employment.**
- **there should be more effective and appropriate publicising of employment and training opportunities for Aborigines.**
- **better counselling should be provided at secondary education level, particularly for Aboriginal girls.**
- **preparatory or training courses in remote communities should use mobile units.**
- **special efforts should be made to increase CES registration by Aborigines.**
- **DSS and CES should appoint more Aboriginal officers, particularly female vocational officers funded through DEET.**

Isolation

7.53 Many social security recipients live in public housing estates or in country towns because of lower housing costs. All experience geographic isolation. To expect them to find employment in country or provincial towns - where few, if any, jobs are available - may not be realistic.

7.54 Witnesses also emphasised the stigma which can be attached to the Unemployment Benefit in country areas, whereas a Widow's Pension or Supporting Parents Benefit is accepted as a legitimate means of support.

Counsellors should therefore take account of the psychological distress caused to pensioners and beneficiaries by their change of status when they are expected to apply for Unemployment Benefit.

7.55 Particular problems for isolated social security recipients include:

- limited local employment opportunities
- restricted access to education and training
- higher costs of participation in the labour force, including restricted opportunities to benefit from public transport concessions when job hunting, and the higher cost of travelling to work once in employment

7.56 The poor transport in isolated areas emerges as a major difficulty:

We must not think that because you are only 30 miles from the nearest course, that is not a problem; of course it is a problem, because generally there is not a bus, a train or a tram going there. Isolation can occur within a very small distance ... it is not good enough to say that in Bendigo there will be a TAFE program because it simply is irrelevant for practically anybody who lives outside that area, as much as anything because of the cost of getting there, bearing in mind that petrol prices are always dearer out there as well, and also because of the time.²¹

7.57 The limited services and facilities on many public housing estates pose equal problems as some witnesses from a major Queensland provincial city pointed out:

There are no shopping centres anywhere near it ... There are three corner stores with sky-high prices ... It is 11 kilometres from the nearest college ... There is a little post office ... There is no doctor, no chemist, no hairdresser ... It is a forgotten corner of the world.²²

7.58 In some states, evidence was received of innovative ways of developing training for rural areas. New South Wales TAFE, for example, told the inquiry of the use of broadcasting technology to present courses in potentially 400 clubs and hotels:

...where there is isolation or difficulty in non-metropolitan areas, we have introduced a program of satellite-based training. We use existing terrestrial networks to take signals off the satellite - a signal we put to the satellite from here in Sydney - and we drop that, in this particular program, into 43 locations throughout the State. That lets people be trained in their home town in this particular field, which is bar work.²³

21. Susan Lenehan, MLA, Adelaide, evidence, p 1161.

22. Harlaxton Neighbourhood Centre, Brisbane, evidence, p 2134.

23. NSW Department of TAFE, Sydney, evidence, p 1253.

Recommendation 59:

The barriers faced by isolated social security recipients should be recognised by

- appropriate assistance with travel costs
- extending access to training courses by utilising local facilities
- accessible child care
- relocation assistance for social security recipients seeking work outside the region they live in

Women

7.59 The problems of long-term unemployment are experienced by both men and women. The special needs outlined above apply to both sexes. Nevertheless, the evidence is that women invariably suffer additional disadvantages to men in the same category.

7.60 The particular barriers to women's employment have been recognised by equal opportunity and affirmative action legislation. Commonwealth and State women's units, and women's advisory councils advise governments about policy and programs needed to improve the status of women.

7.61 Witnesses representing a great variety of community organisations, as well as Government agencies, emphasised the importance of training and job creation programs to assist the employment of women. Much evidence focused on the particular barriers facing female sole parents, including widows.

7.62 The Social Security Review draws particular attention to the problems of:

- older unemployed women who try to enter the labour force after long periods of non-paid family responsibilities
- married women who do not have access to their own source of income, if both the woman and her partner are unemployed.

The Review's recommendations involve individual entitlement to Unemployment Benefit, including the splitting the benefit payments between spouses who are both unemployed.²⁴ Individual entitlement would better recognise the equal right of women to participation in the workforce.

24. Cass, B., pp 227-239.

Recommendation 60:

The Government should examine the feasibility of introducing individual entitlement to Unemployment Benefit where both spouses are unemployed in order to encourage women's participation in the labour market.

Chapter 8

CO-ORDINATING STRUCTURES

Let us treat men and women well; treat them as if they were real; perhaps they are.

R.W. EMERSON

National Co-ordination

8.1 Many witnesses pointed to the fact that there is poor co-ordination between DSS and CES in providing appropriate information to pensioners and beneficiaries on training and employment opportunities. The Victorian Government submission points out:

There is also a need for better integration of Commonwealth income security arrangements under DSS with the education, training and labour market programs funded through DEET.

Currently there appear to be few links between training programs (administered by the Department of Employment, Education and Training (DEET) and the needs of social security beneficiaries (under the control of Department of Social Security (DSS)). In general, the aim of DEET training programs is to aid those registered as unemployed to obtain a job. No DEET training programs are targeted specifically to non-UB beneficiaries. If the number of social security beneficiaries are to be reduced, a greater integration between DEET and DSS will need to be established. For example, a program to assist Widows B pensioners find employment might include components designed to increase work confidence and update work skills.¹

8.2 The Department of Social Security stated in evidence that a working party had been established with DEET in the wake of the 1987 changes to plan programs for the sole parents affected. The formal status of this working party is not clear.² This working party should become a formally constituted inter-departmental committee, with the task of formulating policies for getting long-term social security recipients into employment and training. This committee should be advised by a broadly-based working party, including other relevant departments and representatives of organisations working with social security recipients.

1. Victoria Government, submission, p 2.

2. Department of Social Security, Canberra, evidence, p 1906.

Recommendation 61:

More effective co-ordination between DEET, DSS and other relevant Commonwealth departments must be established through a formal structure which ensures liaison on policy implementation regarding the return of social security recipients to employment.

Co-ordination with State Governments

8.3 Within each state and territory a further need for co-ordination exists, because of the need for close liaison with state funded training and employment programs. Other state government expenditure, such as fringe benefits payments, public housing placement policy, and provision of child care places should also be directed to assisting social security recipients in their return to the workforce. A table demonstrating state government employment and training programs is in Appendix 7.

8.4 The New South Wales Women's Employment and Training Task Force noted in their submission that New South Wales had established a Working Party on Sole Parents which met between September and December 1987. The Working Party was established to monitor the effects of the 1987 changes to social welfare entitlements and to propose ways in which transition into the labour market could be facilitated for those affected. The Working Party was intended to be short term only and has now referred the issues for action to the various government Departments concerned.

8.5 This Working Party included Commonwealth and State departments, and demonstrated the usefulness of establishing policies across a number of portfolios.³

8.6 A Commonwealth/State Committee could establish a management plan for employment and training opportunities for pensioners and beneficiaries. The plan could be a short document to guide planning - for, say, a year - through the establishment of a small set of critical objectives. These objectives could define priority locations for training courses, the minimum number of courses required and establish targets for beneficiaries in job creation or training programs. A senior DEET officer could have responsibility for establishing this committee.

Recommendation 62:

State and Commonwealth training and employment programs should be co-ordinated through the establishment of a State/Commonwealth committee.

3. New South Wales Women's Employment Task Force, Sydney, evidence, p 1173.

Local Co-ordination

8.7 Many witnesses pointed to the need to organise initiatives at the local or regional level, building on the success of such initiatives in providing additional employment. For example, the Western Australia Government proposed the formation of -

a Regional Integrated Labour Market Service (RILMS) combining Federal and State resources and services as an appropriate framework to meet the needs of the target group. The flexibility inherent in this concept with its emphasis on responding to local labour market needs would increase the access to employment and training programs for all disadvantaged groups.⁴

8.8 Such regional employment and training committees could bring together representatives of local CES and DSS offices, local TAFE and other relevant government bodies, local employers and employee organisations and community groups representing the long-term jobless.

8.9 A similar structure proposed by the Australian Council of Social Service -

...be serviced by staff drawn (or seconded) from the constituent agencies, and responsible to the Employment and Skills Foundation Council of the National Board of Employment, Education and Training (NBEET)...

8.10 The regional organisation would analyse projections of regional labour markets and ensure that adequate employment and training options were available. ACOSS also recommends that community based training will best be provided by -

...one large community based and community managed employment and training agency within the area or region. These would in turn need to be sufficiently well resourced to ensure that they are well managed and capable of playing a key lead role within the provision of employment and training opportunities within the region.⁵

8.11 An example of successful local co-ordination and current problems in maintaining it, was provided by the Member for Goldstein:

Labour Market Programs have traditionally been negotiated between individual colleges and their respective Department of Employment, Education and Training Zone Office ...

4. Western Australia Department of Employment and Training, Perth, evidence, p 37.

5. ACOSS, Sydney, evidence, p 1456-7.

Under the new costing schedule and guidelines for running labour market programs - Adult Training Programs and Youth Training Programs - the power of individual colleges to negotiate directly with the local zone office of DEET has gone.

Colleges may individually deal with the zone office to set up a program, but the formula for costing has been decided by officers of the State Training Board (STB) and DEET. The funding for the program is then paid to the STB which holds it in trust and then disperses an allocated amount to the college, which is the direct teaching and co-ordination costs.⁶

8.12 The pre-existing arrangement worked well and should be restored, on the basis that it was a flexible and effective method of developing training programs relevant to the local area.

8.13 Local CES and DSS officers should be designated to establish such committees at local or regional level, as appropriate. The Committees could consider establishing shopfront Back to Work Units. Social security recipients could be referred to these Units when their unemployment is likely to be long-term, and when it is envisaged that they will need resources additional to the average unemployment beneficiary.

8.14 Some witnesses suggested a physical separation from existing centres is necessary in certain circumstances:

The services should not be co-located with the CES because of the stigma that would result from such a juxtaposition. Something like the "Careers Reference Centre" on a geographically decentralised model, and with educational counsellors readily available, would be satisfactory. The counsellors would need to operate on both a centre based and community networks model - seeing some prospective students in the Educational Information and Counselling Centre; being able to go out to see individual clients or groups of people in community locations.⁷

8.15 A centralised unit could provide a range of information and could develop an effective data base of educational training and employment opportunities, which is not currently available. Departments tend to specialise in information related primarily to the services provided by that particular Department. In view of the plethora of agencies providing services and assistance, there appears to be a great need for a single centre providing a simple but comprehensive guide to education and training options and support services.

8.16 A local co-ordinating structure and Back to Work Unit with effective links to the local community and businesses could develop an effective data base of

6. The Hon Ian McPhee, MP, Canberra, evidence, pp 1839 -1840.

7. P. Watsford, Brisbane, evidence, p 2092.

educational training and employment opportunities which is not currently available, and could also plan more innovative programs. New South Wales TAFE noted that:

the current situation of the CES identifying an area of local skills shortages, contracting TAFE to provide a course and selecting students to participate tends to limit the options individuals see as available to them.⁸

8.17 Examples of lack of information abound. For instance, in the New South Wales Sole Parent phone-in for supporting parents -

...a huge number of the women did not know about Austudy. When we asked people at DSS why they were not telling women whose kids were coming up to that age group that if their kids stayed at school they were entitled to Austudy, they said "we cannot do everything". But this is another government program. They could just prepare some sort of package that they could hand to people, even if they did not want to talk to them.⁹

Recommendation 63:

Planning for the entry of long-term social security recipients should be co-ordinated at local or regional level by a committee of all relevant groups.

Recommendation 64:

A local Back to Work Unit should be established to centralise information and assistance for the long-term unemployed.

The Role of CES

8.18 Implicit in the preceding recommendations is a shift in the orientation of CES offices. Some witnesses suggested that, to date, CES offices have been concerned only with the needs of the employers. Representatives of the South Australian Government stated:

...the view generally held of the CES, that it performs a very narrow function. It serves particular purposes and there are all sorts of connotations associated with going to the CES. What I think most of us would see is that the CES ought to be the agency that is right up front in many of these, but it is certainly not in that position. I think *Australia Reconstructed* made much the same sort of message that the CES ought to vastly expand its services. Perhaps you might be talking about a transition by which you provide this sort of

8. New South Wales TAFE, Sydney, evidence, p 1243.

9. New South Wales Women's Employment Task Force, Sydney, evidence, p 1202.

information through other more sympathetic and sensitive alternatives whilst the CES regards its images and its functions so that ultimately it is the place where that should be done.¹⁰

However, some regional offices have become more active in seeking opportunities for clients. These moves are to be encouraged.

8.19 CES must now play a much more active role in seeking work for people who have been traditionally seen as outside the paid workforce. This requires a major shift of emphasis, as these people will need much more counselling and assistance. Evidence from Western Australia suggested that CES staff may not be properly briefed on services it offers.

...in my experience there is a lot of disillusionment with CES. There are people such as training officers, and vocational officers within CES, which is not always known. We quite often channel people in their direction but usually the first reaction is, "What is the point? They are not going to do anything for me" ... the CES does not let the client know when the client is there that there are these resources. You have almost got to know that they are there to ask ... the CES people do not always know themselves that they have these facilities ... I have phoned CES to ask particular branches who their training officer is and have got a surprised reaction. They say, "Wait a minute" and then they come back and say, "Yes, we have got a training officer. His name is so and so".¹¹

8.20 Problems would seem to have been caused by staff rotation and staff shortages. Specialist units for long-time unemployed people would need to have specially trained staff.

8.21 The Victorian Council of Social Service suggested that CES could make this change.

CES has the room and it certainly has the skill to take an individual or a range of individuals and establish their needs with respect to the employer coming in from the other side. Obviously it would take a two-to three-month period, or it might even take much longer than that. But it is not something that would unduly stretch the resources of CES because that is what they are there for and that is part of their skill.

CES offices are very good and are really case-oriented and see that they have had three or four people who have exactly the same kinds of needs and, in fact, developed a training program once it develops to six or seven people and take it from there. It is not unheard of.¹²

10. South Australia Government, Adelaide, evidence, p 420.

11. Anti-Poverty Subcommittee, Northern Suburbs Social Developmental Council, Perth, evidence, p 187.

12. Victorian Council of Social Service, Melbourne, evidence, p 993.

8.22 CES staff training and development courses should include comprehensive profiles on social security beneficiaries as well as providing a full briefing on the job opportunities and training programmes in the region. Some witnesses argued that service would be improved by the nomination of an individual officer to prepare an employment/training and counselling plan for each client, so that clients would be aware of their contact person in the CES. This proposal has major resource implications.

Recommendation 65:

Commonwealth Employment Service employment counselling should be upgraded to give priority to assisting long-term social security recipients to return to the workforce.

Ensuring access to CES

8.23 A fundamental problem for many pensioners and beneficiaries is physical access to available assistance. Transport difficulties, particularly for sole parents and invalid pensioners have been outlined in previous chapters. Closer liaison between CES and DSS is essential in ensuring that beneficiaries have access to counselling and/or employment advice even when they are unable to travel to the relevant office.

Recommendation 66:

Access to employment extension officers should be provided at Department of Social Security offices in areas which do not have a Commonwealth Employment Service Office.

8.24 In some areas CES offices do not have information on jobs and training programs in areas adjacent to their defined geographic boundaries. Computerisation of records should ensure that information of this kind is available.

Recommendation 67:

Commonwealth Employment Service offices should have available information on training programs and job vacancies in adjacent areas.

Chapter 9

CHALLENGING THE ASSUMPTIONS

Even the youngest of us may be wrong sometimes. GEORGE BERNARD SHAW

9.1 It became obvious during the inquiry that there are several assumptions which hinder entry or return to the workforce by social security recipients. Some of these have become popular myths. They exhibit a feature of such misconceptions - a small element of truth which gains them credibility. Some people believe the myth fully. Others do not give it full credence but allow it to affect their judgement, either consciously or unconsciously.

Long-Term Unemployment

9.2 There is still a widespread belief that people who have been unemployed for long periods do not want to work and that there are jobs available for all those who really want them. Whilst there may be individuals for whom this is true, most people want a job which gives them income security, and dislike the stigma of unemployment.

9.3 The Social Security Review observed:

Unemployment beneficiaries are amongst the poorest in the community. Their incomes fall within the lowest tenth of all incomes, taking into account family composition.¹

9.4 Regarding the availability of jobs for all who want them, the Review noted:

There are currently some 450,000 more unemployed in Australia than there are job vacancies and the key labour market problem continues to be insufficient aggregate demand for labour. Many vacancies are not filled by employers from amongst the unemployed because the jobs require scarce skills and experience or are located far from where unemployed people currently live.²

9.5 On attitudes concerning long-term unemployment, the Review observed that there is -

considerable evidence that employers tend to use duration of unemployment as an indicator of reduced employability.³

1. Cass, B., p 104.

2. Cass, B., p 111.

3. Cass, B., p 111.

9.6 Evidence before the inquiry challenged these assumptions about long-term unemployed people. It is noted that despite problems with self-esteem, morale, confidence and motivation, long-term unemployed people keep on looking for work.

People with disabilities

9.7 To be eligible for the Invalid Pension a person must be at least 85% incapacitated for work or be permanently blind.

9.8 The Office of Disability described misconceptions by some employers who frequently assume that all people who qualify for an Invalid Pension are unable to work, despite there being jobs which are within their capacities.

Many people including officers of the Department of Education, Employment and Training have expressed the belief that a large number of employers would have concerns about hiring people with disabilities. Common myths or misconceptions concerning employment of people with disabilities included that they would:

- have a higher turnover
- be less productive
- be a greater safety risk
- be too costly
- be too demanding
- be an embarrassment to the organisation

None of these have actually been found to be true, either in America or here, when people with disabilities have been properly trained and supported.

Statistics from the US Office of Vocational Rehabilitation (Lester and Caudill, 1987) show that people with disabilities when compared to other workers actually perform better:

| | Better | Same | Worse |
|------------------|--------|------|-----------------|
| Absenteeism | 55% | 40% | 5% |
| Labour Turnover | 83% | 16% | 1% |
| Job Productivity | 24% | 66% | 10% |
| Accident Record | 57% | 41% | 2% ⁴ |

4. Office of Disability, Sydney, evidence p. 1330.

9.9 The determination of disabled people themselves, the progressive reduction of physical barriers, and government assistance to employers to provide work aids and building modifications have overcome these false assumptions in a growing number of cases. In fact, the high motivation of people with disabilities to succeed against the odds makes them good employees.

9.10 One witness asserted that people with disabilities are capable of full-time employment and gave as an example the work gained by a man with intellectual impairment:

I have seen a person with severe Down's Syndrome, to the point where his personal hygiene was poor, he could not speak - a few grunts was all you could get from him - working in a factory where birdcages and other wire products were made. His job was to lay the wires out on a frame and spot-weld them together: he was performing that job at 110 percent of able-bodied rate, and being paid appropriately for it.⁵

Sole Parents

9.11 In Chapter 3 reference was made to the belief that the growth in sole parent numbers is due to the deliberate decision of young women to make a living from sole parenthood funded by the Supporting Parent's Benefit. The evidence shows that the great majority of sole parent families are actually the result of separation, divorce or widowhood. Associated with this belief is a further assumption that sole parent beneficiaries are living in comfort at the taxpayers' expense. The reality is that the majority of such families live in poverty.

9.12 Reductions in sole parent's Austudy payments have limited their access to, and in many cases excluded them from, education courses. The older age group which has been forced into the labour market is also the group which has been longest out of the workforce. Without adequate preparation, they are unlikely to find employment. The changes tie recipients into long-term welfare dependency rather than achieving the stated objective of encouraging them into the workforce.

9.13 Evidence from sole parent groups suggested a strong commitment to move into paid work, if suitable assistance were available.

Middle-age Unemployment

9.14 Evidence was received that many middle-age people seeking to enter or return to the workforce are assessed primarily on their age rather than on their ability. It was claimed that whilst publicity campaigns have been successful in

5. Project Employment, SA, evidence, p 500.

breaking down some of the prejudice against young unemployed people, they may have worked against older unemployment beneficiaries and sole parents.

Employers will often have a very clear mental image of the ideal staff member and this seldom includes a middle-aged women who has been raising children in the home for the last 16 years. Since agencies such as the CES have to meet the needs of employers in order to maintain their position in competing the job vacancies this underlying assumption (that employers won't consider a mature aged women seeking to re-enter the workforce) will often be held either consciously or unconsciously by CES officers.⁶

9.15 Employer preference for young applicants is heightened at times of high unemployment, but contrasts with attitudes to their existing mature age employees, particularly women, whom they consider to be amongst their most reliable and productive workers. Employers may need to be reminded that what a younger applicant offers in energy and ambition may well be matched by what an older applicant offers in experience and stability.

Unemployable People

9.16 The assumption that some people are unemployable creates a further substantial barrier for people who are already severely disadvantaged in the labour market.

9.17 Whilst CES and other agencies must be able to use some discretion in matching applicants with available jobs, care needs to be taken that people are not arbitrarily categorised as unemployable. Evidence was given that the absence of basic skills may not be adequately established by CES and that training programs consequently fail.⁷ These failures waste public resources, lower participants' self-esteem and can result in them being further labelled as training failures as well as unemployable.

9.18 Failure to recognise that a person's problem is the result of limited literacy skills, for example, can lead to their being thought of as unemployable. As well as courses to solve literacy shortcomings, development of a positive self-image can achieve as much as the courses themselves.

9.19 Many people who are severely disadvantaged in the labour market have proven to be employable with a realistic assessment of their abilities and when a carefully managed placement effort is taken on their behalf.

6. Western Australia Department of Employment and Training, Perth, evidence, p 42.

7. Brotherhood of St Laurence, Melbourne, evidence, p 1054.

Women

9.20 It has been noted in Chapter 7 that women are likely to face greater disadvantage in all areas because societal assumptions tend to devalue women's role.

Women who have worked full-time managing households for many years are at particular disadvantage. Societal attitudes to "women's roles" attach little marketable or monetary value to the catering, cleaning, caring, organisational, administrative, managerial and financial work they conduct on a voluntary basis. Such societal beliefs, reflected in the recruitment practices of employers, will not change quickly.⁸

9.21 Arbitrary exclusions of any significant group from the paid workforce incurs considerable social and economic costs to the community.

Recommendation 68:

A community education campaign which challenges the assumptions held about long-term unemployed people, disabled people, and middle-age workers should be developed through the Commonwealth Employment Service.

8. Senator J Powell, Australian Democrats, Melbourne, evidence, p 1147.

Chapter 10

COST SAVINGS AND COST-EFFECTIVENESS

It was said of old Sarah, Duchess of Marlborough, that she never puts dots over her i's, to save ink. HORACE WALPOLE

10.1 The Confederation of Australian Industry in its submission to the inquiry said:

There are many major and entrenched barriers which restrict or prohibit the entry into the workforce of large numbers of persons in this community. As a consequence of repeated failures to find work, these people fall back on the social welfare system. Society perhaps has come to regard that system not as a mechanism to support such persons through difficult times, but rather as the principal and permanent source of their sustenance.

The removal of the barriers to employment is therefore an issue of the highest priority for the Australian community. It is not merely a matter for Government. It requires active involvement and support from the employer and union movements, as well as other organised groups within the community which have the ability to contribute resources and ideas to the process of change.¹

10.2 The benefits available to the community when individuals move from dependence on social security to economic independence are clear.

10.3 The South Australian Government outlined the economic and social costs to society of long-term dependency on welfare payments.

In economic terms these include:

- the costs of lost production to the economy, particularly through the inability of welfare recipients to purchase goods and services which will have a job multiplier effect on the economy;
- loss of tax revenue to both the Federal and State governments, given the significant proportion of people in receipt of welfare payments;
- costs to both the Federal and State governments of income security and related payments; including increased costs in community services as a result of accumulated poverty generated through long-term welfare reciprocity.

1. Confederation of Australian Industry, Melbourne, evidence, p 1101.

For the individual, unquantifiable health and psychological costs are incurred as a result of long-term dependency on welfare payments and the consequent poverty trap.²

10.4 Despite gaining employment, some beneficiaries and their families may still be on low incomes and in need of partial income support. Nonetheless, a degree of independence and social worth is gained by the individual through employment. Paid employment offers the most certain route out of poverty for many social security recipients.

10.5 Society benefits from the contribution of all its members:

...people lacking vocational training and qualifications are likely to become even more disadvantaged over time in a labour market which increasingly values skills and relevant employment experience. A society which does not respond to the needs of its disadvantaged groups will incur the heavy socio-economic costs of under-developed and under-utilised human resources.³

10.6 As a consequence, the overall objective of this inquiry has been to look at cost-effective ways of bringing social security recipients into the paid workforce. Because of the costs - direct and indirect - of long-term dependence on welfare, planned expenditure to minimise this can lead to long-term savings.

10.7 A planned program to minimise dependence on welfare, and assist social security recipients into the workforce, must first establish clear and reasonable objectives, by which its effectiveness can be measured. Its cost-effectiveness can then be assessed by measuring how efficiently it reaches those objectives. Cost-effectiveness should not be confused with overall cost-saving. The Committee heard evidence concerning recent government measures which decreased the ability of certain groups to participate in education and training, thereby reducing the effectiveness of programs intended to assist them. These measures have been cost-saving, but not cost-effective.

10.8 The 1986 Budget reduction of sole parents' tertiary studies allowance from \$38 to \$15 per week effectively reduced the ability of most of them to undertake tertiary study. Austudy is meant to make tertiary education possible for low-income people. For most of these beneficiaries, the only source of income is social security payments at subsistence level, which meet only basic living costs for them and their families. Reducing their Austudy allowance has removed their best opportunity for substantially increased income, and removal from social security dependence. This cost-saving

2. South Australian Government, Adelaide, evidence, p 329.

3. Dawkins and Holding: *Skills for Australia*, AGPS, 1987, p 16.

change is not cost-effective. The consequent dramatic decline in tertiary enrolment by this group conflicts with current policy objectives of encouraging these people to become financially independent. It was clear from the evidence of the Department of Finance that reducing Austudy allowance to \$15.00 was not based on an assessment of the effectiveness of an allowance at that level. \$15.00 was an arbitrary figure.

10.9 The sudden reduction in eligibility for Sole Parent's Benefit and Widow's Pension in mid-1987 was also poorly planned and implemented. It should have been anticipated that these changes were unlikely to achieve the stated objective of transferring these pensioners and beneficiaries from social security dependence to financial independence as fully participating members of the paid workforce, in the absence of appropriate training programs and extensive support mechanisms. The people affected are known to have characteristics likely to result in their being transferred to the ranks of the long-term unemployed with an ongoing dependence on social security. Subsequently many of the affected people have transferred to other social security benefits, such as the Invalid Pension.

10.10 The expectation that they would transfer easily into the workforce was not well-founded. However, the policy change did succeed in causing them and their families considerable humiliation and financial distress. Therefore, the cost-saving objective of encouraging widows and other sole parents to seek employment has not necessarily been cost-effective because of defective planning and implementation which demonstrated little understanding of their particular disadvantage in the labour market.

10.11 The 1986-87 Budget requirement that sole parents report regularly to the Department of Social Security to establish continuing eligibility for financial support and for counselling on how to gain employment was not fully implemented. The reporting requirement has been enforced but counselling on employment and training has not been provided. Had both aspects of this provision been implemented, valuable groundwork would have been laid to prepare these people for the subsequent changes in eligibility, and for their consequent efforts to find employment, even though the lead-time would still have been inadequate.

10.12 What would be the characteristics of effective and cost-effective programs to assist social security recipients into the paid workforce?

The Australian Conference of TAFE Directors noted:

It is important to recognise that because of the characteristics of social security recipients and the extent of their economic, educational and social disadvantage it will be necessary for Governments to make initial investment to achieve long-term gains. Although cost savings can probably be achieved through improving efficiency of administration of Government programs, the major

gains will occur through improving the effectiveness of outcomes of programs.⁴

10.13 For example, an effective education and training program must:

- be educationally sound
- increase general levels of education
- produce marketable vocational skills and
- result in the gaining of a recognised labour market credential

10.14 An effective employment program must:

- concentrate on long-term labour market involvement
- provide access to secure well-paid employment and
- increase experience, skills and employability

10.15 It was suggested that there are technical difficulties in measuring the cost-effectiveness of such programs, since long-term impacts have not been measured.

One of the most limiting aspects to the design of successful and cost-effective labour market programs is the paucity of impact evaluations. Post program monitoring provides information on the short term outcomes for participants, but impact evaluations could provide evidence of the extent to which a particular program has caused a net increase in the rate of job attainment by its target group relative to having no program operating at all. This is very powerful information without which designers are forced to rely on 'gut reaction'. Such reaction has often ultimately proved to be inadequate and incorrect. This and other considerations suggest that some mix of type assistance may be necessary, and that a wholesale shift from passive programs to active programs may not be cost-effective.⁵

10.16 However, the Department of Finance's evidence, acknowledged that it equates cost-effectiveness with cost-saving, and gives scant attention to government commitment to assist the long-term unemployed into jobs.

Designing assistance in such a way as to maximise the level of benefit from a limited budget necessarily involves making judgements and trade offs between a wide variety of conflicting considerations. Primary among these is the conflict between efficiency and equity. Efficiency considerations dictate that resources should be allocated where they have greatest effectiveness. In the short-term it would appear to be more efficient

4. Australian Conference of TAFE Directors, Sydney, evidence, p 1234.

5. Department of Finance, Canberra, evidence, p 2485.

to upgrade the skills of the existing workforce. Those with the apparent potential to more readily enter employment such as the young and the recently unemployed would be favoured under this scenario. In the longer term, however, the more disadvantaged and existing long-term unemployed are likely to remain a continuing drain on the economy with a severely diminished likelihood of ever re-entering employment.⁶

10.17 Government policy has been focussing on long-term unemployed people. This involves an acceptance of expenditure which in the short-term may produce greater costs, but hopefully in the longer term could lead to reductions in government expenditure. However, for significant reductions to occur, programs must be well-planned to ensure that participants do gain employment.

10.18 This point was well made by DEET:

The short-term costs of providing training or employment assistance may not necessarily reduce the long-term costs of maintaining benefit or welfare payments. If an unemployed person finds employment they will not be a drain on the social security system in the long term, and the provision of training can be seen as cost effective. However, if their training does not lead to employment, the cost of training is not recovered. The chances of finding employment are not high in areas where the number of people seeking employment greatly exceeds the number of jobs available. General encouragement of more active jobseeking by beneficiaries and pensioners could be viewed as adding to the unemployment problem in some communities and an unproductive dilution of government services and program assistance. There is therefore a need to tightly focus on which groups to train, and on programs which have successful employment outcomes. Direct and indirect costs and savings need to be fully considered. For example, a pensioner or beneficiary who gains employment as a consequence of a wage subsidy scheme is no longer receiving a pension or unemployment benefit, and is also paying taxes.

However, in the context of continuing high unemployment, the matter of substitution cannot be overlooked - successfully retraining pensioners or beneficiaries may lead to, say continuing unemployment for a person who already has those skills.⁷

10.19 The latter point was supported by the Department of Finance which expressed concern at the possibilities of interventionist programs merely "shuffling the queue".⁸ Yet it is feasible that the encouragement of social

6. Department of Finance, Canberra, evidence, p 2485.

7. Department of Employment, Education and Training, Canberra, evidence, p 2221

8. Department of Finance, Canberra, evidence, p 2505.

security recipients into the workforce could lead to an overall increase in demand, and jobs, rather than to competition in a narrowing field.

10.20 Both the Victorian and South Australian Governments' evidence to the inquiry emphasised the importance of not assessing cost-effectiveness in a policy vacuum but rather in relation to government commitment to policies such as social justice.

Victoria's Economic and Social Justice Strategies provide the framework for this State's approach to increasing access to employment for the unemployed and others who face disadvantage in the labour market. While Victoria's Economic Strategy aims to maximise the long run rate of economic and employment growth in the State, its Social Justice Strategy is designed to ensure that the fruits of increased prosperity and expanded employment opportunities flow in substantial measure to those are least advantaged in the community. Particular emphasis is being given to the reduction of child poverty and long-term unemployment through increasing access to employment for those affected.⁹

10.21 Whilst accepting that the effectiveness of a program must be measured in relation to its overall objectives, cost-effectiveness requires an assessment of the resources used. There is little firm quantifiable data, since moves to bring social security recipients into the labour market are very recent. DSS however, provided a careful estimate of costs:

The costs of providing assistance with workforce entry and re-entry to unemployed and jobless people through labour market programs include income support costs, program participation costs and administrative costs associated with both these items.

At current average rates of pension and benefit, it is estimated that there is a direct cost to revenue for each year of receipt of the following categories of pension or benefit as follows:

| | |
|-----------------------------|------------------------|
| Unemployment Benefit | \$ 6,600 |
| Supporting Parent's Benefit | \$ 8,000 |
| Class A Widow's Pension | \$ 7,700 |
| Class B Widow's Pension | \$ 5,900 |
| Invalid Pension | \$ 5,700 ¹⁰ |

10.22 Some training and employment programs can save some of these costs. The Western Australian Government, for example, has introduced the Job Link program which targets disadvantaged workers. The Western Australian Government's evidence stated:

9. Victorian Government, submission to inquiry, p 2.

10. Department of Social Security, Canberra, evidence, p 1886.

The Job Link program is both cost effective and efficient. This is due to its interactive nature of the Scheme which involves a partnership between the Government, the community and the unemployed. In the 1986-87 period, twenty-two Job Link projects serviced 8,800 clients. The outcomes of this client group are as follows: 16% left the program, 54% gained either full-time or casual employment and 44% were placed in employment or further training.

Relevant Statistics:

| | |
|----------------------------------------------------------|-----------|
| Cost per participant counselled | \$ 97.00 |
| Cost per placement into full-time or casual employment | \$ 179.62 |
| Cost per placement into full-time employment or training | \$ 221.25 |

The Job Link program recently underwent an external review, conducted by the Centre for Human Resources and Economic Development Research and Initiatives. In its summary the Job Link Review stated:

"this review has found, and clearly illustrates, that Job Link has many understanding features which the disadvantaged unemployed, employers and other community members, who have been fortunate enough to have contact with the program, have valued highly. The accolades bestowed upon the program would appear largely to be attributable to the talents and dedication of the Job Link Co-ordinators who achieve excellent results. Furthermore, the other corner-stone of the program would appear to be its personalized, attentive approach to both employers and the unemployed. Such an approach is normally cost ineffective but because of the community model, at the heart of the program, efficiency and social conscience have managed to evolve into a powerful synergy".¹¹

10.23 The inquiry received similar impressive data from demonstration projects working on the employment of disabled people, with funding from the Department of Community Services and Health. The Sydney-based Jobs Support program was evaluated by Coopers and Lybrand WD Scott. The evaluation showed that, per client, the program is cheaper than a sheltered workshop and

...by 1995-96 it will be saving over \$2,000 per client on a population that would otherwise be sitting at home on benefits of some sort. You should consider that the savings actually made by the Government by that time vary between about \$215,000 and \$429,000 odd per annum, and it is taking a group of people who have never had the chance to go into open employment, it is giving them wages

11. Western Australian Department of Employment, Education and Training, Perth, evidence, p 45.

that are much better. Instead of \$30 a week, plus pension, they are getting \$152 a week, plus partial pension, and it is going to save the Government quite a bit of money as well.¹²

10.24 These results were replicated in an evaluation of Project Employment (SA):

During the twelve months from January to December 1987, Project Employment (SA) cost the taxpayer \$210,500 giving a cost of just over \$6,000 per person maintained in open employment that year. PE(SA) anticipates spending \$235,300 during the 1987/88 financial year, and by the end of June, 1988, expects to have placed 50 people with an intellectual disability into open employment. Thus, PE(SA) will have produced a financial turn-around of about \$390,000 (including tax payments), and the nett saving to the government in that year will be around \$155,000.

At that time, the cost per employee will be about \$4700 per annum, which is less than the cost of providing a pension, and about half the cost of providing a place in supported employment. Clearly, it is more cost-efficient to provide funding for organisations such as Project Employment (SA) than it is to go on paying social security benefits to large numbers of people with intellectual disabilities who, with assistance, are able to earn wages. Furthermore, funding Project Employment (SA) also produces increased self esteem and social integration on the part of the employees, real benefits which cannot be valued in dollar terms.

It should be noted that the results reported by PE(SA) are not restricted to South Australia. Project Employment offices based in Perth, Bunbury, Wollongong, Albury, and Darwin have achieved similar results with people with a variety of disabilities. By November, 1987, over 200 people with an intellectual disability throughout Australia were being maintained in employment through Project Employment offices. Thus, Project Employment nationally was turning around government funds at a rate in excess of \$1.5million annually in the form of unpaid pensions and increased tax revenue.¹³

10.25 These programs are demonstrably cost-effective, although DCSH indicated that the cost-effectiveness varied between agencies. Further work should be undertaken to determine the reasons for these variations. The type of client varies between agencies, as does the degree of follow-up and the resultant rate of retention in employment.

12. Jobsupport, Sydney, evidence, p 1550.

13. Project Employment, (SA), Adelaide, evidence, p 493.

10.26 It was noted that further Government funding of the projects may be at only 80% of projected costs, with the remaining 20% having to be raised through other sources by the organisations conducting the programs. This proposal overlooks the fact that many of them have little or no alternative sources of funds. They can charge neither their clients nor employers, in contrast to other employment agencies. Public fund raising is very competitive and labour intensive. It was claimed that part of the contribution by the Government would have to be directed to this purpose. In subsequent evidence, DCSH informed the inquiry that such agencies would be funded at the 100% level where no other funds were readily available. Less than 100% funding is a clear case of risking a reduction in cost-effectiveness for the sake of cost-savings.

10.27 These significant successes illustrate that programs which have clear objectives and planned evaluation measures, can be cost-effective. They refute the view that long-term unemployed people must remain a "continuing drain" on the community.

10.28 Department of Social Security estimates suggest that excluding age pensioners, 520,000, pensioners and beneficiaries have been on social welfare for over 2 years. Many of these are willing and able to work and thereby become fully participating members of society. It is not legitimate to consign so many Australians to the limbo of social welfare.

10.29 There are budgetary constraints on program expenditure. If economic conditions preclude increases in overall expenditure, consideration should be given to targetting available resources more directly on those who are most disadvantaged in the labour market and most likely to remain in receipt of income support permanently, or for long periods, unless they receive appropriate assistance. If a well-designed program assists their access to jobs, then the costs of the program will be offset.

10.30 Moreover, the equity arguments - that the disadvantages of unemployment should not fall only on a small number of already disadvantaged people - are powerful reasons for directing government assistance to those who have been out of the workforce for a long period of time. Finally, program implementation and administrative reform designed for long-term unemployed people are likely to have positive impacts for people now entering the social security system, in ensuring that they do not become dependent on social welfare in the long-term with the associated negative impacts on themselves and the society.

Chapter 11

SUMMARY AND CONCLUSIONS

Change is not made without inconvenience, even from worse to better.
RICHARD HOOKER.

11.1 The costs of long-term dependence on social welfare are considerable - not just for the individual concerned, but also for society. This Report recommends a range of measures designed to positively assist social security recipients to enter or return to the workforce. Through paid employment, individuals can become financially independent, contribute more to society and increase their feelings of self-esteem.

11.2 The inquiry focused on those social security recipients most likely to be seeking employment. The groups considered in most detail were those receiving:

- Unemployment Benefit
- Widow's Pension
- Supporting Parent's Benefit
- Invalid Pension
- Sickness Benefit

11.3 A major conclusion of this Report is the need for closer policy and administrative co-ordination between the income security system and education, employment and training programs. The Report strongly recommends a shift in the income security system away from passive support towards active intervention, so that the primary focus for most social security recipients is on transition to the labour force.

Improving Communication

11.4 As a first step in encouraging an active search for work, it is vital that communication between social security recipients and government departments be improved, and that unnecessary institutional barriers to workforce participation be reduced. This requires:

- the upgrading of DSS and CES counselling services . the provision of clearer information about the requirements of the system
- the recognition of the value of peer-group support mechanisms - such as Job Clubs and NOW courses
- greater co-ordination of State and Federal programs
- upgrading of the role of the Commonwealth Employment Service

Education and Training

11.5 A major barrier to increased workforce participation by social security recipients is their relative lack of workforce skills and education. Without further education and training to assist in upgrading skills and rebuilding confidence, many recipients will be unable to enter or return to the workforce. The Report therefore places considerable emphasis on improving access to training and education programs through:

- increasing the number and range of short training courses and literacy programs
- expanding the Australian Traineeship System
- improving access to post-secondary and tertiary education
- introducing a range of preparatory employment courses
- providing adequate financial support for people undertaking training
- encouraging employers to take a more active role in training and retraining.

11.6 The report also focusses on a number of alternative employment options such as part-time work, self employment and local employment generation which can contribute to an increased likelihood of recipients finding secure, well paid jobs.

Support Services

11.7 Support services are essential if social security recipients are to be actively encouraged to participate in the workforce and/or training programs. In addition to improving the information and counselling programs, it is essential that flexible and affordable child care schemes are available.

11.8 The Report strongly recommends a significant expansion in child care places, noting particularly the need for an increase in out-of-school hours and holiday care places for children.

Additional Measures for Long -Term Unemployed People

11.9 Implementation of this Report's recommendations should ensure that people do not remain dependent on benefits long-term. The evidence indicated that there is a growing level of long term dependence on the social security system amongst certain groups. A number of additional proposals address the special needs and difficulties of long-term unemployed people in seeking workforce entry or re-entry. These include:

- the removal of financial disincentives to paid employment through a return to work allowance and the extension of fringe benefits
- the establishment of local Back-to-Work units to coordinate assistance to these groups

- the initiation of a community education program to challenge assumptions about the employability of long-term unemployed people.

Groups with Special Needs

11.10 The Report recognises the special needs of specific groups within the social security system. Government policies encouraging workforce participation must therefore take account of these special needs.

11.11 The Report makes specific recommendations which deal with sole parents, young and middle-age unemployed people, non-English speaking migrants, people with disabilities, Aborigines and Torres Strait Islanders and people living in isolation.

Conclusion

11.12 This Report provides a cost-effective framework for encouraging increased labour force participation amongst social security recipients. Fundamental prerequisites to increased participation involve:

- improvements in government communication
- greater co-ordination of income security and employment programs
- increased access to training and education programs
- a shift in policies from passive income support towards active workforce and training involvement.

11.13 Implementation of these measures will reduce dependence on the social security system and lead to higher levels of workforce participation, with consequent benefits to individuals and the nation.

JOHN BRUMBY
Chairman
24 May 1988

Appendix 1

SUBMISSIONS RECEIVED

Organisations

ACROD Limited, Australian Capital Territory
ACROD Limited, Queensland Division
ACROD Limited, South Australian Division, Open Employment Committee
ACT Council of Social Service Inc
Active Job Services
Association for Self Help Enterprise Development
Australian Conference of TAFE Directors
Australian Council of Social Service
Australian Democrats
Autistic Children's Association of South Australia (Incorporated)

Balcombe Heights Residential Services
Brotherhood of St Laurence

Canning College
Child and Family Service, Uniting Church
Co. As. It. (Italian Association of Assistance)
Cohuna Community Youth Support Scheme Incorporated
Coffs Harbour Neighbourhood Centre
Confederation of Australian Industry

Disability Council of New South Wales

Effective Education Association of WA, Inc.

Handicapped Citizens' Association ACT Incorporated (Koomarri)
Harlaxton Neighbourhood Centre Incorporated
Help Industries Limited
HETA

Jobsupport Incorporated

Kerang Community Handcraft Centre Incorporated
Keystone, Lutheran Church Projects - Queensland

Learning Centre Link

Menzies School of Health Research

National Consultative Group of Service Spouses, SE Qld Region
Northern Suburbs Social Development Council - Western Australia

Parents Without Partners (Tasmania) Inc.
Project Employment (South Australia)

Queensland Association of Occupational Therapists
Queensland Country Women's Association

Schizophrenia Fellowship of South Queensland Inc.
South Australian Council of Social Service
South Australia Unemployed Groups In Action Inc.
SPARK Incorporated
St Joseph's Vocational College - New South Wales
Student Transition Services Group

Tasmanian Council of Social Service

Unemployed Workers' Union (South Australia) Inc
United Trades and Labor Council of South Australia
Unrecognised Working People

Victorian Building & Construction Industry Training Council Ltd
Victorian Council of Social Service
Vocational Orientation Centre
Vocational Resource Agency Inc

Western Australian Council of Social Service Incorporated
Westrek
Wilston-Grange Adult Literacy Centre - Queensland
Women's Electoral Lobby Australia Incorporated
Women In Transit - Western Australia
Zonta Club of Brisbane North, Queensland

Governments, Government Departments and Agencies

Commonwealth Department of Aboriginal Affairs

Commonwealth Department of the Arts, Sport, the Environment,
Tourism and Territories

- ACT Administration - ACT Institute of Technical and Further Education
- ACT Administration - Women's Shopfront Information Service

Commonwealth Department of Community Services and Health

- Disability Advisory Council of Australia

Commonwealth Department of Employment, Education and Training

Commonwealth Department of Finance

Commonwealth Department of Immigration and Ethnic Affairs

Commonwealth Department of the Prime Minister and Cabinet

- National Women's Consultative Council
- Office of Multicultural Affairs
- Office of the Status of Women
- Women's Information Service, Tasmania

Commonwealth Department of Social Security

- Tasmanian Regional Office

Commonwealth Office of Disability

Disability Council of New South Wales

New South Wales Department of Industrial Relations and Employment

New South Wales Department of Technical and Further Education

New South Wales Department of Youth and Community Services

- New South Wales Women's Employment and Training Task Force

South Australia Department of Premier and Cabinet

- Women's Information Switchboard

South Australia Government

Sydney Technical College

Victoria Government

Western Australia Education Department

- Technical and Further Education Division

Western Australia Employment and Training Department

Western Australia Health Department

Western Australia Women's Advisory Council to the Premier

Private Citizens

Andrew, Mr J C - Waikerie, South Australia

Bartholomusz, Mr G - Albany, Western Australia

Baxendell, Mr N - MacGregor, Australian Capital Territory

Benton, Mr R - c/- SPARK Incorporated

Blythe, Ms S - Highgate, Western Australia

Brook, Mr A - Albany, Western Australia

Brown, Mr P - Runaway Bay, Queensland

Byrnes, Mr V W - Hope Island, Queensland

Cahill, Mrs M L - Scone, New South Wales

Campbell, Ms L - Point Clare, New South Wales

Chester, D - Mt Gravatt, Queensland

Christie, Mr L - Alice Springs, Northern Territory

Clunies-Ross, Mrs L - Sanderson, Northern Territory

Craven, Ms J A - Taringa, Queensland

Cuslingham, Ms K - Camberwell, Victoria

Deudko, Mr T - Mudjimba Beach, Queensland

Eiserman, Mr F - Cairns, Queensland

Fenwick, Mrs B - Kilaben Bay, New South Wales

Finch, Mr F G - Mooloolaba, Queensland

Forwood, Mr B J - St James, Victoria

Frith, Mr F - Melton South, Victoria

Ginn, Mrs M - Palmwoods, Queensland

Grace, Mrs - Kew - Victoria

Greene, Mrs F - Valley Heights, New South Wales

Halvorson, Mr F S - Cunnamulla, Queensland

Hargreaves, Mrs G - Booval, Queensland

Hopkins, Dr P, Clark, Miss M, Hancock, Mr M - Brisbane, Queensland

Kestle, Sister B D - Paradise Point, Queensland

Kesteven, Ms S - Ainslie, Australian Capital Territory

Lees, J E - Buderim, Queensland

Lenehan MLA, Ms S - Member for Mawson

Ling, Mr G - Paradise Point, Queensland

Lithgo, Ms M - Carlisle, Western Australia

Lyons, Mr B - Glenroy, Victoria

Mackintosh, Mrs F M - Mt Claremont, Western Australia

McCormack, Mrs L - Coonabarabran, New South Wales

Neilen, Mrs R P - Toowoomba, Queensland

O'Brien, Mr T - Chapman, Australian Capital Territory

Pandelakis, Mr S - Tamworth, New South Wales

Pitt, Mr A R - Maryborough, Queensland

Pickles MLC, Hon. C - Parliament of South Australia

Quinn, Ms E C - Whyalla Stuart, South Australia

Robinson, Mr J H - Melbourne University

Rosen Dr, B - Adelaide - South Australia

Shepherd, Ms M - Adelaide, South Australia

Sheppard, Ms S S - Maryborough, Queensland

Small, Mrs B - Bundaberg, Queensland

Smith, Mrs M - Telopea, New South Wales

Swiadek, Mrs F - West Moonah, Tasmania

Turner, Mr G D - Rubyvale, Queensland

Watsford, Ms P - Tarrangindi, Queensland

Westhoff, Mrs A E - Swan View, Western Australia

Whalan, Mrs E - Dubbo, New South Wales

Wilson, Ms P, Rear, Ms P, and Pitt, Ms M - Victoria Park, Western Australia

Wood, Mr A - Buderim, Queensland

Wright, Mrs N - North Hobart, Tasmania

Appendix 2

PUBLIC HEARING DATES

| DATE | LOCATION |
|-------------------------|-----------|
| Monday 29 February 1988 | Perth |
| Wednesday 2 March 1988 | Adelaide |
| Thursday 3 March 1988 | Hobart |
| Friday 4 March 1988 | Melbourne |
| Monday 14 March 1988 | Sydney |
| Friday 18 March 1988 | Canberra |
| Wednesday 23 March 1988 | Canberra |
| Friday 25 March 1988 | Canberra |
| Monday 28 March 1988 | Brisbane |
| Tuesday 29 March 1988 | Canberra |
| Wednesday 13 April 1988 | Canberra |

Appendix 3

LIST OF WITNESSES

| | |
|----------------|--------------------------------------------------------------------------------------------------------------------|
| Alexiou Ms S | Greek Information Officer Women's Information Switchboard South Australian Government |
| Amoore Ms L | President Western Australian Women's Advisory Council to the Premier |
| Archer Ms P | Chief Policy Officer Children's Services Office South Australian Government |
| Au Yeong Ms J | Social Worker Royal Perth Rehabilitation Hospital Health Department of Western Australia |
| Bain Mrs J | Member Anti-Poverty Subcommittee Northern Suburbs Social Development Council Western Australia |
| Bartlett Mr N | Secretary-Treasurer Unemployed Workers Union South Australia |
| Baum Mr A K | Committee Member Open Employment Committee, ACROD South Australia |
| Baxter Mrs G | Former Counsellor Canning College Western Australia |
| Bayne Mrs N J | State Welfare Co-ordinator Parents Without Partners (Tasmania) Inc |
| Blackburn Ms K | Director Pensions Administration Benefits Delivery Division Commonwealth Department of Social Security |

| | |
|------------------|----------------------------------------------------------------------------------------------------------------|
| Bowdler Mr J B | Deputy Secretary Commonwealth Department of Employment, Education and Training |
| Brooks Ms S M | First Assistant Secretary Office of the Status of Women Department of the Prime Minister and Cabinet |
| Butler Mrs L A | Secretary National Consultative Group of Service Spouses South East Queensland Region |
| Carter Mr I | Manager Community Employment Initiatives Branch Department of Employment & Training Western Australia |
| Christensen Ms C | Member Status of Women Committee Zonta Club of Brisbane North |
| Claughton Ms P J | Member Unrecognised Working People's Union South Australia |
| Colledge Mrs J K | Interim Secretary Association for Self Help Enterprise Development Queensland |
| Condos Mrs J | Social Work Supervisor Heathcote Hospital Health Department of Western Australia |
| Connelly Mr C | Assistant Director Office of Employment & Training South Australian Government |
| Cooper Mr J R | General Manager Project Employment South Australia |
| | also appeared as: |
| | Chairperson Open Employment Committee, ACROD South Australia |

| | |
|-----------------|---------------------------------------------------------------------------------------------------------------------|
| Cope Mr E R | Executive Officer Victorian Building and Construction Industry Training Council Limited |
| Corbett Mr J P | Manager Active Job Services New South Wales |
| Cornell Mrs P A | Convenor Over 40s Group Tasmania |
| Cousins Mr M | Finance Officer Westrek Foundation Incorporated Western Australia |
| Cox Ms E M | Chairman Sole Parent Subcommittee Women's Employment and Training Task Force New South Wales Government |
| D'Urso Ms E | Executive Officer Italian Association of Assistance (Co. As. It.) New South Wales |
| Davie Ms J | Supporting Parents' Association Tasmania |
| Davies Ms F | Principal Executive Officer Women's Bureau Commonwealth Department of Employment, Education and Training |
| Davison Mr K | Interim President Association for Self Help Enterprise Development Queensland |
| Davison Mrs R T | Assistant Secretary Association for Self Help Enterprise Development Queensland |
| Denner Mr R L | Executive Director Koomarri Association ACT Inc |

| | |
|-------------------|-----------------------------------------------------------------------------------------------------------------------------------|
| Disney Ms H M | Executive Committee Member South Australian Council of Social Services |
| Disney Mr J | President Australian Council of Social Service |
| Doobov Ms R | Assistant Secretary Income Support and Allowances Branch Commonwealth Department of Employment, Education and Training |
| Duncan Mr R | Member Disability Council of New South Wales |
| Dwonczyk Ms M | Assistant Director Policy Development and Community Liaison Office of Disability New South Wales Government |
| Edwards Dr M | First Assistant Secretary Policy Division Commonwealth Department of Social Security |
| Elkington Ms D | Senior Project Officer Special Employment Initiatives Unit Office of Employment and Training South Australian Government |
| Ellis Ms R | Information Officer Women's Information & Referral Exchange Western Australia |
| Evans Ms P J | Social Work Supervisor Graylands Hospital Health Department of Western Australia |
| Falconer Ms W | Member Unrecognised Working People's Union South Australia |
| Fisher Mr N W F | Acting Director ACT Institute of TAFE |
| Fitzherbert Mrs C | Senior Industrial Counsellor Skills Training and Research Australian Chamber of Manufactures |

| | |
|--------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Foy Ms D | Senior Project Officer Social Justice Unit Department of the Premier and Cabinet South Australia |
| Freeland Mr J | Board Member Australian Council of Social Service |
| Garrick Ms M | Member Anti-Poverty Subcommittee Northern Suburbs Social Development Council Western Australia |
| Giffard Ms S | Member SPARK Inc South Australia |
| Giles Mr G P | Vocational Co-ordinator/Psychologist HETA South Australia |
| Gilding Ms N J | Superintendent Access Division Department of Technical and Further Education South Australia |
| Goddard Mr R F | Director Policy Analysis Section Strategic Policy Branch, EconomicCommonwealth Department of Immigration, Local Government and Ethnic Affairs |
| Goldflam Ms A | Co-ordinator Learning Centre Link Western Australia |
| Gorringe Ms E | Private Citizen, Judbury Tasmania |
| Gould-Martin Mrs B | Training Consultant Victorian Building and Construction Industry Training Council Limited |

| | |
|---------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|
| Griew Mr R | Assistant Director Strategic Planning & Management Section, Child Care Branch, Commonwealth Department of Community Services and Health |
| Ham Ms L J | Member Unrecognised Working People's Union South Australia |
| Harasymiw L | Equal Opportunity Officer ACT Institute of TAFE |
| Harmer Dr J A | Assistant Secretary Public Housing & Support Accommodation Branch, Commonwealth Department of Community Services and Health |
| Hart Mr D J | Principal Executive Officer Economic Analysis Branch Commonwealth Department of Employment, Education and Training |
| Hefferan Ms A | Member Unrecognised Working People's Union South Australia |
| Hetzel Ms S | Senior Project Officer Office of the Women's Adviser to the Premier Department of the Premier and Cabinet South Australia |
| Hobson Ms J | Policy Officer Department of Employment & Training Western Australia |
| Hodgson Mr O | President Schizophrenia Fellowship of South Queensland Inc |
| Hodgson Mrs J | Secretary Schizophrenia Fellowship of South Queensland Inc |
| Hogan Ms M A | Publicity Officer Trade Union Unemployment Centre United Trades and Labor Council South Australia |

| | |
|-------------------|------------------------------------------------------------------------------------------------------------------------------------------|
| Howe Ms R | Secretary Employment, Education and Training Subcommittee Disability Advisory Council of Australia Commonwealth Government |
| Humes Ms G M | Director Office of Aboriginal Women Commonwealth Department of Aboriginal Affairs |
| Jarvie Dr W | Chief Finance Officer Employment, Education and Training Branch Commonwealth Department of Finance |
| Jenkins Dr L | Acting Senior Adviser Policy Secretariat Branch Commonwealth Department of Employment, Education and Training |
| Jolliffe Mr R | Principal (Special Duties) ACT Institute of TAFE |
| Kesteven Ms S L | Private citizen, Ainslie Australian Capital Territory |
| Kilmartin Mrs A M | President Harlaxton Neighbourhood Centre Queensland |
| Kirk Mrs J | Spokesperson Women In Transit Western Australia |
| Klinberg Mr K | Assistant Director Industrial Relations Manpower Services & Research Australian Chamber of Manufactures |
| Lawrence Ms M D | Head School of Office Administration Sydney Technical College |
| Leeper Mr G | Acting Director Social Security Programs and Labour Force Section, Social Policy Division Commonwealth Dept. of Social Security |

| | |
|---------------------|--------------------------------------------------------------------------------------------------------------------------|
| Lenahan MLA, Ms S M | Member for Mawson South Australia |
| Levalds Ms H E | Social Work Supervisor Head Injury Unit Health Department of Western Australia |
| Limbrick Mr D | Director SAAP Administration Commonwealth Department of Community Services and Health |
| Lloyd Ms C E | Director Aboriginal Employment Development Policy 2 Section Commonwealth Department of Aboriginal Affairs |
| MacAlister Dr S | Private Citizen, Glebe New South Wales |
| Macphee MP, Hon I M | Federal Member for Goldstein |
| Madden Dr R C | First Assistant Secretary Disability Programs Division Commonwealth Department of Community Services and Health |
| Marchi Ms S | Community Development Worker Italian Association of Assistance (Co. As. It.) New South Wales |
| Markovitch Mr D | Project Officer Research & Evaluation Branch Office of Employment & Training South Australian Government |
| Marquis Ms V | Executive Secretary Women's Employment and Training Task Force New South Wales Government |
| Marshall Mr S C | Manager Vocational Resource Agency Inc South Australia |

| | |
|----------------|-------------------------------------------------------------------------------------------------------------------------------------|
| Mathison Mrs D | State Treasurer Queensland Country Women's Assoc. |
| McCarthy Mr J | Assistant Secretary Commonwealth Department of Employment, Education and Training |
| McDonald Ms J | Acting Senior Adviser Education & Employment Office of the Status of Women Department of the Prime Minister and Cabinet |
| McKay Mr N | Member Unrecognised Working People's Union South Australia |
| Megitt Ms M E | Policy Officer, Income Security and Taxation Advocacy Project Victorian Council of Social Service |
| Meyer Mrs K | Community Development Worker Harlaxton Neighbourhood Centre Queensland |
| Millard Ms C L | Vice-President Supporting Parents' Association Tasmania |
| Morris Ms H | Research Officer Brotherhood of St Laurence Victoria |
| Muirhead Mr T | Convener Anti-Poverty Subcommittee Northern Suburbs Social Development Council Western Australia |
| Nevard Ms J | Learning Centre Manager Canning College Western Australia |
| Newsome Dr R | Member Employment, Education and Training Subcommittee Disability Advisory Council of Australia |

| | |
|------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Nguyen-Hoan Dr T | Acting Adviser Coordination and Research Section, Policy and Research Branch, Office of Multicultural Affairs Department of the Prime Minister and Cabinet |
| Nolan Mr D R | Director National Employers Industrial Council Confederation of Australian Industry |
| Norton Mrs M | Past Coordinator Wilston-Grange Adult Literacy Centre Queensland |
| O'Donohue Ms J | Research Officer Australian Council of Social Service |
| O'Loughlin Ms C | Co-ordinator Women's Information Switchboard South Australian Government |
| | also appeared as: |
| | Deputy Chairman South Australian Council of Social Services |
| O'Neill Ms K M | Employment Unit Co-ordinator Victorian Council of Social Service |
| Owen Ms M R | Convenor Workforce and Training Action Group Women's Electoral Lobby |
| Pattison Dr A | Director-General New South Wales Department of Technical and Further Education and Chairman Australian Conference of TAFE Directors |
| Pendleton Ms T | Co-ordinator Westrek Foundation Incorporated Western Australia |
| Phillips Mr W | Training Development Officer Victorian Building and Construction Industry Training Council Limited |

| | |
|---------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Pickles MLC, Hon. C | Member of the Legislative Council South Australia |
| Pine Ms J G | Officer In Charge Women's Interests Unit, TAFE Western Australia Government |
| Podger Mr A S | First Assistant Secretary Education and Employment Division Commonwealth Department of Finance |
| Powell Senator J F | Australian Democrats |
| Pritchard Mr C P | Project Officer South Australian Council of Social Services |
| Rear Mrs P | Private citizen, Bibra Lake Western Australia |
| Rees Ms G H | Administration Officer Tasmanian Council of Social Service |
| Rodgers Mr T | Assistant Secretary Settlement Planning Branch Corporate Management Division Commonwealth Department of Immigration, Local Government and Ethnic Affairs |
| Rome Mr J | Social Worker Australian Council of Social Service |
| Rowling Mr J | Executive Director Council on Overseas Professional Qualification Commonwealth Department of Immigration, Local Government and Ethnic Affairs |
| Sanderson Ms W | Secretary Learning Centre Link Western Australia |
| Saunders Mr P W | Executive Officer South Australian Unemployed Groups In Action |

| | |
|--------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|
| Sharpe Ms T | Executive Officer Western Australian Women's Advisory Council to the Premier |
| Shaw Ms S | Coordinator Wilston-Grange Adult Literacy Centre, Queensland |
| Shaw Ms J E | Acting Senior Adviser Income Support, Office of the Status of Women Department of the Prime Minister and Cabinet |
| Sheehan Ms C | Acting Assistant Director Research Office of Disability New South Wales |
| Sherlock Mr P | Administrator Westrek Foundation Incorporated Western Australia |
| Smark-Nilsson Mr B | Convenor Employment, Education and Training Subcommittee Disability Advisory Council of Australia Commonwealth Government |
| Smith Mr C | Director Policy Planning Section Strategic Policy Branch Commonwealth Department of Immigration, Local Government and Ethnic Affairs |
| Spooner Mr S | Assistant Secretary Policy Development Branch Social Policy Division Commonwealth Department of Social Security |
| Stait Ms N | Member Unrecognised Working People's Union South Australia |

| | |
|-------------------|----------------------------------------------------------------------------------------------------------------------------------------|
| Stewart Ms A M | President Supporting Parents' Association Tasmania |
| Stockton Ms M | Acting Principal Social Worker Health Department of Western Australia |
| Stratman Ms P | Secretary, Human Services Committee and Cabinet Officer, Cabinet Office Department of the Premier and Cabinet South Australia |
| Strokowsky Mr M J | Assistant Secretary Employment Development Policy Branch Commonwealth Department of Aboriginal Affairs |
| Templeman, Mrs J | Convenor Budget Task Force National Women's Consultative Council Department of Prime Minister and Cabinet |
| Templeman Mrs P M | Chairman National Consultative Group of Service Spouses South East Queensland Region |
| Terilli Mrs L | Social Welfare Worker Italian Association of Assistance (Co. As. It.) New South Wales |
| Thomas Ms J A | Acting Assistant Secretary Rehabilitation Branch Commonwealth Department of Community Services and Health |
| Todd Mr A S | Director Employment and Finance Disability Programs Division Commonwealth Department of Community Services and Health |
| Tomlinson Mr J | Director ACT Council of Social Service Inc. |
| Trethewey Ms J A | Research Officer Brotherhood of St Laurence Victoria |

| | |
|------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|
| Tuckerman Mr P J | Executive Director Jobsupport Inc New South Wales |
| Turner Mr B W | Welfare Officer Help Industries Ltd Queensland |
| Unwin Mrs G | Emloyment Development Officer <i>Department of Employment & Training</i> Western Australia |
| Vaughan Mr P E | Assistant Secretary Policy and Research Branch Office of Multicultural Affairs Department of the Prime Minister and Cabinet |
| Venner Ms M | Acting Senior Adviser Access and Equity Office of Multicultural Affairs Department of the Prime Minister and Cabinet |
| Vitols Ms L | Director Day Care Centres Section Child Care Branch Commonwealth Department of Community Services and Health |
| Volker Dr P | Assistant Secretary Employment, Education and Training Branch Commonwealth Department of Finance |
| Voumard Reverend M G G | Co-ordinator Child and Family Service, Launceston The Uniting Church |
| Walshe Ms R | Co-ordinator SPARK Inc South Australia |
| Watsford Ms P J | Private citizen, Tarragindi Queensland |

| | |
|-----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|
| Watt Ms J M | Chairperson Status of Women Committee Zonta Club of Brisbane North |
| Weeden Mr D | Director Language Planning Section Settlement Planning Branch Commonwealth Department of Immigration, Local Government and Ethnic Affairs |
| Westcott Mr R | Manager, Personnel Koomarri Association ACT Inc |
| Whitebeach Ms T | Women's Information Service Tasmania |
| William Mr B | Welfare Officer HELP Industries Ltd Queensland |
| Wilson Mrs P | Private citizen, Dianella Western Australia |
| Wojtala Mrs T | Community Development Worker Harlaxton Neighbourhood Centre Queensland |
| Woodruff Ms J | Executive Officer Disability Council of New South Wales |

Appendix 4

LETTER SENT BY DSS TO THOSE LOSING ELIGIBILITY FOR SOLE PARENT INCOME MAINTENANCE

Dear

I am writing about your entitlements to widow's pension/supporting parent's benefit.

New rules for Class A widow's pension/supporting parent's benefit apply from 1 September 1987. These mean that to qualify for the pension/benefit a person must have a child under 16 years of age. As your youngest child will be 16 or over this year, you will be affected by this change.

Your last payment of widow's pension/supporting parent's benefit will be on 20 August 1987/(date) - the pension payday on or before the child's 16th birthday.

You may be eligible for some other payment from this department. Other payments include unemployment benefit, sickness benefit, special benefit, Class B widow's pensions, invalid pension, carer's pension and family income supplement.

It is important that you contact this office for an appointment, to find out about these payments, at least 14 days before your current payment stops.

A social work service is available should you want help with personal problems associated with pensions, benefits or allowances.

If you want employment, please contact your local Commonwealth Employment Service (CES) and show them this letter. There is special provision to assist you with retraining if necessary.

Yours sincerely

Appendix 5

SAMPLE LETTERS SENT BY CES OFFICES TO SOLE PARENTS REMOVED FROM SOLE PARENT INCOME MAINTENANCE

73 Malop Street,
GEELONG VIC 3220
VICTORIA
Phone: (052) 21 8888

Dear

We have been made aware that recently you have been changed from a widows pension or supporting parents benefit to unemployment or other benefit. This change in circumstances may require that you begin looking for work and to assist you to do this the Geelong CES has decided to hold a:

FUTURE DIRECTIONS WORKSHOP

Time: 9.30am - 11.30am
Wednesday 14 October

Place: Geelong CES
1st floor
73 Malop Street,
GEELONG

At this workshop we are hoping to:

Better understand how these changes have affected you

Provide you with information about systems that currently exist including

- CES services
- Vocationally oriented courses
- Personal development courses
- Other organisations that may be of assistance

Give an opportunity for you to suggest courses that could be developed to assist your return to the workforce

This workshop will offer an opportunity for you to have a say in the sort of courses that become available. Hopefully, a large number of people attending the workshop will ensure that a range of views are presented.

JOHN HANSEN
Employment Office Manager
Geelong CES
4 November 1987

WESTERN AUSTRALIA

ASSISTANCE WITH EMPLOYMENT AND TRAINING

Dear

Recent changes to the rules relating to Class A Widows Pension and Supporting Parent Benefit, may mean that you are now going to claim unemployment benefit. If you are, information contained in this letter, is provided for your assistance.

If you have found alternative means of support please disregard this letter.

As you are now claiming unemployment benefit there are a number of possibilities and for you to know where to go for help we are arranging to get together a number of people from the different areas to talk to you.

Speakers will include people from both TAFE and the CES and there will be an opportunity over a cup of tea or coffee, to discuss your situation with them informally after the brief talks.

There are optional times for you to attend and full details are listed below. If you are interested please choose the most suitable time and contact on before

PLACE: 8th floor, Victoria Centre,
2 St George's Terrace
Perth (see map attached)

TIME/S: 9.30am - 11.30am
1.30pm - 3.30pm

DAY/DATES: Tuesday 1 September
Wednesday 2 September
Thursday 3 September (if required)

Should demand exceed places available, further times can be arranged at a later date.

If you are unable to attend please ring and advise so that we may still forward you information that may be of assistance.

We hope that the information and guidance that we will be giving you will help to make the best use of the services and assistance available.

N G HARRIGAN
State Director
2 August 1987

Appendix 6

LETTER FROM SOLE PARENT

This letter to the Inquiry from a Supporting Father indicates the problems which occurred from inaccurate information:

Being a sole parent of a 16 year old, I would like the committee to consider my circumstances as an example of the difficulties most sole parents are facing as a result of the Federal government's policy on cutting out the pensions for parents who fit that category.

Like most of those affected by this decision, my long term timetable was based on information about my rights handed down through the Department of Social Security. Those rights being in the form of an entitlement to receive the pension until the child's secondary studies were completed at least, and possibly during part of their tertiary education if still financially dependent.

Believing this to be the case, and that the Federal government of all bodies would honour this contract, I had planned to pursue a tertiary education for myself in order to re-enter the full-time work force with some qualifications and job prospects. This was to occur during my son's last three years in secondary school.

In answer to the predictable question: "why hadn't I taken these steps earlier in the twelve year period I have been a sole parent?", I offer these explanations:

1. I did begin full time tertiary study earlier but found that the effects of marital separation had left my son emotionally very distressed and requiring a great deal of quality attention.
2. He required considerable help with written skills as a result of an earlier hearing problem, which took up a great deal of evening time NOTE (this problem is still being dealt with now he's in high school because of insufficient remedial staff).
3. All sole parents find that, being the only available adult with **genuine** concern and knowledge of that particular child's needs, they **have** to put far more time and consideration into the child's life than an ordinary parent.

Just being there when a child gets home from school, and making sure one is really attentive when in their company, is an important compensation for the loss of the other parent and hence his or her emotional sanity.

4. This goes hand in hand with trying to deal with a myriad of financial problems, often by working part-time during the day to coin just enough money to not put the security of the pension in jeopardy. Quite often a sole parent will find it difficult to get part-time work in a society that still regards them as somehow immoral for not being in a marital partnership.
5. In many cases, my own included, it can take years to resolve the sense of personal loss for a sole parent. Constant pre-occupation with the child's needs, and little outside stimulation or support leads psychologically to a lowering of self-esteem. While the adult may be functioning adequately as a parent it is difficult from this position to plan effectively for a personal future of ones own.

At the beginning of 1987 while planning to re-enter full-time study at a university, a social worker warned me of the government's intention to remove those single parents whose children turned 16 from the pension. If they could not find immediate full-time work they could apply for Unemployment Benefits, and of course then have to justify fortnightly why they should continue to receive benefits. Because of the reduced income allowance part-time work became a problem as well. The social worker pointed out to me that I would not be able to receive Unemployment Benefits if I was studying full-time because it would be impossible to justify a search for full-time work. After communicating with Austudy it was clear that my son's study allowance coupled with my own would be insufficient to keep us, so I decided to apply for Unemployment Benefits and only study part-time.

Later in the year when the government magnanimously agreed to two concessions I realised that one only applied to sole parents in full-time study, (a condition that realistically could only apply to those who began study prior to 1987) and the other only allowed those who lost their pensions in 1987 to retain the pensioners fringe benefits until the end of 1988. (I have also been told that fringe benefits do not include the pensioner's income allowance) - I'm sure some of the committee have heard of *Catch 22*.

It is clear that the government has decided to deal with its economic problems by drawing arbitrary lines through its Social Security expenditure in what seems to me a callously insensitive manner. This group apparently lacks the political clout to reverse such decisions and therefore are an easy target.

A point of importance relating to the effects of this kind of arbitrary decision is seen in the Austudy forms for secondary students. Because this form is to be filled out by the child, it creates the impression that the allowance is theirs to be spent as they will. Although the parent may override this decision by signing the appropriate section, both parent and child are brought into conflict. This can have a devastating effect on low income families who are already wondering if they can afford to keep their children on at school. Why are these decisions being made without some consideration to the effects it will have on real people?

After studying part-time last year and being forced to look for full-time work, I realised it would be almost impossible to get the qualifications I seek by this method. The result is that this year out of desperation I will study full-time while supporting myself and my son on our combined Austudy allowances and whatever part-time work I can find. The total amount we will receive on Austudy is \$141.00 per week and the average rent for a house in Adelaide is \$120.00 or more a week. Those of you who can do their sums will realise why I feel like a rat running through a maze at the moment.

I feel that sole parents are performing an important and respectable contribution to this country's future by rearing their children, and should be encouraged to succeed with their children and for themselves when their job is done. If this task wasn't being performed, the children would be institutionalised at great cost. Viewed with a long term perspective, the cost of the community would be less if:

1. sole parents receive some financially real incentive to keep their children at school so as not to become a further burden on the tax payer because of a lack in education and employability.
2. parents were encouraged to seek whatever skills they require for re-employment when, depending on their judgement, circumstances are correct. (This can only be achieved if they are not being harassed by fortnightly demands for explanations and if there is some financial security during this period.)
3. parents who find part-time work are not immediately penalised for showing initiative.

The suddenness of this change has created serious problems for me and most other single parents in this category. Many sole parents whose children are younger but will soon be effected are dismayed at the prospect of coping in the future. If the government is determined to pursue this stance in regard to parents with children above 16, then there are more responsible ways to deal with it. I agree with the recommendations put forward by SPARK.

Source: SPARK, Adelaide, evidence, p 698 - 700.

Appendix 7

STATE GOVERNMENT LABOUR MARKET SCHEMES

| Program | Target Group | Aim | Provides | Numbers |
|-----------------|------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|
| VICTORIA | | | | |
| Joblink Program | Longterm unemployed (actually seeking work) Note CES registration not a formal eligibility criteria. | To assist placement in employment, training or education. | Personalised assistance to long term unemployed through Joblink offices. | Not stated. |
| Youth Guarantee | 15-18 year old unemployed | Assist placement in full-time work/ full-time training structured combination. | Individual assessment of difficulty. Develop plan assist job search and placement in training program. Follow up and adjustment assistance. | Identified 1900 people on register (6-12/87). |

| Program | Target Group | Aim | Provides | Numbers |
|-------------------|-----------------------------------------------------------------|------------------------|---------------------|-------------|
| Employment Access | Unemployed young people in institutions and young ex offenders. | To develop work skills | Not stated. Program | Not Stated. |

SOUTH AUSTRALIA

| | | | | |
|----------------------------------------------------|----------------------|------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|
| YES Strategy (Youth Employment Scheme) | Disadvantaged youth. | Develop training and employment programs to increase job prospects. Link training and employment, providing short and long term opportunities. | CITY (Community Improvement Youth Through Youth). Job Creation Unit Special Employment Initiatives Unit. SCIY (Service Clubs involvement with Youth). Bridging the Gap. Self-employment Venture Schemes. AUSP (Adult Unemployed Support Program). HAS (Home Assistance Scheme). Local Employment Development Program. YEP (Youth Unemployment Program). | 2500 annually (250 projects) 3 Branches |
|----------------------------------------------------|----------------------|------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|

| Program | Target Group | Aim | Provides | Numbers |
|--------------------------|--------------------|-------------------------------------|--------------------------------|---------------------------------------------------------------------------------|
| WESTERN AUSTRALIA | | | | |
| Joblink Scheme | Broad application. | General Community based initiative. | Intensive and personal support | 8800 (22 projects) while assisting in wide range of Job/training opportunities. |

NEW SOUTH WALES

| | | | | |
|---------------------|----------------------------|--------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|
| Vocational Services | People seeking employment. | Provide practical assistance through counselling and and careers advice. | Individual vocational counselling, group counselling, group programs aimed at improving employability and maintaining work motivation, the provision of vocational information (including audio and visual material on occupations), training courses and computer assisted work programs. | 20 Offices and 4 youth counselling service offices. |
|---------------------|----------------------------|--------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|

| Program | Target Group | Aim | Provides | Numbers |
|-------------------------------------------|----------------------------------------------|----------------------------------------------------------|--------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Short-term training courses | Target specific groups. | Provide additional skills. | Specially designed courses. | Not Stated. |
| Management Skills in the Community Sector | Women entering or re-entering the workforce. | Provide commercial/ industrial skills and social skills. | Training with the program is provided by TAFE in basic | 1988: 6 teams with total accountancy practices, of 87 administrative systems, trainees management structures, (65% organisational employment structures and models rate). of community services provision. |

| Program | Target Group | Aim | Provides | Numbers |
|---------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Local and Regional Employment Initiatives Program | Emphasis on regions and localities with highest level of unemployment and/or significant industry restructuring or job loss. | Assist new long-term job opportunities through employment development and skills formation. | Grant funds for infrastructure development. 1. Regional employment and industry development schemes. 2. Local employment development or local enterprise development Agencies (some incubator services centres) 3. Employment Development Officers 4. Work organisation improvement projects. | Too early to assess. current grants (33) Total expenditure 3.6m; Hunter Enterprise Development Agency has funded 65 new start enterprises leading to approx. 300 new jobs. |

| Program | Target Group | Aim | Provides | Numbers |
|---------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|
| Back to Work (proposed 1988/89) | <p>Pilot program will be targeted to:</p> <ul style="list-style-type: none"> •Sole parents and widows who have been in receipt of benefits for years or more; •Sole parents and widows for whom benefits are the only form of income; •Sole parents and widows who have lost or are losing their benefits in the next 3 months, with preference to those who have already lost their benefits. <p>There will be no minimum age required, although most participants would be 35 years or more.</p> | Provide TAFE off-the-job training and relevant work experience. | <p>Anticipated that greater assistance would be required to this target group than to other mature age workers due to their limited workforce experience. The length of participation in the Program will vary according to their preparation or undertaking full-time work.</p> <p>Up to 6 weeks off-the-job training and up to 26 weeks experience may be available. (Note: The existing Management Skills in the Community Sector Program provides opportunities for some of the most disadvantaged of this target groups, eg those with English language difficulties and other labour market disadvantages).</p> | |

| Program | Target Group | Aim | Provides | Numbers |
|-------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Youth Employment Scheme (Under Review) | 18-24 year olds Long-term unemployed. CES registered for 3 months preference to 9 months unemployed. | Enhance permanent employment prospects by combination of work experience and training. | Fully funded. Jobs in local and state government across wide range of | Usually two intakes per annum with up to of work, training 2,500 total. provided mainly by TAFE. Duration average 21 weeks 46% outside Sydney metro area. |