Outcomes and obstacles: the Job Network and disadvantaged job seekers

The recent release of a report showing negligible benefits for job seekers taking part in Intensive Assistance (the highest assistance category) in the Job Network has reignited controversy surrounding the government’s claims of its success. The Department of Employment and Workplace Relations (DEWR) report concluded that the likelihood of being in employment three months after the completion of Intensive Assistance (IA) is improved by only 0.6 percentage points. Some 25.6 per cent of 2402 IA participants were found to be in employment 12 months after completing the program, compared with 25 per cent in a control group receiving no assistance (DEWR 2002, p.80).

When established in 1998, the Job Network represented a radical departure from previous employment services arrangements. The role of government was redefined and assumptions regarding the best methods for the allocation of services were overturned. The key premise of the new system was that the provision of employment assistance could be most effectively undertaken by the private sector in a competitive market environment, where the role of government would be reduced to that of purchaser of employment services on behalf of eligible job seekers. Funding was to be allocated on the basis of outcomes achieved (the placing of clients in employment), rather than inputs or assistance provided, with the understanding that the market-based incentives of maximising profit and maintaining competitiveness would provide the most efficient allocation of services.

Announcing the Job Network reforms in 1996, the government outlined four key objectives:

- deliver a better quality of assistance, with more sustainable outcomes
- target assistance on the basis of need and capacity to benefit
- address structural weaknesses and inefficiencies inherent in previous arrangements
- achieve better value for money (Productivity Commission 2002).

Four years later, research by the OECD (2001) and Productivity Commission (2002) points to overall outcomes similar to those achieved under previous arrangements, despite huge reductions in funding, implying significantly improved value for money.

However, the Job Network does not appear to be working for all job seekers. A more detailed analysis suggests that there are significant problems in the Job Network incentive structure, and that the heavy reliance on market forces to allocate assistance to job seekers is both inequitable and inefficient.

The Productivity Commission’s Independent Job Network Review (2002) as well as a number of other studies (Davidson 2002; Eardley et al. 2001; ACOSS 2001), have concluded that the long-term unemployed and highly disadvantaged job seekers have been most adversely affected. These groups appear to be faring less well under current arrangements than under the previous Labor government’s Working Nation initiatives, in terms of both the quality of assistance delivered and employment outcomes achieved.

Outcome focus

A number of factors have been identified as contributing toward this situation, in particular the strong outcome focus and commercial operating environment.

It appears that the structure of the Job Network itself actually encourages lower quality provision...
This issue of Brotherhood Comment contains several articles related to people who are unemployed and need to rely on income support and employment services while they search for work.

Daniel Perkins examines the effectiveness of the Job Network, with particular attention to the needs of disadvantaged job seekers such as those encountered by the Brotherhood’s employment services.

Stephen Ziguras reviews research about work-related motivation, and considers how current welfare to work policies are likely to affect motivation among job seekers. He also reports progress from a joint project interviewing Centrelink clients, especially Newstart recipients, about their views of social security obligations. Sally Jope writes about another project focusing on 18 to 20-year-olds and their experience of preparing for work agreements.

Tim Gilley reports on the experiences of asylum seekers in Australia and Philippa Angley highlights the increasing demand for community care services, enabling frail older Australians to stay living in their own homes, as Australia’s population ages.

HIPPY, an innovative early childhood education program, involving home tutors and equipping parents to work through educational activities with their preschool children, is evaluated by Tim Gilley.

Janet Taylor provides an update of the findings about families’ financial situations from stage 6 of the Life Chances longitudinal study.

There are also reports concerning the National Education and Employment Forum and recent additions to the Brotherhood’s library.

Bonus publication
Also included with the mailout of this Comment to subscribers is the latest Changing Pressures bulletin, drawing on conversations with 40 asylum seekers about their experiences.

Deborah Patterson
Editor
(03) 9483 1386
dpatterson@bsl.org.au

Outcomes and obstacles: The human face

The BSL’s employment services staff have direct experience of working with clients who face significant barriers to gaining employment.

They report receiving more and more clients who require extensive groundwork prior to an employment plan being completed.

Although in theory the Personal Support Program (PSP) is available for people who present with multiple barriers, some clients do not declare these barriers until they have already commenced Intensive Assistance and spent several weeks developing a relationship of trust with their case manager. Even then, referral to PSP does not guarantee the clients will be accepted, due to the strict criteria for the program and the lack of initial disclosure.

As one case manager indicated, ‘Many barriers are presented that we need to deal with, and these issues may be more important for the individual at that time of their life than immediately gaining employment. Among these issues are homelessness, physical abuse, substance abuse and health issues.’

One young man had been homeless and had dropped out of an apprenticeship. Encouraged to volunteer for Intensive Assistance, over several months he received lots of support from his case manager who was eventually able to approach another employer about recommencing the apprenticeship.

It may be necessary to make referrals to other support services – for example, counselling or even, in one case, self-defence classes – before the client can undertake job search activities.

The staff feel it is important to value social outcomes as well as financial ones. One woman had serious health problems after a severe accident. These reduced her working capacity and made her painfully shy and withdrawn. Because she lacked the confidence to approach Centrelink to reduce the hours she was required to work or grant a disability support pension, the case manager liaised directly with Centrelink to initiate the assessment process. The client attended basic computer training which developed skills as well as boosting her confidence.

Assisting people who may have limited ‘marketable’ skills, have faced repeated knockbacks and feel very discouraged, often requires time, patience and imagination.
by creating an incentive for providers to utilise the lowest cost inputs and achieve quick outcomes, rather than investing in quality services with the potential to address underlying causes of labour market disadvantage. A profit-maximising provider will invest only to the level at which the return is expected to at least cover the additional investment. Amongst long-term unemployed and highly disadvantaged clients, for whom there is often a low likelihood of achieving employment (and hence a return), the incentives are simply not high enough to justify significant expenditure.

There is evidence that suggests a decline in the quality of support provided, a move away from holistic assistance, and a reduced focus on the broader welfare and personal needs of clients (MacDonald & Abello 2001). The Productivity Commission (2002) found that in most cases Intensive Assistance was neither intensive nor of assistance, and that in general little was being done to address underlying employment barriers.

Moreover, the financial incentive structure is seen as providing insufficient resources and rewards to encourage adequate investment in social and human capital of highly disadvantaged clients. This has created the additional problem of large numbers of job seekers being ‘parked’ (registered with the provider but provided with no assistance) because the cost of removing barriers is too high relative to the outcome payment.

The outcome focus has further negative impacts on the system through its tendency to focus resources on those clients where an outcome is most likely to be achieved in order to maximise revenue and maintain the agency’s competitive position. The result of this is a diversion of resources away from the clients most in need toward those who would be more likely to find a job anyway, leading to both inefficiency and inequity.

Non-profit and community based agencies are shielded from the outcome focus to some extent because of their broader social goals and the absence of the profit motive; but they are still required to achieve results comparable to commercial agencies or risk losing their contract.

Outcomes and job quality
Another concern relating to disadvantaged job seekers is the removal of any notion of job quality from the achievement of employment outcomes. For example, placing a job seeker into a low skill, low pay job with no prospects for development is valued equally with placing someone into a job with good training, reasonable pay, and possibilities for career development. When combined with the continual pressure on agencies to achieve outcomes and with other moves to deregulate the labour market, this may result in job seekers being pressured into low pay, low quality jobs.

The third Job Network contract period, due to commence in July 2003, does contain a number of changes designed to improve the levels of assistance offered to disadvantaged clients. These include changes to performance and incentive structures, training accounts, and a service guarantee. Overall, however, defining characteristics such as the outcome focus and competitive environment, have not been substantially altered and it seems unlikely that a significant improvement in the delivery of assistance will take place.

The impact of changes to employment assistance caused by the Job Network model has been to severely constrain agencies’ ability to effectively assist disadvantaged job seekers. The tendency to focus providers on short-term minimum cost solutions is leading to a decline in service quality, and marginal benefits to job seekers, rather than promoting quality assistance that addresses underlying barriers to employment. An equally serious concern arises from the reduction of job seekers to inanimate commodities being traded in a profit-driven, outcome-focused employment services ‘market’.

Achieving a balance between market-based performance and incentive structures, on one hand, and providing effective support addressing the complex needs of disadvantaged job seekers, on the other, appears highly problematic and is an area within the current system requiring considerable improvement.

Daniel Perkins
(03) 9483 1381
dperkins@bsl.org.au

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What kind of welcome? Seeking asylum in Australia

Views about how people seeking asylum in Australia should be treated have become highly politicised. In public debate the issue has been linked to border control, deterrence of future asylum seekers, terrorism, migration intake numbers and longer term considerations of desirable population growth for Australia.

In a recent study, Brotherhood of St Laurence staff from the Ecumenical Migration Centre and Research and Policy investigated how Australia treats asylum seekers, through the eyes of 40 people with personal experience of seeking permanent sanctuary in Australia. They come from many troubled corners of the globe, including Afghanistan, Congo, Iran, Sri Lanka and East Timor. This research is reported in more detail in a Changing Pressures bulletin (see references).

Anxiety and exclusion

Participants spoke warmly of their treatment by ordinary Australians, but said that government policies made their lives more miserable. They described experiences in detention: lengthy and uncertain processes in determining their claim for a protection visa; being denied family reunion rights; being denied work rights and income support, or receiving income support at a lower rate than that available to others; and problems of access to English classes, health and education services.

People’s feelings about their treatment in Australia need to be understood in the context of their reasons for leaving their country of origin. Most left because their lives were not safe. They were fearful about being returned if their protection claims were not accepted. For those who had lived in Australia for a considerable length of time awaiting a decision, there was the additional apprehension about having to start their lives over again in countries where there were few opportunities for themselves and their children. Some people were anxious about the safety of family members still living overseas.

Their stories they told us illustrate the intolerable pressure being placed upon people who came with a history of pain and suffering, seeking in Australia a safe refuge. The purpose of the current system of treatment of these people appears to be to deter others from journeying here and then seeking asylum. But as one participant commented (see panel), why would even this poor treatment deter people who are desperate?

If the people we spoke with are eventually allowed to remain in Australia, we have added to the burden of their adjustment. Many have only the hope of a temporary protection visa for 3-5 years and face a future of continuing uncertainty, consigned to the margins of society. Others, if unable to prove a well-founded fear of persecution, will have to leave Australia and we will have added a period of darkness to their already difficult lives.

What is needed

High quality bipartisan political leadership has in the past brought humanity and justice to our treatment of those seeking safe refuge in our country. Such leadership is needed now more than ever.

This research and the on-going work of the Brotherhood’s Ecumenical Migration Centre suggest that the following measures are needed to ensure just and compassionate treatment for people seeking Australia’s protection:

- Asylum seekers should be quickly processed and accommodated in the community, with reasonable reporting requirements preventing absconding, unless individually assessed as a security, health or safety risk.
- Those asylum seekers accepted as refugees under the Refugees Convention should be given permanent protection and thus be entitled to family reunion and to the full range of essential settlement services.
- For people seeking Australia’s protection, public funds should be used to provide adequate humanitarian services in the areas of housing, health care, education, and income support, rather than the current costly system of detention.

Tim Gilley

Contact
Ainslie Hannan
Ecumenical Migration Centre
(03) 9416 0044
ahannan@bsl.org.au

Reference

Insights from asylum seekers

When the government started chasing us we went to a province, from there to pay our way out of the country… We thought it would be good to go to the South Pacific, to go far away, it would be peaceful and we would not be found.

(Asylum seeker from the Congo)

While I was in the detention centre I used to read newspapers and I read about the Immigration Minister who said, after the new legislation, ‘I will keep these people [in mandatory detention]’. He kept us for one year as punishment to get the message to other people not to come to Australia. So it’s obvious that it’s not the reputation of good treatment of refugees in Australia [that brings them here] but because people are desperate and experiencing hardship, as a drowning man clutching at straws.

(Asylum seeker from Iraq)

Our cases are going on years and years. This is our valuable time. They are putting us in a limbo state. My stamina, my strength, they all have gone. When I get up in the morning I have nothing to do.

(Asylum seeker from Sri Lanka)
Community care: Facing the challenges

A significant proportion of the Australian population either has a disability or is providing assistance to someone with a disability. The most recent Survey of Disability, Ageing and Carers estimated that more than 1.9 million people needed assistance to move about, shower and/or dress, prepare meals, conduct housework, perform light property maintenance or paper work, or communicate (ABS 1998). The majority, 1.4 million, received informal assistance from relatives and friends (ABS 1998). Many of these informal care-givers, however, need assistance themselves when it comes to helping their relatives or friends.

In addition to the shortage of packages there is the problem of insufficient funding for each package, especially with the increasing costs of services such as visiting nurses and meals delivery.

In 1998 it was estimated that more than 900,000 people who needed assistance to perform one or more everyday task received support from formal care providers (ABS 1998). Most of this formal care is provided through community care services funded by Commonwealth, state and territory governments, particularly the Home and Community Care (HACC) program, Community Aged Care Packages (CACP) and the Disability Services Program. Community care services provide support for people in their home rather than in residential care, respecting the wishes of the majority of people in need of assistance.

The Brotherhood of St Laurence (BSL) is involved in community care services, primarily through the management of CACPs and the Linkages program (a HACC-funded program). Both of these programs are funded to enable a range of services to be provided to frail older people and people with disabilities to remain living in their homes. The CACPs are targeted at older people, whilst Linkages packages provide support for both older people and people with disabilities. The BSL currently manages packages that provide care to 449 people.

Care packages and increasing needs

Unfortunately, the community care sector is under stress. Providers of CACPs state that there are not nearly enough packages to meet the demand for this level of support, despite the Commonwealth Government’s recent budget commitment to provide a further 6,000 packages over the next four years. A similar problem exists for Linkages packages, with demand exceeding supply.

Moreover, with the ageing of the population, the number of people requiring assistance is expected to grow markedly, placing further strain on the sector. In Victoria, the population aged 75 and over is predicted to rise from 280,000 in 2001 to approximately 425,000 by 2021 (DOI 2002). Many of these people will receive assistance from informal care-givers, but the need for formal community care services can also be expected to significantly increase.

In addition to the shortage of packages there is the problem of insufficient funding for each package, especially with the increasing costs of services such as visiting nurses and meals delivery. The BSL has been involved in a recent campaign with the Victorian Association of Health and Extended Care (VAHEC) to highlight the inadequacies of the current funding to enable people to remain at home.

In the case of Linkages, it has been suggested that some providers are spending over $60,000 per year to support one individual, although government funding only provides $11,042 per person per year. Similarly, the funding for one CACP is often insufficient to provide care and support for an older person to remain safely at home. Providers believe that the people they are now supporting in the community have higher care needs than ever before, in terms of their level of frailty or disability, and funding has not kept up with these needs.

Staffing

Unfortunately, there is another major challenge facing community care providers, namely having enough skilled staff to provide care. The BSL, together with VAHEC, is currently undertaking research into the recruitment and retention of community care workers. This project has been funded by the Victorian Department of Human Services through the HACC Program.

Preliminary information has confirmed the industry perception that many organisations are experiencing staffing difficulties, particularly in attracting and retaining staff to provide home care, personal care and respite care services. To meet the expected growth in community care services over coming decades more staff will be required. It will be necessary to improving the attractiveness of community care employment, particularly to men and to younger people, if we are to meet the growing demand for this type of care. Findings from the research will be presented at a forum later in 2002.

The number of people requiring support to remain living at home is already stretching Victorian community care organisations, and without intervention, the problem will get worse. The majority of older people and people with disabilities wish to remain living in their own home, even when they need considerable support. Funding, from both levels of government, must be increased to allow them to do so.

Philippa Angley
(03) 9483 1377
pangley@bsl.org.au

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Getting moving? Motivation theory and the search for work

Social security policy in Australia currently aims to encourage people to undertake activities to improve their chances of gaining employment. A key question is then ‘How can policy motivate people to undertake such activities?’ This article attempts to address this question by reviewing theory and research findings about work-related motivation.

What do we mean by motivation in the context of unemployment? Performance can be described as a joint function of ability and motivation (Moorhead & Griffin, 1998), or in other words, greater motivation increases performance in the face of unchanged ability. Welfare to work policy aims to motivate people to engage in two sets of activities: those expected to lead directly to employment (including active job search) and those which are expected to improve an individual’s potential or capacity to find work over the longer term (such as training, skills improvement, or taking a casual job as a strategy towards gaining permanent employment).

Motivation is reduced … when people have goals assigned by others

The most relevant and well known psychological construct is ‘work-related motivation’ which Pinder (1998) describes as the set of internal and external forces that initiate work-related behaviour, and determine its form, direction, intensity, and duration. This definition recognises that both environmental and internal forces affect work-related behaviour, and has been widely studied. While there are some problems in applying the idea of ‘work-related motivation’ to unemployment – for example some theories examine the motivation effects of job characteristics, which do not apply when someone is not employed – much of the research is directly relevant to unemployed job seekers.

Five major theories of work-related motivation that have received substantial empirical investigation over the last three decades – expectancy, equity, goal setting, reinforcement, and cognitive evaluation theories – were reviewed. While a full discussion of research into these theories is beyond the scope of this article, we can summarise a few general principles that influence an individual’s work-related motivation. People are likely to be motivated when they:

- have specific, difficult but reachable goals
- have a single goal or a small number of goals which do not conflict
- are able to set their own goals
- are committed to these goals and feel they have the capacity to reach them
- receive positive feedback about their progress in meeting these goals, especially if the feedback is specific and practical
- receive some valued reward upon achieving their goals
- believe that rewards for their efforts are fair compared with the rewards received by others
- are subject to punishment and negative reinforcement rather than reward
- feel that external agents are attempting to control their behaviour.

Welfare to work policies and motivation

In Australia, welfare to work policies have tended to emphasise obligations and penalties (through both the social security and employment services systems), with less attention paid to rewards and self-direction. Goals are largely established on the basis of bureaucratic requirements rather than an individual’s aspirations, although there is scope for ‘preparing for work agreements’ (PFWAs) to perform a more useful role.

The large numbers of requirements are likely to be seen as attempts to control a person’s behaviour rather than as a form of positive feedback or assistance. Punishment is common and reward rare, and it can reasonably be expected that many job seekers perceive the system in negative terms, perhaps more so the longer they have been unemployed, or the more experience they have with the penalty system.

Based on the available research, the main features of the social security system seem likely, at worst, to reduce motivation among long-term unemployed...
People, or, at best, to do little to enhance it. In addition, some features of the system seem destined to engender negative attitudes towards Centrelink, at the same time that policy aims to encourage job seekers to see it as a source of help. Current policies may be contributing, at least in part, to the continuing high levels of long-term unemployment.

Some changes to policy are suggested by these results. A first point should be to genuinely engage people in setting goals based on their own aspirations, and to minimise compulsion and the threat of punishment. Disengaging the link between preparing for work agreements and entitlement would make the goal-setting role of PFWAs more appealing to job seekers. Support and direction from staff may be useful, but allowing some flexibility in the time taken to develop these plans would allow individuals to feel a greater sense of ownership and commitment. Further, some existing requirements (such as job search diaries and employer contact certificates) could be reduced or removed.

Since the current reward structure is perverse, ways need to be found to reward people who make progress towards their goals. These might include a “participation payment” for undertaking training or meeting progress goals, and reducing the effective marginal tax rates for casual and part-time work.

Lastly, the breaching system should be redesigned as a way to ensure compliance rather than to punish. Two key changes need to be made: reducing the absolute amount of the penalties, and ensuring that once a person complies with their obligations, their payment is restored to its normal level with no further loss of income.

While this analysis suggests some possible improvements for the income support system in Australia, it is important not to over-estimate the impact of such changes. Since there are currently in Australia far fewer jobs than job seekers, the likelihood of finding a job as a result of job search is low (particularly for the long-term unemployed), leading to understandable discouragement for those who are continually rejected. The increase in unemployment (and hence in the number of people on benefits) is due, however, to changes in the availability of work over the last two decades, rather than changes in the motivation of unemployed people.

Stephen Ziguras
(03) 9483 1316
sziguras@bsl.org.au

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The full list of references on which this article is based is available from the author.
Home Instruction for Parents of Preschool Youngsters (HIPPY): an encouraging start in Australia

Nineteenth century social reformers dreamed that early childhood education would provide the critical input to enable children to escape from the poverty they had been born into (Mellor 1990). At the beginning of the twenty-first century early childhood education is firmly on the national and international policy map as a key anti-poverty strategy (Fleer 2002; OECD 2001).

The Home Instruction Program for Preschool Youngsters (HIPPY) is an exciting early childhood education program new to Australia, targeted to disadvantaged young children and their families. Over 30 years, it has proven its capacity to improve the educational success of disadvantaged children in 10 countries, and with a wide range of cultures and languages (Lombard 1994). Individual implementations of HIPPY have also been known to fail, but there has been limited research into reasons for either failures or successes (Baker, Piotrowski, & Brooks-Gunn, 1999).

This article summarises an evaluation of an implementation of a two-year early childhood education program, HIPPY, targeted at four and five-year-old children whose parents had low levels of education and income, living in inner Melbourne. These were the second intake of families into the program in Australia.

What is HIPPY?
HIPPY is aimed at increasing the success at school of children living in educationally disadvantaged families, usually on low incomes. The two-year program supports parents to deliver a set educational curriculum of activities to their children, spending a minimum of 15 minutes per day, five days per week, for 30 weeks in both years. Home tutors are employed and trained to deliver the program to parents. The tutors are usually selected from the same community as other participating families and usually have a child in HIPPY. The coordinator facilitates a weekly training session for home tutors. Families receive a fortnightly visit of about an hour. On alternate weeks parents attend a group meeting with other parents and their home tutor. If they are unable to make this meeting, they receive a shorter home visit of about half an hour.

Research purpose and method
The research investigated whether the program met its goal of improving school success and which aspects of the program and its implementation were responsible for any positive or negative effects.

It involved a mixture of qualitative and quantitative method:

- participant observation of children, parents and tutors
- interviews with program staff, parents and other stakeholders
- direct testing by the researcher and children’s teachers of the 33 children in the HIPPY group and a matched comparison group of 33 non-HIPPY children.

Children were assessed for general development, literacy and numeracy skills and school behaviour related to academic achievement, with two rounds of mid-year assessments conducted in their first and second years of schooling (the second year of the HIPPY program and the year after its completion).

Family participation
The families came from eleven different countries. Only in three families were the parents Australian-born. The other families had English as a second, third or even fourth language. The two most common home languages were Vietnamese and Somali, with others being Cantonese, Hmong, Spanish, Thai and Turkish. There were three distinct patterns of participation:

- 13 children and their families and completed the full two years of the program based in Fitzroy.
- 13 children and their families only completed about one year of the program in Fitzroy.
- 7 children and their families started late and completed only about one year of the program based in North Melbourne.

Program outcomes
Parents were able to identify what their children learnt in HIPPY, in relation to specific educational activities, literacy, numeracy, and an improved orientation to learning.

Children in HIPPY outperformed non-HIPPY children on most external assessment measures in the two rounds of assessments. By the second round, children in HIPPY were performing at similar levels to the average of Victorian children on most measures, including literacy and numeracy and school behaviour. In contrast children in the comparison group were performing significantly below average on most of these measures.

The scores for the 20 children with only about one year of participation in HIPPY and the 13 who completed the full two years of the program were separately compared with the scores for the non-HIPPY children. There were gains for the group with lesser participation but they were smaller than for those who completed the two years.

Keys to effectiveness
The factors that best explained these successful outcomes are identified below:

Parental motivation and circumstances
Parents were keen to assist their children to succeed in education, but generally lacked an understanding of how best to promote this. This congruence between parental expectations and the purpose of HIPPY was a major factor in its success. On the other hand, one family was unable to...
continue in the program due to domestic violence, emphasising the importance of family stability for successful participation in HIPPY.

Design and structure of HIPPY
The design and structure of the program worked well for families. Home visiting was a convenient and friendly way for families to receive the program, while group meetings provided an important opportunity for mothers to learn. Role play was identified by parents and HIPPY staff as an easy way of learning and delivering the lessons, which themselves provided enjoyable activities appropriate to the developmental level of four and five-year-old children. While some parents were unable or unwilling to attend group meetings, the alternate home visit ensured continuity for the program for these families.

Management and location
The program was well implemented at several levels. The practical support and advice provided by the international coordinating and licensing body, HIPPY International, facilitated the establishment of a program new to Australia. The Coordinator’s role was a key one, successfully representing the program within the Brotherhood of St Laurence, liaising with HIPPY International, explaining the program to local providers of early childhood services, recruiting families and selecting and training home tutors. Providing the service locally was also important, making it easy for home tutors to visit families and for parents to travel to group meetings.

Culture and language
The program was delivered in a way that was culturally appropriate to families and dealt well with language issues. The employment of home tutors from the same language and cultural backgrounds for most of the families was an important feature. The weekly in-house training of home tutors provided the opportunity to develop strategies to deal with language and cultural issues and other program delivery issues. Most of the parents were able to participate in the program using a comfortable mixture of English and their home language.

Through HIPPY, parents reported an increased engagement with their child’s education, which augurs well for their future support of their child’s learning.

Conclusions
The results of this evaluation are encouraging for establishing this international model in Australia. The program was successfully implemented with families from diverse linguistic and cultural backgrounds. Children gained specific literacy and numeracy skills and were performing well at school, close to average levels of other Victorian children, despite their disadvantaged backgrounds.

This model appears particularly suited to parents who are strongly committed to their child’s education but may lack an understanding of how to support it. The families need to have sufficient financial, housing and emotional stability to stay with the program for at least 12 months and preferably two years.

We need to increase the provision of early childhood education programs, such as HIPPY, that build partnerships with parents. We also need to support and develop other early education models for disadvantaged families whom HIPPY does not suit—for example, those who place less value on their children’s education, and those with unstable life circumstances.

Tim Gilley
(03) 9483 1385
tgilley@bsl.org.au

(The research was conducted as a doctoral dissertation, in a partnership between the Brotherhood of St Laurence and Victoria University, with funding support from the Australia Research Council. The thesis has been submitted but not yet marked.)

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Life Chances Study update: How families are faring

There has been considerable debate about the extent of poverty in Australian society and whether or not it is growing (Harding et al 2001). While this is a question for national statistics to answer, the Brotherhood’s longitudinal Life Chances Study provides an opportunity to look in some depth at the changes of financial situations of a group of families over time.

The Life Chances Study (of children born in 1990) has recently revisited the families of 142 children now aged 11 and 12 and findings are currently being analysed.

Changes in income

The study provides evidence both of change and continuity in family incomes.

The Life Chances Study uses a low income measure based on a family income below 120 per cent of the Henderson Poverty Line. The calculation and updating of the income levels will be presented in more detail in the forthcoming report.

When the children were aged 11 and 12, 27 per cent were in low-income families. This represented a small decrease from the earlier stages (30 per cent of the 142 children were in low-income families both at 6 months and 6 years). This reflects in part the life cycle stage of the families, as more mothers were in paid work.

While a fairly similar proportion of children have been in low-income families at each stage of the study there has been some movement of families between income categories. Taking into account family income when the children were aged about 6 months, 6 years and 11 or 12 years we find:

- 19 per cent of children in low-income families at each of the three ages
- 21 per cent in low-income families at one or two of these ages
- 60 per cent in low-income families at none of these ages.

To look at the data in another way:

- 74 per cent of the children who were in low-income families when aged 6 months were still in low-income families when aged 11 and 12
- 92 per cent of the children who were in families not on low incomes at 6 months were still in families not on low incomes when aged 11 and 12.

Characteristics of low-income families

Many of the parents face considerable barriers to finding well-paid employment as a way of improving the family income. Almost two-thirds of the long-term low-income families have parents from non-English speaking birthplaces; many of these still have limited English skills. Over half the parents in the low-income families, including many of the refugee families, have limited formal education (Year 10 or less). Almost a third of the families are headed by sole parents and there are several very large families. Some parents in the low-income families found low wage work that did not raise their family income substantially above the level of social security payments.

It is interesting to compare these findings with those recently reported for a larger national study of 1662 18 to 54-year-olds (National Life Course Panel, Mitchell & Breusch, quoted in Adele Horin, *Sydney Morning Herald*, 13 August 2002, p.3). The national study found only 24 per cent of those on low incomes (the lowest 20 per cent of income earners) in 1997 were still on low incomes in 2002. This contrasts with 74 per cent of the children in the Life Chances study remaining on low income over an 11-year period.

This difference is likely to reflect the greater changes of income among the younger people within the national study as they enter the workforce, as well as differences in measurement of income. However the Life Chances Study points to the greater likelihood of persistent low income for children growing up in families with multiple barriers to current employment opportunities, such as parents’ limited education and English skills and the child care needs of sole parents and large families.

The Life Chances Study confirms that we can assume neither that all children born in low-income families are doomed to remain in a cycle of disadvantage nor that all children born into low-income families will only experience a short time of financial hardship while their parents get established.

The findings highlight the importance of a framework of government policies ensuring adequate family incomes are available for children growing up in Australia, namely:

- reasonable wages for working parents and/or
- adequate child payments to supplement low wages and/or
- adequate income support for those without paid work.

For further information about the Life Chances Study, contact

Janet Taylor
(03) 9483 1376
jtaylor@bsl.org.au

Reference

Life Chances: Families’ perceptions

The families were asked in 2002 whether their financial situation had got better or worse or stayed much the same since the previous interview in 1996. The responses were very different depending on the families’ current income level.

Only a little over a third of the low-income families said they were better off and as many said they were worse off. This is in marked contrast to the families not on low incomes, of whom two-thirds said they were better off (Table 1).

Better off
There were some marked differences between reasons given by the low income families and the others, with the more affluent families talking of well-paid jobs, assets and inheritances, while for the low-income families’ improvements were much more modest in terms of work or housing. Other reasons mentioned for low income families being better off included government assistance, child support, managing finances better, a separation (‘the child’s father was not good with finances’). Parents’ comments included:

Two older children work part-time, helping pay bills. (Low income)

My partner has a good income. I have also inherited some money, and we are good savers. (Not low income)

Worse off
The main reasons family gave for being worse off financially were related to loss of employment, higher costs and, for a few, separations. Low-income families saw themselves as worse off most often because of loss of work but also because of increased prices. Comments included:

Most of the goods are dearer and the money you get from Centrelink is not much different and all my children have grown up. The household costs more than five years ago. (Low income large family)

‘Much the same’
The families who felt their financial situations had remained much the same commented either that their situation had changed little or that there had been decreases and increases that balanced out.

Table 1. Parents’ views of changes to financial situation 1996-2002*

<table>
<thead>
<tr>
<th>Parents’ views of financial situation</th>
<th>Low income</th>
<th>Not on low income</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Better off</td>
<td>36%</td>
<td>66%</td>
<td>57%</td>
</tr>
<tr>
<td>Much the same</td>
<td>28%</td>
<td>23%</td>
<td>25%</td>
</tr>
<tr>
<td>Worse off</td>
<td>36%</td>
<td>11%</td>
<td>18%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

(Number) (39) (103) (142)

* By family income in 2002

Recent submissions

The Brotherhood puts forward its views when it believes that it can make a considered contribution to a better understanding of the needs of low-income Australians based on its research or policy analysis or its experience in providing services.

Submissions or statements released in 2001-02 include:

- Submission to the Centrelink Rules Simplification Taskforce, April 2001
- Submission to the Commonwealth Advisory Committee on Homelessness: Response to National Homelessness Strategy Consultation Paper, November 2001
- Towards a fairer future: Brotherhood of St Laurence call to the parties for the 2001 federal election, October 2001
- Submission to the Senate Community Affairs References Committee Inquiry into participation requirements and penalties, July 2002
- Response to Retirement Villages Act 1986 discussion paper, September 2002

In addition, Brotherhood staff contributed as members of the Victorian Association of Health & Extended Care (VAHEC) to VAHEC’s Issues Paper, The Homeless Elderly in Residential Care, August 2001

• State Budget 2002-03 priorities: submission to the Victorian State Government, December 2001
• Brotherhood of St Laurence response to FaCS Briefing on Australians Working Together [welfare reform] package, February 2002
• Submission to the Senate Community Affairs References Committee Inquiry into participation requirements and penalties, July 2002
• Response to Retirement Villages Act 1986 discussion paper, September 2002

In addition, Brotherhood staff contributed as members of the Victorian Association of Health & Extended Care (VAHEC) to VAHEC’s Issues Paper, The Homeless Elderly in Residential Care, August 2001

11

November 2002
Much obliged? How clients feel about social security obligations

The notion that working age social security recipients have an obligation to seek work in return for benefits has long been part of the Australian social security system. However, the requirements of unemployed people receiving social security payments have become more explicit and expanded over the last ten years, and similar requirements are being extended to sole parents and possibly to people with disabilities.

These changes reflect the social security system in Australia, as elsewhere, being recast from a ‘safety net’ to a ‘springboard’. Active labour market or ‘welfare to work’ policies emphasise the role of social security and employment services not only in ensuring that unemployed people are making attempts to find work, but also in requiring them to undertake activities which are believed to increase their chances of gaining employment.

Little is known about the effect of these requirements from the point of view of those who have to comply with them. A recent telephone survey of people receiving Newstart found support for some obligations but suggested that others may not be very useful at all in finding work (Tann & Sawyers 2001).

The Brotherhood of St Laurence, the St Vincent de Paul Society and the Centre for Public Policy at the University of Melbourne are collaborating on a research project to explore job-seekers’ experiences of various activity requirements, and the extent to which they see these as helping or hindering their chances of getting a job.

We conducted in-depth interviews with 49 people about their experience of receiving social security payments, how they view their relationship with Centrelink, their understandings of and attitudes toward their social security obligations and the consequences of failing to meet them, and their experiences of looking for work.

Participants were recruited through services of both St Vincent de Paul and the Brotherhood. Forty-two received Newstart, and the rest were on Youth Allowance or had recently transferred to Disability Support Pension; about two-thirds had been on benefits for longer than 12 months. Sixty per cent were male and the average age was 38.

Some preliminary findings are reported here. About two-thirds of people interviewed had experienced a period of ill health over the previous 12 months. Most people were happy with how Centrelink accommodated their illness, although people with mental health problems were more often dissatisfied. These felt that Centrelink staff did not understand their conditions and sometimes refused to believe that they had a health problem because it was not visible.

Almost all applicants for unemployment payments must sign a ‘Preparing For Work Agreement’ in order to receive benefits. Negotiated with Centrelink staff, the agreement is meant to help them plan strategies to find work or improve their ‘employability’. Of those who had to complete such an agreement, just over half said they felt under pressure to agree to whatever Centrelink staff included. Almost half felt that it helped think about how to find work. There was a strong correlation between feeling under pressure to agree and feeling that the agreement was of little use.

Many people had difficulties with payments, often due to letters going astray, or forms not being handed in or being lost. Some people felt that Centrelink would not accept responsibility when they made a mistake. Almost everyone interviewed felt that Centrelink staff were under enormous pressure and did the best they could, but that resources were over-stretched.

The final research report will offer policy makers a better understanding of the relationship between people’s personal situations (for example, homelessness or substance abuse), barriers to employment and the impact of multiple obligations. We anticipate that the results will suggest how social security policy could better help long-term unemployed people.

Stephen Ziguras
(03) 9483 1316
sziguras@bsl.org.au

References
Preparing for work: Views from youth

The Brotherhood of St Laurence is currently exploring the experiences of unemployed 18 to 20-year-olds negotiating Preparing for Work Agreements (PFWAs), as part of a research project jointly funded with Centrelink.

All new Youth Allowance claimants who have an activity test requirement have to enter into a PFWA. This agreement is supposed to ensure that the young people are aware of their rights and obligations and of the help Centrelink will provide to get them back to work, and to include some activities that are responsive to the needs of the individual (FaCS 2002).

Therefore, the administration of the PFWA appears critical to the future relationship between the young people and Centrelink and to their employment prospects. This study explores whether young people are:

- well-informed about the intent of PFWAs
- comfortable with the process of negotiating a PFWA
- confident that the PFWA will benefit them.

Evidence is being gathered by interviewing young people receiving Youth Allowance and examining their PFWAs. Young people have been recruited through youth support services identified by Centrelink, including Job Placement, Employment and Training programs (JPET) and youth housing services, through Job Network providers and through Centrelink.

Centrelink personnel and youth support workers (who often mediate their clients’ relationship with Centrelink) are also being interviewed. Ideas for improving the administration of PFWAs are sought from all parties.

While the study is still under way, examples of the young people’s views and experiences are presented below.

Completing the PFWA

The young people’s comfort with Centrelink processes for completing the agreement varies:

- He tried to make it as comfortable as he could. I was just a mess, so he tried to make it comfortable, but to me … I know they’re trying to help but it’s hard when you don’t know the person at all and when you’ve only met them once and you’re trying to tell them everything.

  He just explained it quickly, got me to sign it, ‘Do you understand, nah, nah, nah?’, [I] signed it — it was very quick basically. Then he gave me a couple of pamphlets and that.

Not all the young people were aware of their ability to negotiate a PFWA. Some considered they had to agree with whatever was suggested in order to receive payment:

- I was more or less just telling him what he wanted to hear… In order for me to stay on Youth Allowance I had to go to this appointment but I didn’t really like the fact that I had to answer all these questions but I done it anyway to receive my payment.

Benefits of PFWAs

Some young people sound positive that the PFWA will benefit them:

- I found nothing bad about it. Just recently, I don’t find anything that I dislike about it but yeah, it’s good. It’s good stuff. They’re trying to help me look for work.

Some are less sure:

- Well, I don’t think a jobseeker diary is helping to find a job because all you’re really doing is filling in a piece of paper to make them happy. You have to go out and look for a job anyway.

Understanding youth

There is also recognition from Centrelink staff and agency workers that special skills are needed to work successfully with young people:

- I think if they [Centrelink] are going to be offering this Preparing For Work Agreement, then they would need a lot more training with youth clients.

Interviews throughout the metropolitan region and in one rural area are continuing. Findings will be discussed with participants and the draft report will be presented to the project advisory group in December.

Sally Jope
(03) 9483 1306
sjope@bsl.org.au

Reference
Learning to bridge the gap: the National Education and Employment Forum

Brotherhood of St Laurence education coordinator Basil Varghese has played a part in the National Education and Employment Forum (NEEF), a unique project which engaged a wide cross-section of Australians in discussing and developing actions to address key problems of disadvantaged groups in Australia.

A project of the World Education Fellowship (WEF) Australia, NEEF began from the recognition that education ‘has a key role to play in bridging the gap between the ‘haves’ and the ‘have nots’ in the Australian Community (Feeney et al. 2002, p.7).

It consisted of forums in five state capital cities, which involved participation from individuals and groups including politicians, state and federal government agencies, community sector organisations (including the BSL), the business community, indigenous Australians, education departments, teachers and students.

The Victorian gathering recommended that NEEF should seek, from all Australian governments:

- Greater opportunities for public debate and genuine participation in policy development
- Greater commitment to the maintenance of high quality and universally accessible public education systems
- A national inquiry into the funding of all schools, aimed at achieving a more open, more consultative and more effective funding process and a fairer funding regime in which the highest priority will be the schools that contain the largest concentrations of disadvantaged students.

Recommendations from each state forum informed the national gathering in Brisbane in August 2001.

The report stressed the importance of breaking the ‘educational disadvantage cycle’, by which young people from low-income families are more likely to leave school early, in turn being less likely to gain full-time well-paid employment

The project’s focus fitted well with the Brotherhood’s vision of an Australia free of poverty. Basil was invited to join the organising committee for the forum held in Melbourne, on education and employment for the disadvantaged. He also became the forum’s commentator, summarising and reflecting on the issues raised in each session. The committee also included representatives from VCOS, the Catholic Education Office, the Department of Education and Training, Victoria University and Berry Street Victoria.

A highlight of the Victorian forum was the input of several young Australians. They had been at risk of dropping out of the education system—some had actually been kicked out of a school—due to a range of personal and family problems. They had been encouraged to continue their learning and complete their studies by innovative school programs which addressed personal development and coping mechanisms. The same students later contributed to the national forum.

The final report, Bridging the gap between the ‘haves’ and the ‘have nots’, launched by the Governor-General, Dr Peter Hollingworth, in August 2002, reflected the outcomes of the state and national forums, while also taking account of other significant reports in the area. It stressed the importance of breaking the ‘educational disadvantage cycle’, by which young people from low-income families are more likely to leave school early, in turn being less likely to gain full-time well-paid employment.

It called for five major strategies to be pursued to address the educational needs of people who are disadvantaged:

- more intervention in early childhood care and education, including innovative changes to provide low-income parents with tax incentives to support their young children’s learning

Insights from this process will help to inform the Brotherhood’s internal strategic planning group tackling the theme of education.

Basil Varghese
(03) 9483 1329
bvarghese@bsl.org.au

Reference
Anne Feeney et al. 2002, Bridging the gap between the ‘haves’ and the ‘have nots’: report of the National Education and Employment Forum (NEEF), World Education Fellowship Australian Council, Brisbane.

The report is held by the BSL library.
New information on poverty, unemployment and social justice

The following are among the latest significant acquisitions of the Brotherhood Library:

Aborigines, Australian


Trudgen, Richard 2000, Why warriors lie down and die: Towards an understanding of why the Aboriginal people of Arnhem Land face the greatest crisis in health and education since European contact, Aboriginal Resource and Development Services Inc., Darwin.

Ingle, David 2001, Interaction of the age pension means test and the taxation of superannuation, Graduate Program in Public Policy, Australian National University, Canberra, A.C.T.


Children

Consumer credit

Economics


Education
Chapman, Bruce & Withers, Glenn 2001, Human capital accumulation: Education and immigration, Graduate Program in Public Policy, Australian National University Canberra, A.C.T.


Employment/unemployment
Australian Council of Social Service & Jobs Australia 2002, New directions for employment assistance in the United Kingdom and Australia, Australian Council of Social Service, Strawberry Hills, N.S.W.

Dawkins, Peter, Gregg, Paul & Scutella, Rosanna 2002, Employment polarisation in Australia, Melbourne Institute of Applied Economic and Social Research, University of Melbourne, [Parkville, Vic.].


Family

Globalisation

Health


Management

Non-government organisations
Mulgan, Richard 2001, The accountability of community sector agencies: A comparative framework, Graduate Program in Public Policy, Australian National University Canberra, A.C.T.

Refugees

Research
Ezzy, Douglas 2002, Qualitative analysis: Practice and innovation, Allen & Unwin, Crows Nest, N.S.W.

Social action

Social capital

Social enterprise


Social policy
Hazelhurst, David 2001, Networks and policy making: From theory to practice in Australian social policy, Graduate Program in Public Policy, Australian National University, Canberra, A.C.T.

Pierson, Chris 2001, Learning from Labor? Welfare policy transfer between Australia and Britain, Graduate Program in Public Policy, Australian National University, Canberra, A.C.T.


Social research

Social welfare
Aspalter, Christian 2001, Different worlds of welfare capitalism, Graduate Program in Public Policy, Australian National University, Canberra, A.C.T.

Darlington, Yvonne & Scott, Dorothy 2002, Qualitative research in practice: Stories from the field, Allen & Unwin, Crows Nest, N.S.W.

Whiteford, Peter & Angenent, Gregory 2002, The Australian system of social protection – an overview, Department of Family and Community Services, Canberra, A.C.T.

Sustainable development

Values
Horne, Donald 2002, An Australian compact? What are the core values that all Australians might respect? NSW Centenary of Federation Committee, [Sydney].

Wages

Women

Work and family
Drage, Robert, Scutella, Rosanna & Varner, Amy 2002, Work and family directions in the US and Australia: A policy research agenda, Melbourne Institute of Applied Economic and Social Research, University of Melbourne, [Parkville, Vic.].

This annual address, named in honour of the Brotherhood’s second executive director, Geoffrey Sambell, was delivered on 17 October by the current executive director, Fr Nic Frances, on the theme ‘Making Australia a poverty-free zone’.

An edited version of the presentation can be accessed on-line at <www.bsl.org.au>.

Through focus group interviews of Victorian families, the study will investigate the difference between what people pay for housing, and what they can afford, as well as the things they have to go without in order to meet housing expenses and the effect on their quality of life. It will also examine the impact of housing affordability on families’ access to services, transport and employment. Data from the interviews will inform an analysis of current housing trends and the effect of state and federal government policies, and recommendations for future policy directions.

Contact
Sally Jope
(03) 9483 1306
sjope@bsl.org.au

Published reports of Brotherhood of St Laurence research are listed under broad thematic headings at <http://www.bsl.org.au/catalogue>. Recent documents can generally be downloaded in full.

Printed copies of these and older materials may be purchased by using the order form on the web site or by phoning the Publications and Information Officer on (03) 9483 1386.

For further information on Migration Action, check the EMC website at <bsl.org.au/services/migration>.

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