



5 November 2015

Committee Secretary Senate Standing Committees on Community Affairs
PO Box 6100
Parliament House
Canberra ACT 2600

By email: community.affairs.sen@aph.gov.au

Dear Secretary,

Re: Submission to the Social Services Legislation Amendment (Youth Employment and Other Measures) Bill 2015

Orygen, The National Centre of Excellence in Youth Mental Health (Orygen) appreciates the opportunity to provide comment on the Social Services Legislation Amendment (Youth Employment and Other Measures) Bill 2015, re-introduced on the 16 September 2015.

For a detailed response to Schedule 1, 2 and 3 we refer the committee to the submission made by Orygen to the previous introduction of the bill on 24 July 2015¹ and to the comments made by Professor Eóin Killackey at the public hearing on 5 August 2015.² As Schedule 4 provides new detail regarding the administration of pre-benefit activity requirements, a specific response has been included below.

Overall response

Once again Orygen would like to re-state its support for policies and initiatives that improve young people's employment participation opportunities. Meaningful employment is both a protective factor for mental health and can be an important element of recovery for a young person experiencing mental ill-health.

Orygen notes there have been no substantial changes made to Schedules 1, 2 and 3 of the re-introduced bill, in particular to the four week wait period for young job seekers, or the reduction in income support for young people aged 22-24 years who are actively job-seeking. As such, we recommend against the proposed measures on the following grounds:

- **Impact on the mental health and wellbeing of young people:** Subjecting young job seekers and their families to financial hardship through reduced payments and extended periods without income support

¹ Orygen, The National Centre for Excellence in Youth Mental Health Submission to the Social Services Legislation Amendment (Youth Employment and Other Measures) Bill, 24 July 2015
http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Community_Affairs/Youth_Employment/Submissions accessed 26 October 2015

² Community Affairs Legislation Committee Senate committee Public Hearing 5 August 2015
http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Community_Affairs/Youth_Employment/Public_Hearings accessed 26 October 2015

may introduce or compound vulnerability, risking a young person's mental health and wellbeing over time³ and placing their family relationships under duress. This may also lead to an increased demand for community and mental health services, potentially reducing the financial savings from these measures. There is no evidence that the \$8.1 million in emergency relief funding would be directed to these types of services or would be sufficient to address demand.

- **Lack of evidence to support the wait period measure:** As raised a number of times in Orygen's previous submission, and by a wide range of key community stakeholders, there is no clear evidence that these measures would improve employment outcomes for young people. It has been noted that the New Zealand model, on which the evidence for introducing these measures are based, is actually not comparable.⁴ Strong evidence of improved employment outcomes for young people experiencing mental ill-health does exist however for the Individual Placement Support (IPS) program.⁵
- **Questionable compatibility to the human rights of young people (including the right to equality and non-discrimination and the right to social security and an adequate standard of living):** On this matter Orygen refers to the Human Rights Committee position (as outlined in the bill's digest) that the statement of compatibility of the four week waiting period measure 'in the absence of sufficient protections was not the least rights restrictive means of achieving the Government's objective' (p5). Further, the committee identified that the costs involved in meeting the additional activity requirements (introduced in Schedule 4) potentially compound the limitations on a young person's right to an adequate standard of living.
- **Impact on young people's ability to find work:** Rather than the increased wait period acting as an incentive to work, Orygen again refers to research which shows that a lack of income can impact on a young person's capacity to meet job seeking requirements and look for employment.⁶ This may be due to limited access to transportation and the impact of financial stress on mental health, potentially triggering or exacerbating depression and anxiety. As the level of income support for Newstart is already well below the poverty line, further reduction to these rates (along with a period of no income support) could increase the barriers to finding work for young people already experiencing financial hardship.

Eligibility for wait period exemption

Orygen does acknowledge that the re-introduced Bill now articulates an exemption from the four week waiting period for young people assessed as eligible for Stream B or Stream C employment services i.e. those young people assessed as having multiple barriers to employment and therefore vulnerable to unemployment (e.g. due to location, substance abuse issues, indigenous or refugee status, mental health issues). Instead it will only be applied to young people deemed to be most job-ready and eligible for Stream A services.

While this does afford some assurance that young people with a diagnosed or disclosed mental illness may not be subjected to the four week waiting period, a number of young people with sub-threshold, undisclosed or unrecognised mental ill-health will remain likely to slip through the net.

Orygen is not convinced that the Job Seeker Classification Index to determine 'job-readiness' is an effective tool for identifying experiences of mental ill-health. Young people in particular can have difficulties disclosing or articulating their condition and are at particular risk of misclassification. Indeed it has been estimated that in at least one-third of cases the assessment process misclassifies people with severe mental illness.⁷

³ Kiely, K (2015) How financial hardship is associated with the onset of mental health problems over time. *Soc Psychiatry Psychiatr Epidemiol.* 2015 Jun;50(6):909-18

⁴ Chapple, S When it comes to the four-week wait for the dole, NZ comparisons ring hollow *The Conversation*, 18 September 2015, accessed 26 October 2015.

⁵ Orygen Youth Health Research Centre (2014) Tell them they're dreaming: Work, Education and Young People with Mental Illness in Australia.

⁶ C Ey, M Klapdor, M Thomas and P Yeend, Social Services and Other Legislation Amendment (2014 Budget Measures no. 2) Bill 2014, Bills digest, 16, 2014-15, Parliamentary Library, Canberra, 2014, p. 43

⁷ Waghorn G et al (2012) 'Earning and learning' in those with psychotic disorders: The second Australian national survey of psychosis. *Australian & New Zealand Journal of Psychiatry* 46(8). P774-785

Response to Schedule 4

Schedule 4 outlines a number of additional activities required of young people to be fulfilled during the wait period in order to enhance their prospects of finding jobs that are available. It also provides detail regarding administration and associated costs to government.

Orygen is concerned that these activity requirements may be additionally challenging to fulfil without income support (e.g. transport for job seeking activities). We also believe that some of the rules are unnecessarily harsh and potentially place more vulnerable young people (including those with undisclosed mental ill-health) at risk of extended periods without any income support. These include:

- restarting the waiting period at the end of the current wait period should any element of the pre-benefit activity test not be completed; and
- introducing a second four week waiting period within a six month period if a young person fails to comply with the Employment Pathway Plan requirements.

As we stated in our previous submission, young people want to work. We believe these measures will only create unnecessary financial hardship, emotional, mental and family stress which will in turn impact on young people's job-readiness, defeating the objectives of the bill. Orygen recommends the reintroduced Bill, in particular Schedule 2, 3 and 4, be rejected.

For any questions or additional information on the issues raised in this submission, I can be contacted on 0419 535 567 or email Kerryn.pennell@orygen.org.au.

Yours sincerely,

Kerryn Pennell
Director, Strategy and Development