



# **A NEW APPROACH TO ASSISTING YOUNG HOMELESS JOB SEEKERS**

**JANUARY 2003**

**This Foundation Paper was authored by**

**Susan Campbell, Project Consultant**

**With assistance from**

**Michael Horn, Research & Development Manager  
Tony Nicholson, Chief Executive Officer**

**Hanover Welfare Services  
52 Haig Street  
South Melbourne, 3205.**

**Ph: (03) 9699 6388  
Email: [hanover@hanover.org.au](mailto:hanover@hanover.org.au)**

**Hanover acknowledges the generous financial support of  
The William Angliss (Victoria) Charitable Fund that has enabled  
Hanover to initiate this project.**

# A NEW APPROACH TO ASSISTING YOUNG HOMELESS JOB SEEKERS

*“This paper explores the plight of the 80,000 young adults, 18-35 years of age, who experience homelessness each year and are unemployed and looking for work.<sup>1</sup> They make up approximately 20% of the 393,000 long-term unemployed Australians who are dependant on income support payments. They think of themselves as workers and they share the dreams of other Australians. They want a job, a family, and a home. Evidence is presented to show that existing forms of housing and employment assistance available to them are ineffective and wasteful. This is due to the manner in which assistance is constructed and delivered, as well as the state of the contemporary housing and employment markets. It is argued that a new approach is required if homeless job seekers are to realise their modest dreams and escape from a future as passive welfare recipients. Characteristics of more effective assistance are canvassed and program principles and specifications for a new approach proposed.*

## 1. INTRODUCTION

The plight of the homeless unemployed has been recognised in several public policy forums.

The final report of the Reference Group on Welfare Reform, *Participation Support for a More Equitable Society*, notes the need for new forms of assistance for disadvantaged job seekers generally, and urges the integration of housing and employment assistance specifically (Reference Group on Welfare Reform 2000). *Australians Working Together*, The Commonwealth Government’s response to the McClure Report, includes funding of \$62m over four years for the Personal Support Programme (PSP), which provides tailored assistance to disadvantaged job seekers, including those who are homeless.

Other more specific policy initiatives have identified the critical issues that a solution for homeless job seekers must address, but viable program responses are yet to be developed. The Australian Housing and Urban Research Institute’s discussion paper, *A New Framework for the CSHA*, suggests that a response to those Australians who need housing assistance must be developed in the context of welfare reform and promote the goals of social and economic participation (AHURI 2002).

---

<sup>1</sup>Following Chamberlain, “How Many Homeless Australians?”, this figure has been calculated by factoring up the number of users of homelessness services who are 18-35, unemployed, and looking for work, with the number of users sourced from SAAP National Data Collection: Australia Annual Report 2000-2001 (AIHW 2001).

The National Homeless Strategy Consultation Paper drafted by the Commonwealth Advisory Committee on Homelessness (CACH) for the Minister for Family & Community Services, recognises that “access to regular, stable employment is essential for preventing and reducing homelessness” and proposes four broad directions:

- Integrating homelessness services and labour market assistance programs
- Creating employment programs specifically tailored and targeted to people experiencing homelessness
- Supporting employers who create opportunities for people experiencing homelessness
- Giving more attention in all policy areas to how the supply and cost of housing and the availability of transport, affect people’s access to employment opportunities. (Commonwealth Advisory Committee on Homelessness 2001, p. 14)

The Victorian Government’s Homeless Strategy also highlights employment as a key factor in the prevention of homelessness, and recommends combining employment and training programs with homelessness assistance. Its initial, 18-month Action Plan includes:

- A commitment to facilitating the participation of homelessness services in the new Personal Support Programme; and
- The funding of special officers to develop linkages between homelessness services and education and employment providers. (VHS 2002, pp.88-89)

This paper concludes that whilst these recent portfolio initiatives recognise the problem that confronts homeless young job seekers, they do not establish a policy platform that will deliver sustainable housing and employment outcomes to them. Essentially this is because they are disadvantaged in both the housing market and the labour market, and because the limited measures that have been put in place do not adequately address the problematic nexus between homelessness and unemployment.

The current responses to unemployment and homelessness are developed through different policy processes that don’t adequately intersect. The level of integration needed cannot be achieved simply by linking existing forms of assistance through case management or other linkage mechanisms. At their best, linkages still deliver assistance that addresses discrete aspects of disadvantage - such as a lack of stable housing, marketable skills and poor health - in a linear and sequential way. The achievement of one objective is dependent upon the prior achievement of one or more other objectives.

In the case of homeless job seekers, the objectives of securing housing and employment have to be tackled concurrently. Without a stable home it is difficult to meet Centrelink mutual obligations arrangements, to undertake training, to find a job and maintain it. At the same time, under current housing market conditions the lack of a job makes it difficult to secure adequate housing. Further, addressing discreetly separate aspects of their disadvantage – low levels of educational achievement, erratic work histories, long-term unemployment, substance abuse, family conflict and violence, poor physical and psychological health – often means that the impact of the totality of their disadvantage is not addressed in any depth.

For example, efforts to improve an individual's literacy and numeracy may be undermined by ongoing problematic drug use. However, the motivation to tackle problematic drug use may only come from the prospect that improvements in literacy and numeracy will lead to the attainment of employment.

***Existing policy settings do not adequately reflect the problematic nexus between homelessness and unemployment. This results in a fragmented service response that produces poor outcomes. A fully integrated program of employment, housing and personal welfare assistance is required.***

## **2. CHARACTERISTICS OF YOUNG ADULTS 18-35 YEARS WHO ARE HOMELESS, UNEMPLOYED AND LOOKING FOR WORK**

It is estimated that about half of the total number of Australians experiencing homelessness each year become clients of services funded under the Supported Accommodation and Assistance Program (SAAP). Many individuals and households struggle through their housing crisis without seeking assistance from welfare services. Others do try to gain help from services but are unable to become clients, as services are often full. A complete profile of the total homeless population is not available, however, the government's main program response, SAAP, does enable a profile of clients of services to be developed.

In 2000-01, 91,200 adults were clients of homeless services across Australia (AIHW 2001). Over half (53%) were aged 18-35 years. Of this age cohort, 57% were female. This over representation of young women is partly because homeless services respond to those escaping domestic violence or family conflict.

The majority of adults using homeless services are single (73%), whilst 19% are female headed, single parent families. Compared to the Australian population, indigenous people are over represented in the homeless population and people not born in Australia are under represented. Significant variance in these characteristics is evident across the States and Territories.

Homeless services may be characterised as providing short-term crisis assistance and support to its clients. Two-thirds of clients used services only once during the 12 months, 18% had two support periods, 7% had three support periods and 8% had four or more periods of support. Male clients were more likely than females to make repeat use of services (AIHW 2001).

Over half (59%) of all support periods nationally lasted less than one week, 16% lasted from one-to-four weeks, 14% from four weeks to three months and 11% lasted over three months. The median length of support was four days. However, single adults receive shorter periods of support compared to families with children.

The vast majority (81%) of SAAP clients are reliant on government benefits. Ten per cent have no income at the time of seeking assistance and a further 2% are awaiting government benefits. About 9% of clients are employed: equally divided between casual, part-time and full-time work. Nearly half (43%) of all adults are unemployed and in the labour market. *Each year, therefore, homeless services assist about 40,000 people who are actively looking for work and are generally in the first third of their working lives.*

Enumerations of homelessness in Australia show that at least an equivalent number of people experience homelessness but do not use homeless services (Chamberlain 1999; Consilium Group 1998). *We can, therefore, assume that about 80,000 young adults currently experience homelessness and are active job seekers.*

The SAAP National Data Collection does not record the barriers to employment that are faced by this group. However, three recent studies have done so. *A Foot in the Door*, Michael Horn's 1998 study of 63 clients of Hanover SAAP services, aged 25 or less, *Out of Work*, Michael O'Meara's 1996 study of 98 SAAP clients, and Parkinson & Horn's 2002 study of 135 homeless job seekers on Newstart, *Homelessness and Employment Assistance*, indicate they are significantly disadvantaged in the labour market by lack of education, long-term unemployment, and erratic or no work histories.

- The people we are speaking of are predominantly early school leavers. Less than half (49%) of those in Horn's study had completed Year 11 or further education and training. Thirty-eight per cent had left school before they were 16. A majority of those in O'Meara's sample had left school by the end of Year 9 or earlier. Less than half (45%) in Parkinson & Horn's sample had gone beyond Year 10 and only 12% had post-secondary qualifications, all in the form of trade/TAFE qualifications.
- Most are long-term unemployed. 61% of O'Meara's sample had been out of work for two years or more. Parkinson & Horn found 72% had been unemployed for 12 months or more and a further 22% for more than five years.
- Most have a work history, albeit sporadic. Horn's survey found that only 14% were employed and of those, half were in casual or part-time employment. Only 30% had ever held a full-time job. Eight per cent had never worked. Eighty per cent in O'Meara's sample had worked in at least five jobs; only 7% had no work history at all.
- Almost all respondents in the surveys expressed a strong desire to work: 95% of those in Horn's study; 98% in O'Meara's sample.

To test the findings of these studies against more contemporary evidence, in September 2002, Hanover conducted three focus groups involving 25 of its homeless clients aged between 18-35 years of age who were receiving Newstart or Youth Allowances. They were long-term unemployed, early school leavers without substantial vocational training. Most had been in jobs at one time or another but, with two exceptions, those jobs had been of a casual or part-time nature. This profile is similar to that identified in earlier studies.

All identified the need for help to stabilise their lives. However, some felt ready to work, others identified a lack of marketable skills, some felt ready to begin training, others were not able to read and write, some lacked the skills to live independently, others were overwhelmed by personal issues, especially problematic drug use.

At the same time, a focus group of 18 Hanover staff members, drawn from crisis and transitional programs, was held to gain their perspective and insights into the circumstances of these homeless young people. Staff participants were unanimous in the opinion that any successful approach to assisting this group of young adults must begin with a recognition of such diversity. They advocated targeting particular segments within the client population and building assistance packages that are tailored to individual need and that could deliver a continuum of outcomes. That continuum might range, at one end, from purposeful activity that tackles boredom and begins to build structure into a person's day to, at the other end, participation in accredited vocational training.

*The best available evidence indicates that young homeless job seekers, like domiciled Australians, aspire to a secure job, a house they can call home and a family. Their personal development, characterised by poverty, lack of parental support and' in many cases, family conflict, has resulted in their exclusion from meaningful employment in what is an increasingly competitive and skilled labour market. Periods of homelessness have exacerbated these problems and created new difficulties for them in receiving the income support and employment assistance to which they are entitled.*

### **3. WHAT OUTCOMES ARE BEING ACHIEVED BY HOMELESS JOB SEEKERS UNDER CURRENT FORMS OF ASSISTANCE TO THEM?**

#### **3.1 Housing Outcomes from Homelessness Assistance**

In Victoria, SAAP services and Transitional Housing Management (THM) services are the main providers of housing assistance to people who experience homelessness. THM data for 2000-2001 is incomplete, particularly in relation to after assistance outcomes. However, what data is available indicates that the program is successful in finding public housing tenancies for a significant proportion of its clients (31%). A further 21% move into some form of private rental, including boarding house and rooming house accommodation. A further 7% appear to cycle within the SAAP/THM system and a further 8% exit to live in temporary accommodation with family or friends. (Office of Housing 2001)<sup>2</sup> Anecdotal information from service providers indicates that the last category is made up predominantly of young single people who find the shared accommodation available to them in THM stock problematic. There would be a significant overlap between the SAAP and THM data sets, as SAAP carries the main responsibility for delivering casework support to those accommodated in the THM program.

---

<sup>2</sup> Exit data is not available for a significant proportion (17%). These are, presumably, breakdowns in tenancies or other kinds of unplanned exits. OoH exit data does not include figures on internal transfers within a THM Hanover's own data indicates these internal "transfers" may be equivalent to 15% of completed tenancies.

Currently, the SAAP National Data Collection provides more complete data on housing outcomes. But this, too, needs to be read with caution in recognition of the large proportion of SAAP activity that is involved in crisis resolution. Given that, SAAP appears to deal effectively with its young adult clients' immediate, short-term needs, including shelter, food, clothing, and counselling – overall, 92% of the needs are met (AIHW 2001). The long-term impact of SAAP assistance on the housing circumstances of this group is less certain. About half the group have been in private rental before entering SAAP and an equivalent number exit to private rental after receiving assistance. But, at least one post assistance study of households who have experienced homelessness or housing crisis confirms what we might reasonably expect, given contemporary housing markets. That is, without a change in their level of income, those in private rental will struggle with affordability and remain at risk of housing crisis and/or homelessness (Horn 2002).

Affordability is less of a struggle for the 20% who exit to public housing. But, those arrangements appear to breakdown at a disappointing rate. Changes in the Victorian Office of Housing (OoH) allocation policy makes it possible to compare public housing outcomes for people who previously experienced recurrent homelessness with those of other tenants.

In 1999, in an effort to respond more effectively to high needs groups, the Victorian OoH introduced a segmented waiting list for public housing. It formalised operational policies that over the prior decade had been progressively targeting allocations to those who were considered to be in greatest need. This segmented waiting list has four segments to which applicants are assigned, based on the relevant urgency of their housing needs. Based on stock availability, offers are made to applicants according to the rank order below:

- Recurring Homelessness (Segment 1)
- Supported Housing, primarily to Disability Support Pensioners (Segment 1)
- Special Housing Needs which includes, applicants in unsafe, insecure or temporary accommodation, those experiencing overcrowding, those in housing which is not appropriate in terms of size, location, and those with special needs due to medical conditions. (Segment 3)
- Wait Turn (Segment 4)

Preliminary analysis of the Victorian OoH 2001-2002 statewide exit data found that:

- The median tenancy of all Segment 1 households exiting in 2001-02 was 365 days (mean 392) compared with a median tenancy of 826 days (mean 1022 days) for Segment 3 and a median tenancy of 1173 days (mean 1545 days) for Segment 4 in the same period. The figures for 19-34 year olds are: Segment 1: median tenancy of 377 days (mean 39.8); Segment 3: median tenancy of 665 days (mean 798); Segment 4: median tenancy of 743 days (mean 1061). Although the reasons need further exploration, this pattern suggests that younger people do not find public housing suitable in the longer-term. However, to draw firmer conclusions, more will need to be known about the location of those tenancies and the circumstances of their exit. Anecdotal evidence suggests that the location of those tenancies

may be a significant factor, as the properties with the least waiting period are often on estates that are perceived to offer poor amenity.

- Of the 19-34 year olds who exited after entering under Segment 1, 47% appear to exit in negative circumstances involving formal eviction, the property being abandoned, or the tenant having left without giving a reason. The comparable data for this age group who exited after entering under Segment 3 is 32% and for those under Segment 4, is 29%.
- The data reveals some correlation between employment and significantly longer tenancies. Those who were earning wages of some sort when they entered public housing had average tenancies of over five years when they exited. However, only 190 of the 813 households completing their tenancy who had entered as wage earners were aged between 19-34 years and, of those, only eight had entered through Segment 1.

Over the three-year period since the introduction of the Segmented Waiting List, over one-quarter of Segment 1 tenancies have exited: 50% of these tenancies lasted less than one year, 90% less than two years.

Limited information on reasons for tenants exiting public housing are collected by OoH. Overall, 14% of the 62,500 tenancies (2000-2001) were vacated annually (DHS 2002). Seven per cent of exits were due to eviction, 28% abandonment, no reason given or 'other' reasons. A substantial proportion of the latter may be considered involuntary or unplanned due to rent arrears, illness or anti-social behaviours.

What happens to formerly homeless households who enter public housing? The 2001-02 exit data shows that formerly homeless households are more likely to exit in an unplanned or involuntary way: 65% of Segment 1 tenancies and 40% of Segment 3 tenancies.

The most striking of these preliminary findings is corroborated by analysis of exit data from public housing in the OoH, Southern Metropolitan Region (July 1999 to December 2000), which indicates that tenure loss is significantly higher for Segment 1 tenants, with 25% having vacated within 18 months (DHS 2001). The limited data available on reasons for exit indicates that one-third had been evicted and one-quarter had abandoned their properties or had left without reporting a reason. Single adults and single parent families were over represented amongst Segment 1 tenancies exiting in an apparently unplanned way (DHS 2001).

More substantive research is needed to clarify the reasons behind the trend to short duration and the frequent breakdown of Segment 1 tenancies before firm conclusions can be drawn. However, the focus groups with Hanover's young unemployed clients and Hanover staff provide some further anecdotal evidence as to what the contributing factors might be. These included:

- The stigma currently attached to public housing, especially high rise estates.
- A commonly held perception amongst the focus group participants was that a move to public housing, particularly on the larger high-rise and broad acre estates, amounted to "writing-off" their future.

- The perception that certain housing estates were unsafe.
- The location of available vacancies often meant people were required to move from the suburb where they had established some support networks in the local community.
- Difficulty in securing on-going health and welfare support.

***The housing outcomes currently being achieved by the young unemployed as a result of homelessness assistance, more often than not, are not matched to their needs and are prone to breakdown. The mainstays of housing assistance to them post homelessness assistance – public housing or rent assistance payments to those renting privately, - are not effective in meeting their needs for housing that serves as a base for fulfilling their aspirations for education, employment and family life.***

### **3.2 Employment Outcomes from Homelessness Assistance**

Once again, the National SAAP Data Collection provides the most complete data available concerning employment outcomes post homelessness assistance. It indicates that SAAP is successful in helping clients, with no income, gain access to government benefits for which they are eligible (AIHW 2001). These clients are primarily women escaping domestic violence and young people leaving the family home, although anecdotal evidence from service providers suggests there are increasing numbers of refugees and asylum seekers who are without income and seeking support of homeless services. Assistance in establishing some form of income is requested in 5% of all support periods. SAAP responds positively to 80% of those requests by providing services or referring them on to other specialist providers (AIHW 2001). However, this assistance only concerns the establishment of income support.

The data suggests that SAAP has minimal impact on the employment status of its clients. Only a small increase in the proportion of clients were employed after a period of SAAP support – 10%, compared to 9% at start of support. There was a correspondingly small decrease in the proportion unemployed and looking for work after support, compared to before support – from 34% to 31% after completion of support (AIHW 2001).

According to legislation, access to employment, education and training is one of SAAP's primary responsibilities, on a par with access to long-term secure affordable housing. In summary the *1994 Supported Accommodation and Assistance Act* specifies the program's aims as follows:

To provide transitional supported accommodation and related support services, in order to help people who are homeless to achieve the maximum possible degree of self-reliance and independence by:

- (a) providing or arranging for the provision of support services and supported accommodation; and
- (b) helping people who are homeless to obtain full-time, secure and affordable housing or accommodation and support services. (Section 5(2) and 5(3))

Service providers are charged with a four main responsibilities, including;

- crisis resolution;
- integration into the community through access to employment, education & training, health services, income support, and other appropriate opportunities;
- access to long-term secure affordable housing;
- complementing other services (Section 7)

The National SAAP Data indicates that, in practice, the resolution of active crisis is SAAP's overarching priority and responsibilities identified in the Act are discharged as they contribute to that end. The disparity between SAAP responsibilities laid out in the Act and its practice has been noted by a number of observers, some of whom have argued that SAAP's remedial, short-term approach contributes to a culture of welfare dependency and ought to be changed. Michael O'Meara (1994) has specifically suggested that participation in labour market programs should be given greater emphasis in SAAP case management plans and that each individual client plan should include the identification of eligibility and potential for such participation.

It is evident that without improvement in their employment prospects, under the current conditions of the housing market and the provision of social housing, these unemployed young people will remain vulnerable to homelessness. However, the extent to which SAAP can realistically contribute to increasing employment prospects needs to be clarified and understood. The focus group of Hanover staff shed light on this matter. They accepted that SAAP had a definite role to play in the improvement of the employment prospects of the young unemployed homeless. However, they cautioned against a simplistic solution that would see greater priority given to employment assistance in SAAP case planning. They suggested that the National SAAP Data belies a greater complexity inherent in the assistance that SAAP delivers.

A majority of those people who contact SAAP do so because they are experiencing a crisis. In the period of active crisis, individuals are in turmoil, focussed on the events which led to the crisis, and preoccupied with the satisfaction of immediate, most often, basic needs of shelter, food, and security. Eighty per cent of support periods are of less than a month's duration and, during that time, SAAP's priorities rightly fall on the relief of and response to immediate presenting needs. This reading was supported by participants in the client focus groups. They were emphatic that they needed help first of all to "get myself together" before they tackled the employment issues, which they acknowledged as being critical to their futures. The staff focus group participants identified the need for updating Centrelink's record of the client's circumstances as being the most critical and appropriate employment related issues to be dealt with during the acute period of the client's crisis. This was considered critical to preventing Centrelink "breaches" and any associated loss of income support. It was also considered vital to ensuring exemptions from being required to meet Centrelink mutual obligation requirements during this period, are appropriately sought and granted.

However, the apparent lack of attention to employment related issues in SAAP support periods, of longer than a month, to Newstart and Youth Allowance recipients is more puzzling.

It may be explained, at least in part, by the “housing first” paradigm which has dominated the homeless service delivery, including SAAP and the THM programs. This paradigm has its roots in Maslow’s hierarchy of needs and has been further shaped by a rights-based approach to the delivery of homeless services. It suggests that housing is the primary need and, indeed, a “human right”, of homeless, unemployed young people. Further, it suggests that a person’s longer-term housing needs must be resolved before other needs, including employment, can be effectively addressed.

That housing is a basic need and a recognised human right is not contested. What is contested is the prevailing orthodoxy underpinning much of current practice that suggests that housing need can effectively be addressed first and in isolation from other needs, particularly that of employment. Without the resolution of needs for employment and social participation, in contemporary circumstances, housing is often not sustainable.

For these young homeless job seekers, the available evidence suggests that the housing first paradigm needs to be replaced by a more integrated approach to homelessness assistance that includes three essential components: personal support, housing and employment assistance. Providers of homeless services have a key role to play in that greater integration of assistance, recognising that the opportune time to do so is after the resolution of the acute crisis phase, when the person is emotionally and cognitively able to deal with the longer-term issues.

***The current focus of homeless service delivery is on the resolution of acute housing related crisis. Whilst it is very effective in assisting clients with no income to obtain Centrelink income support, it provides them with minimal engagement with employment assistance.***

### **3.3 Income Security and Employment Outcomes from Centrelink Assistance**

#### Income Support & Assessment

Centrelink is contracted to the Department of Family & Community Services (DFACS) and the Department of Employment & Workplace Relations (DEWR), amongst others, to deliver services and income support to eligible Australians, - including young homeless job seekers. Centrelink is their sole gateway to income support and employment assistance. Consequently, their relationship with Centrelink is critical to building a pathway for them out of homelessness and unemployment. Recent evidence suggests that this relationship is problematic for the majority of these young people.

Central to many of the problems is the failure of Centrelink to make accurate assessments about individual circumstances. In part, disadvantaged job seekers are reluctant to disclose personal information that is needed for Centrelink officers to make accurate assessments and referrals to employment assistance programs. Some fear that this may somehow jeopardise their income support or rent assistance payments. Others do not understand the relevance of personal issues in this context. However, this is compounded by inadequacies in the Jobseeker Classification Instrument (JSCI), the assessment tool used by Centrelink officers, and the lack of skill in administration of that instrument and flawed internal procedures which mean classifications are not updated as quickly as they should be (Parkinson & Horn 2002).

This research, conducted in collaboration with Centrelink, found substantial inaccuracy of client records in respect of relevant employment barriers. Whilst 100% of the study sample were homeless, only 22% of their Centrelink client records recorded homelessness. Similarly, although 71% had a personal factor such as a medical condition or disability, these factors were only documented in 14% of cases. Had these issues been fully assessed, these clients would have been matched to more appropriate forms of assistance according to their job readiness.

The net result of poor assessment has been higher levels of breaching and less than optimal referrals with consequent “cycling“ of homeless job seekers between programs with few productive outcomes. Parkinson & Horn found:

- 76 % of homeless job seekers in the sample had at least one breach recorded; 40% had been breached once or twice; 32% had been breached between 3 and 6 times, and a further 28% had been breached 7 times or more. .
- Although 41% of participants who had breaches imposed were successful in having them revoked or waived without financial penalty, for the other 59% breaching resulted in a reduction of support payments.
- 71 per cent had been classified as medically incapacitated for an average of 3 times, spanning an average period of 10 months
- 59 percent had been referred to Intensive Assistance for an average of two times, spanning an average period of 10 months
- 22 per cent had been referred to the Community Support Program for an average of one time and average period of 7 ½ months
- 8 per cent had been exempted for Major Personal Crisis (Parkinson & Horn 2002)

In recent months, Centrelink has begun to modify procedures to improve assessment and reduce breaching. It has also initiated a number of projects aimed at improving service delivery to customers who are homeless, including:

- Better training for CSO’s dealing with customers with complex needs
- Examination of the nature of medical incapacity and its impact for ongoing engagement and participation, particularly in relation to PSP
- Development of information resources and training programs for SAAP workers
- Greater outreach to customers with special needs through the funding of additional Centrelink Community Officers and expansion of the Homebound program under which SAAP workers undertake placements in Centrelink and Centrelink staff spend time in SAAP services.

Notwithstanding these initiatives, Centrelink remains the single gateway to income support and employment assistance and therefore handles a huge level of transactions with a range of customers. Disadvantaged job seekers in housing crisis who are homeless and with personal issues will inevitably be reluctant to disclose these issues as they do not understand their relevance.

Community based welfare services generally develop a relationship with clients that can elicit the relevant information. Integrated responses between Centrelink and homeless service providers are therefore essential to ensure complete assessment as a basis for effective matching to the appropriate level of employment assistance.

***Underpinning these new Centrelink strategies is a growing recognition that Centrelink will only be successful in its role as a provider of income support and a gateway to employment assistance for young homeless job seekers, if it is able to establish a much higher degree of collaboration with non-government service providers.***

#### Referral to the Job Network and Intensive Assistance (IA)

In their report to the Minister, the CACH recommended that research be conducted to establish the number of people, classified by Centrelink as homeless, who are participating in the Job Network and other labour market programs and to establish the level of assistance that they receive and the outcomes that they achieve as a result of that assistance. Unfortunately, that research has not been undertaken and, as a result, there is no specific data regarding outcomes that the Job Network achieves for this specific group. However, given their relatively high level of disadvantage, and that those identified by Centrelink as homeless would have relatively high scores on the JSCI, it is reasonable to assume that most fall into the category of the “most disadvantaged” of those who are eligible and referred for Intensive Assistance.<sup>3</sup>

Intensive Assistance (IA) accounts for 70% of the funding allocated to the Job Network and is designed to help disadvantaged job seekers achieve sustainable employment (DEWR 2002). Three months after completing Intensive Assistance (IA), 40% of participants exiting in 2001 were employed. However, this drops to 30% for those considered to be in the “most disadvantaged” category (DEWR 2002). But, that doesn’t tell the whole story. Of all those people who found work after Job Network assistance, 60% found full-time work. This was true for only 10% of those in the “most disadvantaged” category (Senate Employment, Workplace Relations and Education Legislation Committee 2002).

Specific groups of job seekers had consistently lower outcomes: older people (aged 55-64); those on unemployment allowances for more than two years; those with less than year 10 education; indigenous job seekers; and those with a disability (Productivity Commission 2002).

Persistence does not appear to pay. While 60% of those who leave IA in the first three months of assistance achieve a successful outcome (which includes further education and training as well as employment), the success rate falls steadily over time. Less than 30% who remain in the program for 12 months achieve a positive outcome (Productivity Commission 2002).

---

<sup>3</sup> Some job seekers will also be given a JSCI Supplementary Assessment (JSA) to determine whether there are significant non-vocational barriers to employment that must be addressed before participation in Intensive Assistance will be beneficial. There were 36,000 JSA undertaken in 2000-01. The Personal Support Programme (PSP) is designed to help these job seekers. For some, it will function as a preliminary to IA.

This is discouraging data. However, it is consistent with a body of international evidence, which suggests that employment assistance for disadvantaged job seekers achieve limited impact. The Commonwealth Department's own analysis indicates that the weight of evaluation evidence indicates relatively ineffectual outcomes of programs, stating that,

“Generally, only a small minority of those who participate find a job directly as a result of an intervention. OECD reviews of the effectiveness of active labour market policies conclude that while active intervention policies have mixed results in increasing the employment and earning prospects of job seekers, at best, the individual gains are limited.” (DEWR 2002: 77).

However, more detailed consideration of net impact data suggests that IA has a more significant impact with the “most disadvantaged” job seekers. Net impact refers to the measurement of a program's effectiveness after attempting to control for outcomes that would have occurred in the absence of assistance. DEWR estimates that, overall, Intensive Assistance raises the proportion of job seekers who find employment by 2.2%. Significantly, the net impact of Intensive Assistance for “more disadvantaged” job seekers is higher. Whilst they have a lower rate of positive outcomes, participation in IA makes more of a difference to those job seekers, than it does to those less disadvantaged. For example, job seekers with less than year 10 education have a net impact from referral, double the average for all IA participants, and a net impact from commencement that is three times higher. This latter figure approaches the 7% net impact of GAIN, a successful welfare-to-work program in the USA (DEWR 2002).

Consideration of net impact data suggests that IA significantly improves the chances of the “most disadvantaged” in getting a job. There is further encouragement in DEWR's claim that jobseekers who obtain employment are likely to remain in employment (DEWR 2002). This claim is based on DEWR's Post-Programme Monitoring Survey of Job Matching participants. If it is true, as DEWR claims, for all jobseekers, regardless of their relative disadvantage, then there is a strong argument for improving the effectiveness of assistance for disadvantaged jobseekers.

***In the absence of specific data concerning young homeless job seekers, the best available evidence that might point to their circumstances is that concerning the outcomes for the “most disadvantaged” achieved by IA. It presents a mixed picture. Whilst the rate of positive outcomes achieved is relatively low, IA appears to marginally improve the chances of them achieving positive outcomes than otherwise would have been the case. There is some evidence to suggest that those who do find employment are likely to remain employed.***

#### Personal Support Program (PSP)

Building on its predecessor, the Community Support Program (CSP), PSP was designed to assist disadvantaged Australians address multiple non-vocational barriers to social and economic participation and, for some, it will function as a bridge to IA. Job seekers with sufficiently high scores on the JSCI and identified multiple, non-vocational barriers, can be referred to PSP. PSP, which will expand to a maximum of 45,000 places nationally over the next three years, offers disadvantaged job seekers individually tailored, on-going support through case management while they address barriers to social and economic participation.

Whether PSP and/or PSP in combination with IA will improve employment outcomes for deeply disadvantaged job seekers remains to be seen.

The data on CSP outcomes that is publicly available is very limited and not encouraging. It suggests that the program successfully engaged only a small proportion of participants and that it provided a bridge from Newstart and Youth Allowance to alternative benefits as often as it did to employment.

According to outcome data provided by DEWR for Round Two contracts (July 2001 – June 2002), only 2680 participants out of 15,574 commencements (17%) successfully completed the program. Nothing is known for 6706 participants (43%) who were not contactable and lost to providers. Of those participants with known exit outcomes, 10% withdrew from CSP and the workforce; 7% transferred to other benefits; 7% achieved an employment outcome; and 1% found an educational placement (FaCS 2002).

The minimal outcomes of Australian labour market programs for disadvantaged young adults are generally consistent with those of other OECD countries. The hard truth is, the long-term unemployed and disadvantaged young job seekers are the two most difficult groups to assist. Job subsidies and intensive counselling appear to be most effective strategies but it is difficult to offset the disadvantage that flows from poor primary and secondary education attainment (Martin 2000).

#### **4. WHAT ARE THE FACTORS IN THE BROADER ENVIRONMENT THAT ARE AFFECTING THE CHANCES OF YOUNG HOMELESS JOB SEEKERS ACHIEVING THEIR ASPIRATIONS?**

##### **4.1 The Labour Market**

Australia's adjustments to the emerging global economy have had profound impacts on its labour market over the past twenty-five years. Three major trends, all of which have accelerated in the decade between 1990 and 2000 have increased the pool of job seekers who are competing for a shrinking number of permanent jobs at the lower end of the market.

##### A Shift to Person and Knowledge Centred Industries

Between 1990 and 2000, employment grew by 16.5% but this growth was confined to four service sectors: wholesale and retail trade, finance and banking, community services, and recreational and personal services. (Bell 2002). All other sectors of the economy have experienced declining employment shares. Utilities, mining, public administration and manufacturing experienced negative growth in the five years between 1993/94 and 1998/99 (Bell 2002). The loss of the employment base in manufacturing, which began as early as the 1960's, has been particularly significant. It has been the main reason for the collapse of employment in lower socio-economic suburbs clustered near former industrial sites (Gregory & Hunter 1996).

In the 1990s, many middle-income jobs across all industries, except services, were lost. The growth in full-time jobs has been at the high-skilled, high-income end of the market. Full-time employment for managers and professions grew by 387,000 between 1990 and 2000 but full-time employment fell for tradespersons as well as those in sales and services occupations (238 000) and for employees in all other occupations (Borland, Gregory and Sheehan 2001).

### Growth in Part-time and Casual Employment

During the same decade, job growth was in part-time rather than full-time work, except for managers and professions, and there was a very rapid increase in casual as opposed to permanent employment. The statistics are dramatic: in the 90s full-time employment grew by only 5.5% compared to 60.8% for part-time employment. Only 25% of all new jobs were full-time, a growth rate only a quarter of what it was in the 1980s (Borland, Gregory and Sheehan 2001). This strong growth in part-time employment is particular to Australia and does not represent an international trend across post-industrial economies.

Like part-time employment, casual employment shows striking growth during the 1990s. Whereas permanent employment increased by 5.3% over the decade, casual employment grew by 68%. Although casual employment accounted for just under 20 per cent of all jobs in the 1990s, it accounted for 75 per cent of the increase in employment (Borland, Gregory and Sheehan 2001).

There was an absolute decline of 51,100 in full-time jobs between 1990 and 2000, despite the creation of new full-time jobs, and a net increase of 1,181,100 part-time and casual jobs. The largest component of this increase was part-time casual jobs, which grew by 492,500 (Borland, Gregory and Sheehan 2001).

This dramatic shift in the type of jobs available to Australians is explained in part by supply: married women and students have entered the labour market in increasing numbers and part-time or casual arrangements met their needs and preferences. It may also reflect the impact of recent changes in industrial relations. The fundamental reasons, however, appear to be structural and reflect technological change and a shift in the relative demand from unskilled to more skilled labour (Sheehan 2001). Across all industries, except property and business services, there has been an absolute decline in middle-income jobs and/or a concentration of employment growth in low-income jobs (Borland, Gregory and Sheehan 2001).

The average earnings from “low-value,” part-time and casual work is falling relative to more skilled and full-time work. Whereas earnings for workers with above-median earnings have increased relative to the median, earnings for workers with below-median earnings have decreased. Managers’ real earnings increased by 41.4% over the 1990s, that of labours by 6.9%, and that of clerical, sales and service workers by 4.3% (Borland, Gregory and Sheehan 2001).

### Growth in Unemployment and Long-term Unemployment

The unemployment rate rose from just over 2% in 1974 to just over 6% in 2001. This rise has not been steady. The 1980s and the 1990s were characterised by cyclical swings in unemployment: large jumps at times of recessions followed by slow, partial recoveries. However, while the rate has not fallen below 6% since 1980, it does not appear that the base level of unemployment has increased since that time. (Bell 2002).

Nevertheless, after each major recession there has been an increase in the level of long-term unemployment (Bell 2002; Macdonald 1998). Australians who have been unemployed for over a year now account for over 30% of the total number who are unemployed and that proportion has been ratchetting up since the 1970s, when it was negligible.

The inflows into unemployment during recession and the outflows from unemployment during recovery affect workers differentially, depending on age, gender, skill level, the industry and/or region in which they work. The recent changes in the economy noted above, particularly the downsizing in manufacturing combined with the growth of part-time and casual employment, have weakened the employment position of men and strengthened that of women. In contrast to the late 1960s when the female unemployment rate was three times that of males, the male unemployment rate has been slightly higher than that of females throughout the 1990's. (Bell 2002). New employment patterns that put a premium on skills and credentials have disadvantaged less educated workers, whose unemployment rate is, on average, twice that workers with post secondary qualifications. Although the unemployment rate for young people, including teenagers, is double or triple that of workers 25-45, this rate must be considered in the context of changing educational and employment patterns. More young people are studying longer and combining education with part-time or casual work. The group at greatest risk is young people neither studying nor working at all (McClelland, Macdonald & Macdonald 1998).

The differential distribution of unemployment across regions and industries is more problematic. Gregory and Hunter have shown that there was a collapse of employment in lower socio-economic neighbourhoods and regions in the years between 1976 and 1991 with a corresponding growth in male unemployment, which is contributing to a growing spatial polarisation of rich and poor within Australian cities (Gregory and Hunter 1996).

Despite the relative stability in the base level of unemployment, the level of long-term unemployment is increasing. In a period of economic recession or downturn, a proportion of those workers who are unemployed get "stuck" or "trapped" in unemployment and with each downturn additional, newly unemployed workers enlarge that number. Unemployment is the major risk factor for long-term unemployment, especially for those who are relatively low skilled and less educated (Borland, Gregory and Sheehan 2001). The growth in casual jobs, especially at the low end of the market, is thus a cause for concern, since it brings with it a greater potential for joblessness. Indeed, Dunlop has argued that low-paid casual workers are the least like to make a transition out of low-paid work the most likely to experience cycle between joblessness and casual or part-time work (Dunlop 2001).

The implication of these trends for homeless job seekers is fairly stark. Although there are more opportunities for workers who are not highly educated, most of them are part-time or casual at low rates of pay, and there is an increasing pool of job seekers competing for them. The value of casual employment as a step toward full-time employment is a matter of some contention. Casual workers have an increased risk of being laid off and becoming unemployed. But recent research suggests that those unemployed workers who are unlikely to move directly from unemployment to permanent work have a better chance of moving from casual work to permanent work – particularly in industries where permanent work is the norm. That probability increases over time, even if it is low to begin with. Notwithstanding these benefits, disadvantaged people are still much more likely to remain in casual work and unemployment for a longer period of time than others and they are less likely to obtain permanent work (Chalmers and Kalb 2000).

*Under current labour market conditions, employment opportunities for those considered to be the most disadvantaged job seekers lie predominantly in low paid casual and part-time jobs. Their prospects of converting these into permanent or fulltime jobs depend in part on the industry sector, but overall, they are not strong.*

## 4.2 The Housing Market

Over the past 20-30 years, a combination of economic, demographical and social changes have combined to produce a crisis of supply and affordability, especially at the lower end of the Australian housing market.

### Home Ownership

Historically, Australia had had a very high rate of home ownership. However, over the past decade, there has been a trend away from home ownership (including purchase) – down from 72% to 70%. Whilst 2% may not seem a significant change, it amounts to about 140,000 households nationally.

More importantly, the home purchase rate has declined significantly for middle income households over the past two decades. Analysis has shown the rate has dropped from 29% to 14% of households in the second income quartile, and from 43% to 28% for those in the third (middle) income quartile (1975-1994) (Yates 1998). The declining affordability of housing is a key factor to this trend. Demographic and social changes, including deferred marriage, delayed parenting, changes to the labour market and the costs of education and training have contributed to deferral of home purchase. At the same time, there is an emerging trend of home purchasers returning to the private rental market for reasons such as family breakdown and divorce, unemployment, redundancy and bankruptcy. These trends have placed more pressure on the private rental market, contributing to increased rents and, until recently, low vacancy rates in metropolitan centres.

### Private Rental

The private rental market, which is used by 20% of Australian households, is not supplying enough low-cost housing, especially in areas close to employment opportunities. Historically, a significant number of low-income households, mainly single persons, have relied on rooming houses, boarding houses, and low-cost hotels for accommodation. Gentrification, redevelopment and, more recently, increased regulation of health and safety standards in these facilities, has contributed to a dramatic reduction in such accommodation. In inner Melbourne, for example, the number of rooming houses and low cost hotels decreased by 70% in the twenty years between 1975 and 1995. According to the City of Melbourne calculations, 2,300 beds were lost between 1987 and 1997. This pattern has been repeated in the inner suburbs and has contributed to the increasing pool of people competing for low cost private rental.

In the general private rental sector, there is a lack of low cost housing, especially in locations where most needed, i.e. close to employment opportunities. Recent research by Wulff, Yates and Burke (2000), for example, has shown that whilst there was a net gain in private rental stock between 1986 and 1996, the number of low rental properties has declined, creating a shortfall to meet demand. In 1986, 66% of properties were rented at under \$150 per week compared to only 52% in 1996. The shortfall of low cost dwellings is estimated at between 100,000-150,000 nationally.

At the same time, private rents have continued to increase in key metropolitan centres. In Victoria, rents have risen by an average of 5% pa over the past 5 years (OoH). Over the longer term nationally, analysis of ABS census data by Hulse has shown that the lowest quartile weekly rents increased by 14% in real terms compared to 2% for the highest quartile rentals of the 10 years from 1986 to 1996.

Such are the conditions in the private rental market that the \$1.5 billion per annum spent by the Commonwealth Government through its Rent Assistance Scheme is failing to lift most low income households in the private rental market out of housing related poverty.

Rent Assistance (RA) is the main plank of government housing assistance. Expenditure has increased annually by 159% in real terms over the past decade to the extent that by July 2000, 941,000 households were being assisted. Recent analysis has shown that, with Rent Assistance payments, 11% of households still pay over 50% of their income in rent, whilst 41% are paying over 30% of their income in rent (Hulse 2002)

The problems with rent assistance are two-fold. The capping of rent assistance does not reflect the variations in the price of rents across regions. Secondly, under the current structure of ownership of stock in the lower end of the rental market, it does little to stimulate supply.

Over the past two-to-three years, there has been an increase in investment in property in metropolitan centres. In addition, the Commonwealth Government's first homebuyers scheme (\$3 billion over two years) has successfully stimulated the housing industry and economy generally. Low interest rates and declining share markets have also contributed to the housing boom. It is evident that private rental vacancy rates, overall, have increased for these reasons. But, it is less likely that this trend will lead to increased affordability at the low cost end of the market due to its segmented and residual characteristics. Investors purchase at the upper end of the market in locations that yield maximum capital growth and in properties with minimum maintenance costs. A significant proportion of new homebuyers are relinquishing high cost rental properties. These rental properties are not affordable for those on low-incomes and, as the work of Wulff, Yates and Burke demonstrates, the "trickle down" effect has not led to an increase in low cost rentals.

Another critical factor in housing availability is location, especially as it bears upon employment opportunities. While the availability of housing affordable for low-skilled workers increases with distance from major city and regional centres, the opportunities for semi-skilled or unskilled employment are decreasing in these locations. Additionally, the casualisation of work has created increased volatility in household incomes which, in turn, impacts upon decisions concerning where people may choose to live.

Essentially, the household has to make an assessment of risk. Should we move from a location of relative housing affordability, but poor employment opportunities, to a location of higher housing costs on the prospect that the opportunities for casual employment in that location may, at some time, convert to permanent employment? It is common for Hanover's services to be asked to help households caught in this trap - those who have taken up private rental leases on the assumption of durable income, only to find a casual job doesn't evolve to be permanent, leaving an unaffordable rental commitment.

For young homeless job seekers, the previous experience of stress arising from insecure housing or homelessness, will weigh heavily upon their risk assessment deliberations.

### Public Housing.

Public housing has provided affordable housing to a relatively small proportion (5-6%) of Australian households. Over the past decade, annual expenditure on public housing has declined by 13% in real terms as the Federal Government has focussed on Rent Assistance to those in private rental. The number of new dwellings completed has halved over this period.

In 2000-01 in Victoria, there were 9,407 households allocated to public housing, including 2,211 transfers. In contrast, 15,663 new applications, including 3,586 transfer applications, were received, whilst the waiting list increased by 5% to 42,817 at June 2001 (DHS 2002).

In addition to increasing unmet demand for public housing, there are three other substantive stock issues that add to this problem:

- Much of the stock has been designed to meet the needs of large households.
- The location of much of the stock is in former industrial areas or non-metropolitan towns – no longer close to employment opportunities.
- The stock is ageing with substantial upgrades overdue.

The net impact is that more resources will have to be spent on maintenance, renovation and renewal over the coming decade.

As discussed in section 3 above, because of the inability to meet increased demand for the above reasons, State Governments have had to implement rationing measures that prioritise vacancies to those in greatest need. Public housing is now targeted to individuals and families with complex issues such as disabilities, chronic illnesses and substance abuse rather than offering secure affordable housing for all those who simply have low incomes. As a consequence it is increasingly becoming stigmatised, – especially for young adults.

The Office of Housing has identified the need to improve the condition and amenity of high-rise estates as a key issue. In 2001-2002, a number of major redevelopment projects were initiated as well as two Neighbourhood Renewal Projects. Eleven new Neighbourhood Renewal Projects will commence in 2002-2003. These efforts will not only improve living conditions and personal safety but also contribute to local economic and educational opportunities. This may help change the negative light in which public tenure is currently viewed by young adults.

*Neither of the mainstays of existing housing assistance available to young homeless job seekers are effective in meeting their needs. Public housing is becoming a problematic and less attractive tenure for this population. Commonwealth rent assistance does not meet their affordability requirements in a private rental market where the limited availability of low cost rents does not coincide with advantageous labour market conditions.*

## **5. WHAT CAN BE LEARNT FROM THE ATTEMPTS TO SPECIFICALLY TARGET THE NEEDS OF YOUNG HOMELESS JOB SEEKERS?**

### **5.1 Best Practice in Employment Assistance the Most Disadvantaged Job Seekers**

There are a range of Australian and overseas programs that have been successful in assisting those job seekers considered to be “most disadvantaged” achieve one or more of the specific objectives associated with employment. These objectives include job placement, job readiness, vocational training, pre-vocational training and personal development. These programs fall into three broad classes or types:

- **Pathways Programs** coordinate the efforts of local learning/training providers and local employers; promote consistency in service provision among community services agencies; and, in most cases, use a case management strategy to assist participants in “negotiating the maze” of employment assistance opportunities. This strategy underpins the recommendations of The Prime Minister’s Youth Pathways Action Plan Taskforce (*Footprints to the Future*). Local Learning and Employment Networks (LLENs), Melbourne Citymission’s new gateway project in Maribyrnong, and the Whittlesea Youth Commitment are local examples of pathways programs.
- **Work Placement, Wage Subsidy and Targeted Training Programs** assist disadvantaged job seekers in accessing the training and work experience they require to compete in the job market. These programs reduce the risk to employers of people who are disadvantaged by advocacy, wage subsidy and provision of needed support to participants. The Victorian Government’s Community Employment Program, which subsidises short-term placements in community organisations, is a local example.
- **Job Creation Programs** identify and establish new enterprises and train job seekers for positions within them. Locally, InfoXchange has trained young people to recondition donated second-hand computers for purchase by welfare organisations and sale to disadvantaged families at affordable prices.

Whilst most were designed for disadvantaged job seekers who were adequately housed, their experience has relevance to the circumstances of the homeless unemployed. The literature reveals a surprising consensus about critical factors for success in employment assistance to the “most disadvantaged”.

Reviewing its experience with young job seekers, predominantly below 21 years of age, the Brotherhood of St Laurence (BSL) concluded “stand-alone formal classroom training, or on-the-job training or subsidies to employers appear not to help young people sufficiently unless offered in combination and targeted to their specific labour market needs.” Based on its extensive experience, BSL proffered the following list of service elements and principles required for effective employment assistance to the most disadvantaged (Brotherhood of St Laurence). It captures well the common themes running through the literature:

- **Choice:** responses to unemployment must be flexible enough to allow unemployed people to choose from a range of options and select those best suited to their needs and career choices.
- **Supervision:** appropriate supervision is required in workplaces to ensure participant requirements for personal and vocational support are met. Difficulties have been identified in work experience and training programs when participants perceived supervision to be ill defined and inconsistent.
- **Links to ongoing job prospects:** the content of training must be relevant to employment needs and provide an opportunity to develop marketable skills. A quality training program should be provided in areas of employment growth so as to link it to real improvements in job prospects.
- **Building upon existing skills and aspirations:** participants get value from training when it is suited to their skills and career aspirations. An appropriate assessment of individuals’ needs prior to a training placement, ensures that training is then tailored to build on existing skills.
- **Accredited and recognised training:** formal acknowledgement of skills of participants at the end of the placement is important to ensure that their competencies are recognised by future employers.
- **Individualised assistance:** training programs must accommodate the particular needs of individuals. For example, participants who have been out of the labour market for long durations may require a longer period of time to successfully complete their training. Some participants’ emotional, personal and housing needs require support during and after training to ensure positive training and employment outcomes.
- **Income:** employment programs should alleviate the considerable financial hardship experienced by unemployed people who may have relied on very low incomes for long periods of time. Positive income incentives for participation should be provided. Participants require adequate remuneration and access to income security benefits during the training placement to ensure they are not financially disadvantaged by their participation and by the additional costs of training.

- **Post-placement assistance:** assistance after completing the training, work experience or a labour market program placement should seek to capitalise on improved self-esteem of participants in order to enhance their subsequent employment prospects.

*Job retention or job attachment rather than job placement is emerging as an increasingly important goal for employment assistance. An on-going retention package, which may include mentoring, brokering, and/or advocacy with employers, is increasingly seen as a critical aspect of effective assistance.*

## 5.2 Assistance Programs Specifically Targeting Homeless Job Seekers

Although job seekers who are homeless have much in common with other particularly disadvantaged job seekers, they experience specific problems, which derive from their homelessness. These include;

- A lack of secure housing - the launching pad for finding and maintaining a job.
- A lack of the stability and support generally associated with a “home” and necessary to make and sustain a work commitment
- Multiple, multi-layered barriers, which are both the cause and consequence of homelessness, and which make it difficult to train or work, i.e. instability of relationships, health problems, problematic drug and alcohol use, inability to use available services, a general lack of control over one’s life.

Over the past decade, a number of community organisations have developed special programs of employment assistance for people who are homeless. Unfortunately, they do not provide the information needed for systematic comparison or cost-benefit analysis of their various strategies. Almost all had difficulty in securing adequate and consistent funding. As a consequence, few could be sustained for lengthy periods. Not only the duration, but in some case, the content of the programs were constrained by the requirements of funding bodies which were generally seen by the providers to compromise outcomes. They were often financed by combining several income sources with pro bono contributions, making it difficult to establish a reliable picture of unit costs. Consequently, to a large extent, we are left to rely upon anecdotal evidence as to their successes and failures.

Nevertheless, these programs, all of them developed by organisations with long histories of service delivery to people who are homeless, represent a valuable reservoir of practice wisdom that should be considered in the development of new models of assistance to them.

A representative sample of these is briefly described below:

- **Crossroads Training Enterprise Program:** Paid employment provided, on-the job training included, access to other training and employment assistance for homeless young adults. Required housing and welfare support provided by other Salvation Army programs.

- **Brosnan Youth Services Grow Garden and Stonemasonry Project:** Paid employment in a supportive work environment replicating a normal work setting, opportunity to address life issues which are barriers to employment through individual and group work, secure, communal housing.
- **Body Shop Linked Access Project:** A joint enterprise between the Brotherhood of St Laurence and the Body Shop targeting homeless young people 16-19 years providing personal support across a program of paid work experience, access to TAFE training and traineeships within the Body Shop. A rent assistance supplement was available to participants, however, this did not prevent some participants dropping out of the program due to insecure housing.
- **Hanover Work Options:** Offered a combination of living skills development, vocational training, voluntary and paid work experience, part-time supported work as a staged pathway to external employment. Housing and health support provided by other Hanover programs.
- **Foyers - France, UK, and Australia:** Young people provided with low-cost, high-rise accommodation in combination with employment assistance. The concept originated in France where the first Foyer targeted young workers without accommodation close to their employment. In the UK, the concept has been used for a number of target groups, including students, unemployed young people, and, in some case, self-selected residents living in targeted low-cost accommodation. The Foyers concept has been adapted for homeless young people in Australia in the form of a “campus” where people “live and learn” (NSW) and a smaller accommodation (nine flats) in central Melbourne designed to provide on-site training and employment assistance to homeless students.
- **Charles O’Neill House:** A long-term residential staged program that uses case management in combination with group work. Targets older, chronically homeless people and participants “advance” through basic education and life skills development to training/work experience and finally to employment and independent housing.
- **The Community Reintegration Program (Homeless and Drug Dependency Trial):** Joint project of the three crisis accommodation services in central Melbourne, the Community Reintegration Program targets homeless people who have a history of substance abuse. It aims to create stable lifestyles and pathways into treatment, secure housing and a continuity of community support and care. Its key components – therapeutic intervention, employment and training assistance, recreation and personal development, and housing are integrated and delivered through a mix of approaches including case management and structured group work.

- **Gateway (Jesuit Social Services):** The Gateway Project provides accommodation, support and preparation for employment for chronically homeless young people, under 19 years of age. The preparation component, aimed at increasing self-esteem, confidence and social skills includes group work, outdoor activities as well as individual work in literacy, numeracy, skills acquisition. Integration is achieved through case management.

Fortunately, some initiatives currently underway, such as the Homeless and Drug Dependency Trial, the Gateway Program, the Charles O'Neill House and the Australian Foyers have in place sound evaluation frameworks. The learning from these projects will progressively become available over the next two-to-three years.

### **5.3 Conclusions Concerning Attempts To Specifically Target the Needs of Homeless Job Seekers**

General conclusions emerge from the examination of the literature and of the specific programs that have attempted to target the needs of homeless job seekers. There are four key elements that all the cited programs include, although the emphasis given to each element varies between each according to its specific objectives and the needs of its particular client group. They are:

- i. Support to address problems personal to the individual, such as poor literacy and numeracy, substance abuse or poor health.
- ii. Housing assistance
- iii. Access to training and employment assistance
- iv. Work experience

#### Integration

All give strong emphasis to the integration of these elements.

- Integration allows participants to work across multiple areas, rather than moving through them in a strictly linear fashion. As critics of Maslow's hierarchy of needs have pointed out, higher order gains are sometimes necessary to overcome barriers at a lower level. Within a tightly integrated program, for example, improved self-esteem that flows from work experience can assist and, at times, may be necessary to the resolution of basic problems personal to the individual.
- Integration accommodates the long-term incremental work that is required in addressing the underlying causes of disadvantage. Providers who work with the homeless job seekers report that those with complex needs require on-going work on difficulties personal to the individual, but the work needs to be tailored at every point to the activities currently being undertaken. Thus, living skill development may initially involve instruction in basic hygiene and health and, at a later point, learning appropriate work behaviours. In some instances, participants may need to extend, suspend or modify program components to accommodate particular needs.

- Integration also ensures that cross-cutting barriers, such as, inadequate income, poor health and lack of secure accommodation, can be appropriately addressed as participants' activities and circumstances change. The cited programs all recognised that participants required adequate income to meet basic living expenses, as well as, the cost associated with participation. Interest-free loans to be repaid from future employment income, an interesting community-based version of HECS, were trialled by some programs but outright grants in the form of income or rent supplements were more often considered to be appropriate.

A sufficiently tight integration of service elements was difficult to achieve, however. The majority of the programs cited attempted to achieve the needed level of integration by supplying program elements "in-house", that is, housing, work experience, supported employment, training and personal support. However, while this ensured the necessary fit required between individual program elements and each participant's needs, it was limited to the life of the program. For example, participants didn't continue to receive rent supplements upon exiting the program, even though the Centrelink Rent Assistance available to them may have been inadequate to lift them out of housing stress, even when employed.

The difficulties encountered by the Brotherhood's Body Shop Limited Access Program are instructive in this regard. The program worked with The Body Shop, a sympathetic but external business. It provided participants with work experience. However, program reviews indicate that continuing advocacy by project staff was required to balance The Body's Shop's requirements as a commercial employer with participants' need for extra-ordinary flexibility and support in their work environment. Secure housing for participants was also achieved with some difficulty. The program did not provide housing and most participants lived at home with their families. A rent subsidy was provided for those struggling with affordability in private rental. Significantly, this later group contained a high proportion of those who failed to finish the program.

#### Client-focussed and Client responsive:

The cited programs recognised that homeless job seekers are not a homogenous group and assistance needs to be tailored to fit individual needs. Though they faced a number of common barriers, they required special flexibility and individualised attention. Participants received individualised support across program components and they were able to extend, suspend or modify program components to fit their particular needs.

## **6. WHAT CAN WE CONCLUDE FROM THIS ANALYSIS OF THE SITUATION OF YOUNG HOMELESS JOB SEEKERS AND WHAT NEEDS TO BE DONE?**

This analysis leads to the conclusion that current housing and employment assistance to this group is largely ineffective and wasted. In part, this reflects the manner in which the assistance on offer is constructed and delivered. However, it also reflects the state of the contemporary housing and employment markets.

The analysis provides strong pointers to the characteristics and shape of more effective strategies to assist them. However, they have not been fully constructed and evaluated. A new program to more effectively assist these young homeless job seekers achieve durable employment and outcomes, needs to be designed and trialled.

In the light of the above analysis the following program principles and specifications are proposed for such a trial.

### Program Design Principles

- i. The achievement of sustainable employment will sit at the top of the hierarchy outcomes the program seeks to achieve. Other outcomes such as housing, health and personal development, will be valid of themselves, but will be shaped by the employment outcome.
- ii. Personal support, housing and employment assistance will be interlocked and delivered an integrated unit of service.
- iii. The program will be feasible and expandable for a significant proportion of the population of young adult job seekers who are homeless.
- iv. The program will deliver the equivalent of a living wage, which is progressively constructed as participants move towards full economic and social participation.
- v. The program may utilise, but will not be constrained by, existing forms of assistance.
- vi. The program will identify the costs and benefits of the strategies adopted and compare them to those under existing arrangements.

### Design Specifications

- **Integration of mandatory elements:** personal support, housing and employment assistance.
- **Housing** will be aligned with employment assistance requirements; will provide options for levels of support; and will be affordable, i.e. participants will pay no more than 25% of their income on rent
- **Constrained Choice:** Participants will have some choice about their housing type, location and who, if anyone, they live with. Employment assistance options will meet individual needs and aspirations, however, it will be expected that participants will accept a level of personal responsibility in committing to participation in activities consistent with community expectations.

- **Flexibility:** Individualised support will be provided across program components and participants will be able to extend, suspend or modify program components to fit their particular needs. Participants will be able to defer involvement during times of personal crisis without jeopardising future participation
- **Continuity:** There will be continuity between program elements and opportunities for further education, employment assistance and jobs, external to the program.
- **Relationship-based assistance:** Participants will have a primary worker who will function as the centre of a network of integrated resources and relationship-based strategies will be used within program components. Eg; mentoring during work experience, job placement, etc.
- **Local Sensitivity:** Employment assistance will be aligned with opportunities in the local labour market and the availability of sustainable housing, wherever possible building on pre-existing community links.
- **Interface with Centrelink:** Program participation will be recognised by Centrelink as satisfying mutual obligation requirements. The program will develop partnership arrangements to ensure that Centrelink is notified when participants experience acute personal crisis and that the appropriate exemption provisions are invoked.
- **Adequate income:** Costs of participation in the program and the workforce proper will be offset and financial disincentive to full participation addressed.
- **Deliver outcomes valued by participants:** The program will deliver recognised certificates or accreditation for training linked to job opportunities,
- **Service delivery culture:** The program's sensitivity to impact of homelessness and to negative experiences most participants will have had in previous employment programs will be reflected in the attitude of workers, the location and design of physical and administrative infrastructure, etc.

Such a trial will require a high degree of collaboration between government agencies and non-government providers of services to this group.

## REFERENCES

- Australian Council of Social Services (ACOSS) (1994), *Down but not out: helping people most deeply disadvantaged in the job market*, *ACOSS Research Reports*, no.11, Sydney.
- Australian Council of Social Services (ACOSS) (2000), *Is the Job Network Working?* ACOSS Paper 108, ACOSS, Sydney.
- Australian Council of Social Services (ACOSS), ACTU, Business Council of Australia, Boston Consulting Group, Committee for Economic Development of Australia, Dusseldorp Skills Forum, Jobs Australia, Youth Research Centre Melbourne University (2001), *Pathways to Work: Preventing and Reducing Long-term Unemployment*, ACOSS Sydney.
- Australian Housing and Urban Research Institute (AHURI) (2002), *A New Framework for the CSHA: A Discussion Paper*, Melbourne (unpublished).
- Australian Institute of Health and Welfare (AIHW) (2001), *SAAP National Data Collection Annual Report 2000-01*, AIHW, Canberra.
- Bell, S (2002), "The Contours and Dynamics of Unemployment", in P. Saunders and R. Taylor (eds.), *The Price of Prosperity*, University of New South Wales Press, Sydney.
- Borland, J (1992), *Wage Inequality in Australia*, National Bureau of Economic Research, Boston.
- Borland, J, Gregory, R. and Sheehan, P. (2001), *Work rich, work poor: Inequality and Economic Change in Australia*, Centre for Strategic Economic Studies Victoria University, Melbourne.
- Brotherhood of St Laurence (BSL), "Positive features of employment assistance," unpublished.
- Carson, E. & Doube, L. (1994), *Employment Development Do young people benefit?* National Youth Affairs Research Scheme, National Clearinghouse for Youth Studies Hobart.
- Chalmers, J. and Kalb, G. (2000), *The Transition from Unemployment to Work*, Social Policy Research Centre Discussion paper 109, Social Policy Research Centre, UNSW October 2000.
- Chamberlain, C (1999), *Counting the Homeless: Implications for policy development*, ABS Occasional Paper, Catalogue no 2041.0.
- Chamberlain, C. & MacKenzie, D. (1998), *Youth Homelessness: Early Intervention and Prevention*, Australian Centre for Equity through Education, Erskinville.
- Chamberlain, C. & Johnson, G. (2002), "Homeless Adults: Understanding early intervention," *Just Policy*, No. 26, pp. 28-39.
- Chamberlain, C. 1999, "How Many Homeless Australians?", *Just Policy*, No. 17, pp. 43-52.
- Commonwealth Advisory Committee on Homelessness (2001), *Working Towards a National Homeless Strategy*, AGPS, Canberra.
- Community Reference Group for the Review of the Public Housing Segmented Waiting List (2001), *Segmented Waiting List Final Report*, Office of Housing, Department of Human Services, Melbourne.
- Consilium Group (1998), *Estimating the Number of Homeless People in Australia*, A Research Paper prepared for the Commonwealth Department of family and Community Services, Canberra.

Crooks, M., Webb, M., Forster, J. & Williamson, J. (1996), *The Price We Pay: Young people, poverty & Long-term Unemployment in Australia*, National Youth Affairs Research Scheme, National Clearinghouse for Youth Studies, Hobart.

Davidson, P. (2002), "Employment assistance for long-term unemployed people: Time for a rethink" in T. Eardley and B. Bradbury (eds.), *Competing Visions: refereed proceedings of the national social policy conference 2001*, Social Policy Research Centre Report, Social Policy Research Centre, UNSW, Sydney, pp.107-125.

Dearn, L. (2001), *Negotiating the Maze: An analysis of employment assistance for young people*, Brotherhood of St Laurence, Dusseldorp Skills Forum Hanover Welfare Services, Melbourne City Mission, Melbourne.

Department of Employment and Workplace Relations and Small Business (DEWRSB) (2000), *Job Network Evaluation, Stage One: Implementation and Market Development*, Canberra.

Department of Employment and Workplace Relations (DEWR) (2002), *Job Network Evaluation Stage Three: Effectiveness Report*, Canberra.

Department of Employment and Workplace Relations (DEWR) (2001), *Job Network Evaluation, Stage Two: Progress Report*, Canberra

Department of Employment, Workplace Relations (DEWR) (2001), *Job Network: A Net Impact Study*, Canberra.

Department of Family and Community Services (2000), *JPET – Keeping on Track: Evaluation of the Job Placement, Employment and Training (JPET) Programme Final Report*, Canberra.

Department of Family and Community Services (2002), *Outcomes Data for Community Support programme (CSP), Round Two Contract only (July 2001 – June 2002)*, private communication to Hanover Welfare Services.

Department of Human Services (2001a), Victorian Homelessness Strategy Regional Consultation Committee Southern Metropolitan Public Housing Issues Review, July 2000-June 2001, unpublished data.

Department of Human Services (2001b), *Southern Metropolitan Region – Tenancy Retention Rates*, July 1999 – December 2000, unpublished data

Department of Human Services (2002), *Summary of Housing Assistance Programs 2000-2001*, Melbourne.

Dunlop, Y. (2001), "Low-paid employment in the Australian labour market, 1995-97", in P. Saunders and R. Taylor (eds.), *The Price of Prosperity*, University of New South Wales Press, Sydney.

Eardley, T., Abello, D., and Macdonald, H. (2001), *Is the Job Network benefiting disadvantaged job seekers? Preliminary evidence from a study of non-profit employment services*, Discussion paper no 111, Social Policy Research Centre, University of New South Wales, Sydney.

- Finn, D. (2001) A New Deal for Unemployed Australians, unpublished.
- Fopp, R. (1993), The Labour market: Implications for Housing, Victorian Ministerial Advisory Committee on Homeless and Housing, unpublished.
- Gregory R. and Hunter, B (1996) "Increasing regional inequality and the decline in manufacturing", in P Sheehan et al (eds.), *Dialogues on Australia's Future*, Victoria University Press, Melbourne.
- Gregory, R (2002) "Can this be the Promised Land? Work and welfare for the modern woman," Notes to accompany the National Institute's Public Lecture, Parliament House, Canberra 5 June 2002.
- Henman, P. (2002), "The poverty of welfare reform discourse", in T. Eardley and B. Bradbury (eds.), *Competing Visions: Refereed Proceedings of the National Social Policy Conference 2001*, SPRC Report, Social Policy Research Centre, UNSW, Sydney, pp.180-191.
- Horn, M. (2001), "Housing in Crisis", Paper delivered at Housing Justice Roundtable "Housing for All" Forum, Melbourne Town Hall, 23 August 2001.
- Horn, M. (1998), *A Foot in the Door: Expectations for the Future of Homeless Young Adults*, Hanover Welfare Services, Melbourne.
- Horn, M. (2002), "Increasing homelessness: Evidence of housing market failure in Australia", *Just Policy*, No. 25, pp. 26-31.
- Hudson, R. (2002), "Public rental housing: Investment and contemporary issues", *Just Policy*, No. 25, pp. 9-59.
- Hulse, K. (2002), "Rent Assistance: Time for a policy review?", *Just Policy*, No. 25, pp. -25.
- Kazis, R. (1999) The Role of Labour Market Intermediaries: A background paper" presented at UK/US Seminar on Labour Market Intermediaries, Ashridge Management Centre, July 15-16, 1999.
- Laragy, C. (2002), "The Impact of Competition Policy on Not-for-Profit Employment Services", *Just Policy*, No. 26, pp. 3-10.
- Macdonald, F. (1998), Beyond unemployment – the realistic job prospects of disadvantaged workers, Paper presented to the Fifth National Conference on Unemployment, RMIT, 1-2 October 1998.
- MacDonald, H. (1998), Expanding opportunities for young people in school and in the labour market," Paper presented to the Fifth National Conference on Unemployment, RMIT, 1-2 October 1998.
- MacDonald, H. (2000) *Getting back on your feet: an evaluation of the Community Support Programme*, A partnership project between Hanover Welfare Service, Melbourne Citymission, Anglicare Tasmania, and the Brotherhood of St Laurence, Melbourne.
- Martin J. (2000), "What works among active labour market policies: Evidence from OECD countries' experiences", in *Policies Towards Full Employment*, OECD Publications, Paris.
- McClelland, A. & Macdonald, F. (1999), "Young adults and labour market disadvantage?" in *Australia's Young Adults: the Deepening Divide*, Dusseldorp Skills Forum, Sydney, 1999, pp.117-134.

- McClelland, A., Macdonald, F. & MacDonald, H. (1998), "Young people and labour market disadvantage: The situation of young people not in education or full-time work" in *Australia's youth: reality and risk*, Dusseldorp Skills Forum, Sydney, 1998
- McCormick, P., Wylie, N., and Horn, M. (2000), Outcomes for Household Receiving Financial Assistance to Secure or Maintain Private Rental Housing, Research study by Hanover Welfare Services, Melbourne.
- National Youth Coalition for Housing (1997), *National Youth Housing Policy*, Canberra.
- Neil, C. & Fopp, R. (1992), *Homelessness in Australia: causes and consequences*, CSIRO/AHURI, Melbourne.
- Neville, J. (2002), "Policies to minimise the costs of unemployment", in P. Saunders and R. Taylor (eds.), *The Price of Prosperity*, Sydney.
- O'Connor, K. and Healy, E. (2002), *The Links Between Labour Markets and Housing Markets in Melbourne*, AHURI, Melbourne.
- O'Meara, M. (1994), *Out of Work: Employment and homelessness in the 1990's*: Report of the Inter-agency project on Employment and Homelessness, Melbourne.
- Office of Housing (2001), THM Properties Exit Data 1 January to 31 December 2001, unpublished data.
- Office of Housing (2002), State-wide exits 2001-02, unpublished data.
- Organisation for Economic Co-Operation and Development (OECD), (2002) *Employment Outlook*, OECD, Paris.
- Parkinson, S. & Horn, M. (2002), *Homelessness and Employment Assistance*, Hanover Welfare Services, Melbourne.
- Productivity Commission (2002), *Independent Review of the Job Network*, Canberra.
- Quilgars, D & Anderson, I. (1995), *Foyers for young people: evaluation of a pilot*, Centre for Housing Policy, York.
- Reference Group on Welfare Reform (2002) *Participation Support for a More Equitable Society*, Commonwealth Department of Family and Community Services, Canberra.
- Robinson, C (2001), Working out of Homelessness: The Development of an innovative education and employment program for chronically homeless single men and women in inner Sydney, Project Report, unpublished (www.FACS/NHS).
- SAAP Act 1994*
- Saunders, P. (1994), *Welfare and Inequality*, Cambridge University Press, Sydney.
- Senate Employment, Workplace Relations and Education Legislation Committee (2002) Additional Estimates Hearing –20 February 2002, Questions on Notice, Canberra.
- Sheehan, P (2001), "The causes of increased earnings inequality: The international literature," P. Saunders and R. Taylor (eds.), *The Price of Prosperity*, University of New South Wales Press, Sydney.
- Vanstone, A & Abbott, T. (2001) *Australians Working Together: Helping People Move Forward*, [www.together.gov.au](http://www.together.gov.au).

Victorian Homelessness Strategy (VHS) (2002) Final Report: *Directions for Change: A collaborative approach to improving our response to homelessness*, Department of Housing and Community Building, Melbourne.

Winter, I. & W. Stone (1998), *Social Polarisation and Housing Careers*, Australian Institute of Family Studies, Working Paper No 13, Melbourne.

Wulff, M. (1997), "Private renter households: who are the long-term renters?", *Urban Policy and Research*, vol. 15, pp. 203-210.

Wulff, M., Yates, J., Burke, T. (2000), *Who does the private rental market work well for – and who does it fail?*, Australian Housing Research Fund, Department of Family and Community Services, Canberra.

Yates, J. (1997), "Changing directions in Australian housing policies: the end of muddling through?", *Housing Studies*, vol. 12, no. 2, pp. 265-277.

Yates, J. (1998), *Trends in Home Ownership*, A Report to the NSW Department of Housing, Sydney.

Yates, J. (2002) "Limits to choice in the private rental market," *Just Policy*, No. 25, Melbourne, pp. 32-48.