



**BREACHING AND DISADVANTAGED YOUNG
PEOPLE: THE SOCIAL & FINANCIAL IMPACTS**

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Examination of the social and financial impact of breaching young people in receipt of *Youth Allowance* who fail to meet *Mutual Obligation* or *Activity Test* Requirements.

LITERATURE REVIEW

Introduction

It has been widely accepted that Australian young people can no longer assume access to employment, a smooth transition from adolescence to adulthood or full social and economic participation in their community. Young people who leave school early and have low socio-economic backgrounds are at risk of being engaged in marginal activities. Forces such as globalisation, labour market restructuring and familial/demographic changes, have altered traditional pathways from family and school into independent living arrangements and further study/employment (Emy 1993; Langmore & Quiggin 1994; Furlong & Cartmel 1997; Wyn & White 1997; Carson, Roche & Fitzgerald, 2000). The consequences of this for the state, young people and the community have received wide attention by educators, youth workers, policy makers, and the media (Carson & Doube 1994; Hartley & Wolcott 1994; Crooks, Webb & Foster, 1996; Wyn & White 1997).

The Commonwealth Government's attitude towards youth has been transformed over the past twenty years and it has recently inaugurated a major shift in income support for young people, with them now obliged to engage in *Mutual Obligation/Activity Tests*. Of particular concern to this study is the strengthening of punitive sanctions in an attempt to ensure compliance with activity requirements. The principle underpinning this obligation is indicative of the active society approach adopted by many OECD countries.

This literature review begins with a brief historical outline of the changes in employment and youth policy in Australia. Secondly, the nature of the *Youth Allowance* policy, *Activity Test* and *Mutual Obligation* requirements are discussed. Thirdly, the policies and processes regarding penalties and breaches are examined, including an exploration of breaching statistics. Finally, the literature review concludes by focusing on the impacts of breaching on young people.

Employment and Youth Policy

Post- World War II to the early 1970s, Australia had a commitment towards policies of full employment, with unemployment rates as low as one or two percent (Wilson, Thomas & McMahon 1996). The centrepiece of Australia's economic and social policy for this period was the 1945 White Paper 'Full Employment for Australia'. With the 1945 White paper, the Government accepted the responsibility to guarantee full employment as its fundamental objective for the first time. Along with full employment this generation experienced incremental reforms broadening the scope and benefits of social policies including free university, universal health care and widening welfare benefits (Jamrozik 2001). The conditions of the 1970s changed this, with Australia experiencing stagflation and economic decline. By the mid-1980s collectivist ideals of the welfare state had been overtaken by major economic trends where Governments throughout the world were deregulating or 'freeing up' markets, decreasing protectionist practices and embarking upon enterprise bargaining (Finn, 1999, Kerr and Savelsberg 1999 and Spoehr 1999).

During this time and since, Australian has never had a comprehensive national youth policy. Until recently, two main approaches to labour market policies have been adopted for marginalised youth. The first was investing in education and training and

the second promotion of economic growth (Strathdee & Hughes 2002). Ayers-Wearne (2001) suggests that between the 1970s and late 1980s there were four phases of youth policy development. The first, in the early 1970s, saw strategies of adjustment to economic issues. The second, in the mid-1970s, focused on discussions centred around a 'youth guarantee' involving a commitment to work, education and a minimum living wage. The third, in the early 1980s, represented youth as 'priority one' and youth policy was changed into policies of education and training. The fourth, in the mid-1980s, related to the focus on 'marginalised' or 'disadvantaged' youth, shifting away from earlier approaches of the 'universalist approach' to all young people (Ayers-Wearne 2001, paraphrased).

Since the 1990s there has been 'a clustering of youth issues moving beyond earlier notions of a comprehensive youth policy, to the provision of pathways through education and training and concerns with other youth issues such as justice, drug and health issues, citizenship and participation in decision making' (Ayers-Wearne, 2001:9). More recently, youth labour market policies have focused on welfare systems reforms 'to increase the punishing consequences of remaining on welfare' (Strathdee & Hughes 2002: 35).

The composition of youth employment has dramatically changed over the past twenty years. Gilfillan (2001) reports that in April 1981, 79% of youth aged fifteen to nineteen were in full-time jobs, compared to one third of teenagers in April 2001. Full-time employment for youth aged fifteen to nineteen fell by nearly 60% in the twenty years from 1981 to 2001, while part-time work almost tripled. He also suggests that the reason for this shift in teenage youth employment is the increase in the proportion of young people opting to stay in full-time education and therefore choosing to work part-time (Gilfillan 2001).

Unemployment rates for young people aged between 15-19 years old has increased over time and are substantially higher when compared to the unemployment rate for all persons. In April 1981, 15.9% of 15-19 years old were unemployed. This rose to 23.3% in April 2001 and peaked at 34.5% in the middle of 1992, when Australia was experiencing a recession. This is in contrast to all persons unemployed which increased from 5.5% in April 1981, to 7% in April 2001, peaking at 12% in 1992 (Gilfillan 2001).

The recession in the 1990s saw a collapse in the full-time youth labour market (Ayers-Wearne 2001) and signalled a need for a redirection of Australian social and economic policy. The Labor Government's 1994 White Paper 'Working Nation', was 'a basis for reconfiguring the relationship between the economy and the welfare state' (Wilson et al. 1996, p. 17). The Working Nation package covered a wide range of initiatives to deal with unemployment which included; increased expenditure on labour market programs, the introduction of case management, the widening of activity tests, job-creation schemes, training and job subsidies (Dean 1997). A key feature of Working Nation was its Job Compact, which was directed towards solving the problems of long-term unemployment. This entailed job seekers entering into a contract with the Government in return for services and benefits which assisted them to become job ready (Dean 1997; Jones 1996). The Job Compact signified an expansion of active labour market assistance (Kelly et al. 1999).

The international trend towards a more active income support system followed the belief that a 'passive' system can further disadvantage already disadvantaged unemployed job seekers as it encourages them to become dependent on welfare (Eardley, Saunders & Evans 2000). Strathdee and Hughes (2002) suggest young people have been especially targeted in that 'underpinning welfare reform in Australia as it relates to young people is the view on the part of government that young people

can find work if there are appropriate incentives for them to get off welfare' (Strathdee & Hughes 2002, p. 36).

A further shift towards an 'active' system was implemented when the Coalition Government came into office in 1996 as evidenced in policies such as *Reforming Employment Assistance: Helping Australians into Real Jobs*.

This policy implemented a number of changes including: the closure of the Commonwealth Employment Service (CES); the total funding of employment services to Job Network agencies; the establishment of Centrelink; labour market programs were replaced with compulsory programs such as *Work-for-the-Dole*, and *Mutual Obligation*. Further obligations were also introduced as part of this policy, such as Volunteer Work Initiatives and the Preparing for Work Initiative (Kerr & Savelsberg 1999; Welfare Rights Centre 2001a). The introduction of the Job Network agencies created a greater complexity for unemployed job seekers. Unlike the previous system, job seekers are unable to access assistance from the government unless they qualify under a scaled written test. There are three tiers in the Job Network System, in which eligibility for Intensive Assistance (the top tier) is limited, often failing to provide assistance to those most disadvantaged. If Intensive Assistance is accessed, Job Network agencies are able to determine the level of support provided for the job seeker and receive fees based on outcomes. Generally, job seekers are referred to an agency by Centrelink, leaving them without the option of choosing the 'best' provider to suit their needs. Job Network providers are contractually required to report to Centrelink if job seekers fail to contact the agency or fail to undertake activity tests (Ziguras 2001).

Youth Allowance

In 1998 *Youth Allowance* was introduced which had a significant impact on young people receiving payments and assistance. The legislation was designed to achieve a number of goals according to the Government. This included rationalising existing benefits into one scheme, the common *Youth Allowance*. The stated intentions of this new scheme were to simplify income support arrangements, and to remove incentives for young people to leave education or to choose unemployment (National Welfare Rights Network 2002).

The rates of pay for *Youth Allowance* recipients are detailed below.

Rate of <i>Youth Allowance</i> per week (as at January 2002)				
		Unemployed	Full-time Students	Full-time students who are long term income support recipients
	15 – 17	18-20	18-24	21 and over
Dependent or independent living at home	\$82.55	\$99.30	\$99.30	\$121.95
Dependent away from home	\$150.85	\$150.85	\$150.85	\$183.20
Independent	\$150.85	\$150.85	\$150.85	\$183.20
Only young people classified as 'independent' are qualified for <i>Youth Allowance</i> at age 15.				

Table taken from National Welfare Rights Network, 2002:10.

Carson and Martin (2001) argue that the *Youth Allowance* policy has essentially targeted under 21 year olds. This has created stringent eligibility criteria for income support for fifteen to seventeen years olds. The tighter access to income support has also meant that people under 25 years of age are forced to declare themselves independent, where they might not have done so under previous employment policies (Carson & Martin 2001). If independence cannot be demonstrated, eligibility for *Youth Allowance* is subject to a parental means test. This, combined with tighter eligibility for income support, reinforces the Government's agenda to have families support their children until they are financially independent. This comes at a time when families are becoming smaller, more diverse and mobile and single parent families becoming more common. Rodgers and Wilson (1998) suggest that over the last 22 years, single parent families have increased by nine per cent to 20% and one parent families in receipt of income support have increased approximately five per cent per annum since 1989.

Mutual Obligation and Activity Test requirements

Young people receiving *Youth Allowance* have been the focus of special attention and are now obliged to engage in *Mutual Obligation/Activity Test* requirements. The principle underpinning this obligation is indicative of the active society approach adopted by many OECD countries. For example, Centrelink, states that 'unemployed job seekers, supported financially by the community, should actively seek work, constantly strive to improve their competitiveness in the labour market and give something back to the community that supports them'. The rationale given is that *Mutual Obligation* will 'encourage young people to look for work [or undertake education/training] more actively and be less selective about job opportunities...[furthermore] *Mutual Obligation* activities will help many young people escape the cycle of unemployment by participating in an activity which will increase their long-term job prospects and employability' (Centrelink 2002). It is clear that the *Mutual Obligation* policy envisions a positive outcome for young people, employers and the broader community.

In order to apply for *Youth Allowance*, the Social Security Act of 1991 requires a person to satisfy (or be exempted from) *Activity Test* (previously known as work test). Activity tests are not new - since the 1945 White Paper a form of work test has existed (Tan & Sawyers 2001). Complying with the *Activity Test* currently means a person on income support must:

- actively look for suitable paid work,
- register with at least one Job Network member,
- accept suitable work offers,
- attend all job interviews,
- attend Centrelink offices when requested to do so,
- agree to attend approved training courses or programs
- not leave a job, training course or program without sufficient reason
- correctly advise Centrelink of any income earned,
- enter into and comply with a Preparing for Work agreement,
- lodge fortnightly forms,
- apply for up to ten jobs per fortnight
- participate in a '*Mutual Obligation*' activity after a certain amount of time on benefits,
- have certificates signed by employers approached about jobs, if required,

- complete a Job Seeker's Diary with details of job search efforts (Ziguras & Flowers 2002, p. 2).

Despite the positive intentions outlined by the government, the new *Youth Allowance* and *Mutual Obligation* provisions have received significant criticism on the basis that such policies disadvantage some young people already experiencing hardship, by defining recipients as a social and economic liability who consequently need to 'earn' their benefits despite their capacity (or incapacity) to do so (Kerr & Savelsberg 2002). Kerr and Savelsberg (1999) have argued that such policy changes represent a redefinition of citizenship rights and obligations for young people, especially in regard to responsibilities towards the state and the community.

Increased Penalties for the Young Unemployed

Those who fail to adequately undertake activity requirements or administrative duties are subject to punitive financial sanctions, officially referred to as 'breaches'. The definition and administration of social security breaches has changed over time, since being introduced by the Labor Government in 1991. For the first time, unemployed job seekers could have their benefits stopped for a set period of time if they did not comply with activities beyond simply looking for work (Sleep 2001). Unemployed people were required to sign an agreement with the CES and there were a host of training programs, labour market programs and wage subsidy options available for one to negotiate this agreement. Legislation established a difference between administrative and activity breaches, with harsher penalties for activity breaches. Penalties for each type of breach increased with the length of payment and number of subsequent breaches and the breach history was maintained for three years. The rationale for these changes was that 'it was reasonable that the penalties for job seekers who did not meet their 'reciprocal obligations' should increase with duration because the assistance provided by the government to job seekers intensified with duration' (Moses & Sharples 2000, p. 3). This regime, however, changed in 1997 after the Coalition Government came into power.

As noted earlier, the move towards a more marketised approach to employment services redefined the relationship between young people and the state (Kerr and Savelsberg 1999). The severe curtailing of labour market and training programs has meant limited options for genuine support and at the same time the introduction of *Mutual Obligation* has made it much more difficult for young people to continue receiving payments (Welfare Rights Centre 2001b). Under the new Coalition policy, Social Security benefits are no longer completely postponed, but income is reduced for a set time, depending on the frequency and type of breach. Under *Activity Test* breaches, for the first breach, recipients lose eighteen per cent of their payments for 26 weeks. For the second breach, 24% of payment is lost for another 26 weeks. For the third breach, a total loss of payment is incurred for a period of eight weeks. During these eight weeks, it is noted that a job seeker is not eligible for Centrelink's \$500 emergency payment and often recipients have to rely on charity, family or friends (Hannon & Woodley 2001). Failure to meet Centrelink administrative requirements can result in payments being reduced for 16% for thirteen weeks or a total withdrawal of benefits for two weeks (Hanover 2000).

Penalty	<i>Youth Allowance</i>		
	<i>Activity Test</i>	Weekly reduction	Total Amount Deducted
1 st breach: 18% reduction for 26 weeks	\$27.00		\$705
2 nd breach: 24% reduction for 26 weeks	\$37.00		\$941.00
3 rd breach: no payment for 8 weeks	\$150.85		\$1206.00
Administrative Breach			
No payment for 2 weeks or 16% reduction in payment for 8 weeks	\$24.00		\$192.00

Table taken from National Welfare Rights Network, 2002:20.

Although penalties have always been a part of the social security system, commentators present different perspectives. On one side of the debate, Government officials and reports such as Eardley et al (2000) and Tann and Sawyers (2001) argue that there is widespread community support for activity tests and corresponding sanctions. Supporters of *Mutual Obligation* suggest that welfare reforms are necessary as there are few incentives for young people to get off welfare. Staying on welfare has been viewed as a life-style choice or learned helplessness, which is transmitted across generations (Strathdee & Hughes 2002). On the other side of the debate, scholars and representatives of the third sector voice concern over the impact of punitive measures on young people and the dramatic increase in breaches over the past few years. This raises questions about the tensions between the rhetoric and the outcomes of youth labour market policies.

Ziguras (2001) suggests that there were approximately 120,000 breaches imposed in 1997-1998. A report released by ACOSS and the National Welfare Rights Network (Welfare Rights Centre 2001a) indicated that an estimated total of 349,100 penalties were imposed on unemployed people for the year 2000-2001. This represented a 33% increase in the previous year and 189% increase in the three years from June 1998.

Information provided to the National Welfare Rights Network (2002) showed that 57% of all *Activity Test* breaches were applied to young people under the age of 25. The Wallis Consultancy Group (2001) and the Welfare Rights Centre (2001a) both noted that the older and more educated a person is, the less likely they are to be breached. Kinnear (2002) agreed, suggesting that the public tends to view youth as less deserving in contrast to mature-aged job seekers who are victims of hard times. She argues that excessive breaching of older unemployed people would undermine public support for *Mutual Obligation/Activity Test*. Recently, Federal Government Ministers have publicly acknowledged 'that some people may be falling through the cracks in their dealings with Centrelink' (Anthony 2001) and 'the problem with this old system was that it could be too harsh on vulnerable people' (Vanstone 2002).

It has been argued that social security breaches imposed are harsher than some criminal offences, often working in a counterproductive manner. Since the introduction of the Coalition's, *Reforming Employment Assistance*, a number of independent reports (McClure 2000; Pearce, Disney and Ridout 2002), many third sector organisations (ACOSS 2002a, 2002b, 2001a, 2001b; Welfare Rights Centre 2001a, 2001b, 2002; Salvation Army 2001; Jobs Australia 2001, 2002) and other commentators (Kerr, O'Brien & Savelsberg 2000; Mendes 2001) have voiced

concerns about the impact of sanctions on young people, and have made various recommendations. Some of these recommendations were accepted by the Government in the *Australians Working Together* package. *Australians Working Together* (2001), released in Budget 2001 aimed to assist those most in need of intensive assistance and support (Anthony 2001). Ferguson (2002) and Mendes (2001) however argue that the \$1.7 billion in gross funding allocated over four years would only equate to approximately \$770 million after the Commonwealth recovered savings from the imposition of breaches. Ferguson (2002) and ACOSS (2002c) estimate that the government has already yielded well over \$200 million annually from social security penalties, as demonstrated in the table below.

Breaches imposed and penalties levied (estimates) 2001-2002

Payment Type	Activity Test Breaches	Administrative Breaches	Total Breaches	Penalties Levied
Youth Allowance	53,383	18,887	72,270	\$32.7 million
Newstart Allowance	160,150	28,330	188,480	\$174.5 million
Total	213,533	47,217	260,750	\$207 million

Table taken from ACOSS, 2002c:2.

This fits with the Government's rhetoric of 'cracking down' (Clarke, 2002) on welfare system cheats, as Ministers have described recipients as 'potential 'job snobs' prone to 'long-term idleness' and abusing the essential decency of the Australian community' (Ferguson, 2002:18).

In 2001, in response to the alarming consequences of breaching, ACOSS and eight other charities established the Independent Review of Breaches and Penalties in the Social Security System (The Pearce Review). The purpose of the review was to:

- (i) identify factors affecting, and the consequences of, recent changes in the incidence of breaches and penalties relating to unemployed people receiving social security payments;
- (ii) recommend any improvements in the effectiveness and fairness of the system which we consider desirable in relation to statutory provisions and policies and practices of governmental and non-governmental agencies. (Pearce et al. 2002, p. 2).

The review made 36 recommendations on how the current system could be improved. For the purposes of this literature review a summary in the Senate Community Affairs Reference Committee, *Report on the Inquiry into Participation Requirements and Penalties* will suffice.

The review found that while the system often functions in an appropriate manner, there are instances when the outcomes are 'arbitrary, unfair or excessively harsh.' Further, that it 'was acting counterproductively and was not adopting measures that would get these people back into the workforce or assist them in seeking work'. (Hansard 2002, p. 35).

Impact of breaching – the social implications

Research to date has not thoroughly investigated the impact of 'active society' policy orientations on young people. However, several major issues and ramifications have been identified in regard to breaching young people who do not comply with activity requirements. For instance, a number of studies (Brotherhood of St Laurence 2001;

Hanover 2000; Wilson 2001; Welfare Right Centre 2001b) focussed on the reasons and associated issues for young people not meeting Centrelink requirements, which then result in breaches. Reasons included: lack of communication due to young people changing addresses; unforeseen personal factors such as health issues or family crises; missed appointments or interviews; confusion about reported earnings or changed work agreements; failure to attend compulsory Work-for-the-Dole interviews or projects, and not complying with the terms of activity agreements or contacting Job Network agencies within the required amount of time.

What is clear is that the capacity of young people to participate in 'active society' requirements such as *Mutual Obligation* varies dramatically according to their personal health, social, and economic circumstances (Kerr & Savelsberg 2002). Consequently, assumptions within the policies regarding supports available to young people (especially family supports) are flawed, particularly, as is outlined below, in relation to breaching.

The increased financial dependency of young people on families was an issue of concern for commentators. As suggested earlier, social policies are returning to the idea that young people are the responsibility of parents – irrespective of family circumstances. Harding and Szukalska (cited in Carson & Martin 2001) suggest this is important because 70% of fifteen to 24 year old non-dependent children are residing with their parents and Schneider (2000) reports 95% of all unemployed 20-24 year olds in 1996 were dependent on parents. Increased dependency on parents requires parents to have sufficient resources and the willingness to support their children for longer periods of time. Increased dependency is arguably reasonable for well-off families. However, for those who are not, Carson and Martin (2001) suggest moving young people back closer to the family, in a time of desire for increased autonomy, can create a range of social and economic problems.

Housing has been identified as a major issue for young people who are breached. A study conducted by Hanover (2000) over a five week period, examined the income status of unemployed homeless or those at risk of homelessness. It found that 32% of respondents had experienced reductions in their Centrelink benefits due to not complying with activity and administrative requirements. Hanover (2000) estimated that one in eight people breached by Centrelink (that is about 40,000 cases) were homeless. Frequent moves mean constant changes of address and lead to difficulties in maintaining communication with Centrelink. Respondents often do not receive letters from Centrelink and are subsequently breached for missing appointments. Lack of security of tenure often results in young people needing to focus on meeting basic living requirements such as food and shelter, making it impossible to also fulfil *Mutual Obligation* expectations. Breaches here only exacerbate the plight of young people who are already unable to secure accommodation in a problematic renting market or enter into employment or training arrangements (Hanover 2000). The Welfare Rights Centre (2001b) reported that some Centrelink offices even refused to pay some young people until they found 'a fixed address'.

A concomitant issue is that many young homeless people are incurring debts. The National Welfare Rights Network (2002) estimated that half of all young homeless people have a Centrelink debt which is being recovered through ongoing payments. Often this debt resulted from uncompleted training or study and here the prime reason young people could not attend or complete study or further training was because *Youth Allowance* was inadequate to begin with.

A study undertaken by Shelter SA and the Welfare Rights Centre (Wilson 2001) showed a reduction in welfare payments also meant that young people often fell

behind in their rent and faced rent arrears. If rent payments fell behind, they were evicted, resulting in a loss of bond money and a bad rating. To save on rent or to increase opportunities for more secure shelter, some chose to move to outer metropolitan regions. Consequently they were breached for relocating to an area of lower employment. Wilson (2001) found that 13.5% of respondents had, or were in danger of having, their electricity, phone and gas cut off and 33% had sacrificed spending money on food, their children and transport. Urquhart, Matheson and O'Brien (2002) suggest that for most young people buying basic needs such as medicine was the biggest struggle.

Travel costs and related fines was a problematic issue for young people. Increased requirements introduced by the Government for young people to fulfil *Activity Test* requirements such as attending interviews at Job Network agencies, participating in Work-for-the-Dole projects, submitting regular forms to Centrelink and attending seminars and the like, had not been matched by increases in *Youth Allowance* payments, although this was a recommendation in the McClure Report (2000).

Perhaps of most concern were findings from a study undertaken by the Salvation Army (2001), indicating that one in nine people interviewed (it was suggested that this could be a conservative estimate) had resorted to crime as a result of their breach. Crime was used to pay for food, living expenses, housing and medication. This study was supported by the Government's own Youth Pathways Taskforce Report, which pointed out massive issues with policies relating to jobless young people. The report stated, 'Marginalised young indicated that, in some circumstances, they had turned to petty theft or drug dealing to survive' (Albanese 2001; Hannon & Wordley 2001) and 'A particular focus was on an apparently rigid application of activity testing provisions, particularly upon young people experiencing difficult personal circumstances, for example as a result of family breakdown, sexual abuse or mental health problems' (Albanese 2001).

If immediate family members could not provide support young people often relied on extended family or friends. Urquhart et al (2002) however, noted that often these social networks were largely comprised of long-term unemployed people with limited ability to offer emotional or financial support. These relationships, over time, were found to breakdown due to exhausted good will. It has been argued by commentators (for example Urquhart et al 2002) and many welfare agencies (such as ACOSS, Salvation Army, Brotherhood of St Laurence and Welfare Rights Centre) that breaching young people increases demands on welfare agencies. Agencies are called on to subsidise rent, provide basic needs such as food, a place to shower and wash clothes. They are also sought to provide an advocacy role for young people in Centrelink disputes.

Conclusion

Since the 1970s the core agenda for youth policy has focused on youth unemployment. The world of work for young people has changed over the past twenty years, to reflect a trend of high youth unemployment and increased part-time, casual and contract work. Income support has become increasingly harder to obtain, with increased governmental focus on making families more financially responsible for their children at a time when families are experiencing large scale fragmentation. Australia's employment policies, following OECD trends, have moved to adopt 'active' labour market policies such as *Mutual Obligation*, rather than 'passive' policies. It has been, argued by some that 'passive' policies invite disincentives for

young people to get off welfare and creates learned helplessness. Other commentators, however, voice concern about the increase in punitive measures over recent years. Welfare reforms are having a major impact on young people in regards to issues such as family life, housing, mobility and everyday living. It can be argued that breaching young people further subjects them to greater exclusion from society, making them more vulnerable to a life-time of continual disadvantage. This raises the question about the tension between government rhetoric and the outcomes of youth labour market policies.

RESEARCH PLAN

The literature and research to date regarding issues confronting young people in a rapidly changing socio/economic/political milieu, suggest that disadvantaged young people, particularly those demonstrating *Category 3* tendencies (see Kerr et al. 2000), have limited capacity to fulfil *Mutual Obligation/Activity Test* requirements. Furthermore, breaching young people who are experiencing high and prolonged levels of disadvantage may well exacerbate that disadvantage and precipitate even greater potential for social exclusion. This research project investigated these significant concerns to determine the broader effects of breaching on the lives of disadvantaged young people and the impact these policy changes have for service providers.

Aims

The research had three main aims:

1. To examine the conditions and/or circumstances experienced by the young people immediately prior to the breaching.

The purpose here was to collect qualitative data from young people and service providers on the life experiences and conditions of various categories of disadvantaged young people. Of importance here was to elicit indicators of critical factors (for example, abuse, becoming homeless, general level of well-being) which would help us to ascertain the existence of significant social and/or personal life issues which may adversely affect the young person's capacity to fulfil *Mutual Obligation* and Activity requirements.

2. Identify the processes of the breach and subsequent outcomes in terms of effects on personal, financial, emotional and social circumstances, plus the young person's subsequent perceptions of her/his future prospects.

The purpose here was to establish **firstly**; the young person's understanding of and attitudes toward the breaching process, **secondly**; what (if any) hardships occurred as a result of the breach and **thirdly**; how perceptions of future prospects may have been strengthened or altered after the experience of being breached. A major factor here is that the young people were scheduled to be interviewed twice, once as soon as possible after the breach and again four to six months later in order to measure strength of attitudes and gauge personal circumstances over time. This enabled the researchers to make observations regarding the breach as a trigger event in the young person's life or as a component part in a history of cumulative disadvantage, either or both of which have the potential to exacerbate marginalisation and social exclusion.

3. Identify which services are most efficacious in reconnecting breached young people to positive pathways and supports.

Data collected from young people and service providers gave indicators of which services and practices were most responsive to the needs of young people who had been breached. This is particularly important in determining how links can be made between various structures and institutions to not only re-engage young people but to prevent disengagement in the first instance.

Sample

All young people interviewed were aged between sixteen and 21 years, in receipt of *Youth Allowance*, were experiencing disadvantage, and had been breached by Centrelink at least once within the preceding six months. Following the literature (Burchardt, Le Grand & Piachaud 1999; Vobruba 2000), disadvantage for this study was defined as being unable to participate in the normal activities of life in society in terms of consumption, savings activity, production activity, political activity, social activity, and the ability to respond to economic crises.

The interview sample comprised 25 young people, within the spectrum of the three categories of disadvantaged as identified by Kerr et al (2000). The sample accommodated gender difference and cultural/linguistic diversity.

Service providers interviewed were directly involved in either providing *Mutual Obligation* activities (for example, running *Work for the Dole* programmes) or in other areas of youth work (for example, housing, health or education/training programs).

Research procedure

Interviews with young people

Interviews were approximately 45 – 60 minutes duration. Young people fitting the research target group were located with the help of service providers who had agreed to participate in the research project. Given that previous research on young people conducted by Kerr and Savelsberg (2000, 2001) indicated that young people are generally suspicious of unfamiliar people, the research team decided to involve selected service providers in the initial recruitment stage in order to establish credibility for the research project and set a foundation for rapport. Service providers were given clear instructions regarding the selection criteria to assist them in identifying suitable young people as potential participants and advise young people of the nature of the research project. When suitable young people who expressed an interest in participating were identified service providers would contact the interviewer(s) and provide a convenient time (for the young person) to meet the interviewer(s) on premises provided by the service. The use of the service providers' premises was important in providing a familiar place to which the participants have ready access. Previous research undertaken by Kerr and Savelsberg (2000, 2001) highlighted the value of familiar surrounds for young people participating in research projects with unfamiliar people. That is, young people were more confident and forthcoming in their conversations when on their 'own turf' and supported by friends and service providers. The interviewer(s) would then meet the young person as arranged and talk through the written material on the nature of the research project and consent form. As this stage three points were emphasised:

First, researcher(s) stressed that participation in the interviews was voluntary and that participants could discontinue at any time;

Second, that all participants would receive a \$20 gift voucher to compensate for the time they gave to undertake the interview (even if they decided to discontinue)

Third, that all information provided was confidential and the report would not reveal who participated or in any way intimate the individual identity of the participants.

If potential participants indicated that they wished to continue the researcher(s) consent forms were signed including contact details for the second interview. Here participants were asked for phone numbers including self and/or friend or family. Permission was also sought to use the service provider to establish contact if phone

contact was not possible. The researcher(s) also provide light refreshments (chips and soft drink) during the interview.

The decision to conduct two interviews was made after reflection on the literature, which maintains that such longitudinal research allows for comparison of changes and continuities over time in relation to the meanings and values informants attach to events, behaviours, and attitudes (Minichiello et al. 1995, p. 170).

Focus group with service providers

One focus group was conducted with service providers to distil key findings and commonalities, seek comment, corroboration and elaboration. That is, the researchers recognised that many disadvantaged young people experience difficulty in elaborating their own circumstances, conditions and events, and in relating to broader issues beyond their own frame of reference, given the realities of their daily lives which often mean the need to simply survive takes precedence over all else. Conducting the focus group with service providers established triangulation of data regarding the impact of breaching on different categories of disadvantaged young people. The second purpose of the focus group was to gain insight into the types of support/reconnection programmes the service providers regard as being most useful for disadvantaged young people. Comments were sought on strengths/weaknesses of existing policies and programmes, and respondents were invited to suggest alternate 'ideal types'.

Following the collation of results, a draft was sent to selected service providers for comments on the consistency of these results with their experiences of working with young people in the field. This was used to provide the researchers with feedback on the results. It was also considered useful to provide a further opportunity for service providers to add anything that they felt was relevant to young people's experiences of breaching.

RESULTS

Interviews with young people

The collated results from the completed interviews with young people who participated in the study appear below. While the intention was to interview each young person twice, once shortly after the breach and once approximately four to six months later, this proved extremely difficult – and in most cases impossible. At this point however, we note that the failure to locate the majority of young people initially interviewed is a profound indicator of the argument we make in this study that disadvantaged young people are highly likely to ‘fall through the cracks’ in the contemporary welfare system. For them, welfare is a ‘safety net’ with gaping holes. Before presenting the findings of those young people who did participate in the first and second interviews in detail, this report will firstly outline the experiences of the researchers in attempting to locate young people who did not participate in the second interview.

Most (nearly two thirds) of the young people interviewed did not participate in the second interview. An explanation of this occurrence is important in understanding the life circumstances and attitudes of the young people comprising the target group for this research project. What follows is an overview of the initial contact made with young people immediately prior to the first interview followed by a summary of the difficulties experienced by interviewers in securing the second interviews.

At the debriefing following the first interviews the research team all reported a positive rapport with interviewees and a high level of confidence that interviewees were committed to participating in the second interview (four to six months after the first).

Nevertheless, numerous difficulties were experienced in securing a second interview. First, the contact phone numbers given by many young people were either disconnected or messages left were not returned.

Second, contact phone numbers for friends or family were similarly either disconnected, messages not returned, or the friend/family were no longer in contact with the young person.

Third, most service providers who were contacted as a last resort to assist could not help as the young people were no longer accessing the service and no current contact details were available.

All of the young people interviewed were disadvantaged, according to the typology we have previously suggested (see Kerr et al. 2000), and many were extremely marginalised. It became clear that their overall disadvantage meant that most of them experienced transient life circumstances, which made access to basics such as housing, phone, and social networks problematic. For example, most of the young people interviewed were continually in arrears with rent or board, experienced regular disconnection re utilities and phone, and generally had a very small and tenuous circle of friends or family with whom they interacted.

Demographic profile of participants

In all, 25 first round interviews were conducted, with nine participants being available for a second interview. Of the 25, three young people were classified as *Category 1*, six as *Category 2* and the remaining fourteen as *Category 3* (see Appendix 1 for details of this categorisation process). There were fifteen young men (three of whom identified as Indigenous) and ten young women (one identified as Indigenous). Of the

nine who were interviewed twice, five were female (one *Category 2* and four *Category 3*), and four male (three *Category 2* and one *Category 3*). All of the interviewees were aged between sixteen and 21, with the majority being seventeen to eighteen),

All of the five young people living at home with parent/s were male (three *Category 1*, and one each from *Categories 2 & 3*). Three of the remaining ten males had been homeless at some stage. One had spent four years, from the time he was fourteen, sleeping in parks in the city centre during the day and walking the streets at night, as it was too dangerous to sleep alone at night. During that time he had no contact with his family, received no help from any support services (he was unaware of where to go for help) and became addicted to heroin. He said *'Dealers, they pretend to be your friend just to get you hooked. Kids are so vulnerable on the streets'*.

None of the young women were living with parent/s and eight of the 10 had been homeless at some stage. For one, 'home' had been a car for seven months. Another was now in supported accommodation, which she said was *'Pretty bad, but at least there's more privacy than on the streets'*. At the time of the interviews, six of the 10 girls were living with their boyfriends and one was living completely alone. She was sixteen, her flat had been burgled and she had no money to replace stolen furniture or clothes.

With the exception of eight males who had strong/supportive family links, all the other seventeen young people reported weak, tenuous or non-existent relationships with family members. There was much evidence amongst the young people of alienation from their families. According to one male *'mum smokes dope and lives with a woman'*, another said *'dad was always beating mum up'*. Several reported that they had been 'chucked out' when a parent started a new relationship. One young man had spent most of his childhood moving around from shelter to shelter, another had been in a boys' home since he was eight. Several had moved between various members of extended family (particularly grandparents), others had been in foster homes. As they grew older, some had lived in squats or cheap, overcrowded accommodation with friends. One young man lived in *'a boarding house for drug addicts'*, while a young woman lived with her English teacher from school when a foster relationship broke down.

Three of the young women (two aged 16 and one aged 19) were pregnant at the time of the first interview. One of the sixteen year olds had her child a few weeks before the second interview and said she would like to *'not have to look after the baby all the time'*, although she said she was happy to be a mother. Two of the young men (both aged seventeen) had girlfriends who were pregnant. In one case the young couple were living with the male's parents, in another they had moved in with a neighbour who took them in when the electricity in their SAHT flat was disconnected.

Three of the young women and five males volunteered that they had been or still were alcohol/drug dependent. One sixteen year old male said his *'head was fucked'* with all the drugs. The sixteen year old pregnant girl said she had suffered a *'mental breakdown'* for which she had been hospitalized, as a result of alcohol abuse. One 19 year old female admitted to working in the sex industry as a 'lap dancer' and prostitute. One female and three males volunteered that they had dealt in drugs to finance their own habits and to earn some money.

Four females and nine males reported poor health. Their conditions included chlamydia, urinary infections, respiratory infections, depression and chronic fatigue – the latter often considered to have resulted from the inability to pay for nutritious food. As one young woman said, *'I know what I should eat, but two minute noodles*

are cheaper than fruit and veg'. One asthma sufferer had not received a Health Care Card due to an administrative error in Centrelink, hadn't seen his doctor for four months and couldn't afford his asthma medication.

All ten of the young women had been breached at least twice in the past, with four of them reporting 'multiple' breaches (some more than six times). Seven of the 15 males were on their first breach, with the other eight having been breached at least twice before.

Reasons for breach

Although many of the instances were unique to the young person involved, the reasons for the breach being imposed could be classified as

- a) deliberate non-compliance with *Activity Test* requirements,
- b) unintended non-compliance, and
- c) administrative errors.

To take these in turn:

a) deliberate non-compliance with Activity Test requirements

Three males were breached for deliberate non-compliance – one for not attending an appointment (he said he *'had a reason but Centrelink didn't understand'* and two for missing school (one had missed days on a regular basis, the other admitted to peer influence as being the reason for serial non-attendance).

Of the females, one had left school before the end of the year as *'the teachers weren't teaching [her] anything and the kids were running amok'*.

b) unintended non-compliance

In this classification, two females and three males claimed that Centrelink had received notification that they weren't attending school – but all claimed this was not so and they were at school. It would appear from the interviews that Centrelink did not check with the schools about this information. One young man said *'they could've just rung school and found out I was there'*, while another was told by Centrelink that it was his responsibility to prove that he was at school.

One young woman was breached for not handing in a job diary, but she was under the impression that she no longer needed to, as she was now enrolled at university and changing from one benefit to another. She was very angry, as she said she was in and out of the Centrelink office on a regular basis to negotiate this change over and no-one told her she was about to be breached. She said *'If they'd've told me I'd've gone and got the diary. I had it at home and I'd've carried on filling the bloody thing in'*.

Not receiving notification of appointments was a common cause of non-compliance. In one case, a female told Centrelink that mail often went missing at the block of flats where she was living, but was told it was her responsibility to make sure she got her mail. In three other instances (one female, two males) the interviewees were homeless when the letters were sent. When one of the young men challenged Centrelink about this, he was told they didn't have an address on the computer for him. He asked in that case, where had the letter been sent – but didn't get a reply. According to one of the young women *'It's all stupid. They breach you for stupid things like not getting a letter. Who else loses their money cos the post doesn't come on time?'*

Another young man was moving from living with his mum to living with his dad. He had been attending school, but needed to change schools when he changed address. He enrolled in his new school, but was told it was too close to end of term to start

sand he'd have to wait for the next term. He was then breached by Centrelink for non-attendance. In a similar vein, a sixteen year old male moved to S.A. to try to 'start again' as he'd been in a great deal of trouble in his home state. He enrolled in his new school, kept Centrelink informed about what was happening, but was breached for not attending an appointment in his home state.

One young woman was breached for not attending an appointment she had made herself, which was clearly not a case of non-compliance.

The issue of ID was also a significant one. Three females were breached for not providing ID (or 'enough' ID). One of these needed a birth certificate and, because of the time this took to obtain, was two days late in submitting it. Another was born in New Zealand and couldn't afford the \$130 it cost to obtain her birth certificate. The third had a birth certificate, but no other forms of ID to make up the necessary 200 points.

Alleged lack of ID caused one young woman to be breached, but when she appealed it was discovered that her ID details were indeed recorded with Centrelink.

c) *administrative errors*

Other administrative errors, apart from the ID example above, were reported by interviewees. These included one male who was told he'd been breached for not advising a change of address within fourteen days – but he'd only been at his new address for seven days. Another was told Centrelink had no address for him – but he'd been in supported accommodation for some time and Centrelink had contacted him there before.

The examples above are only those which resulted in the breach immediately prior to the interviews. Reasons for prior breaches included:

- A young man who'd got temporary work on a remote station in the N.T. and wasn't able to get his forms into Darwin on time;
- Homelessness (and hence non-receipt of mail) – this happened to over half the sample;
- Being given the wrong information by Centrelink regarding correct forms to fill in and/or activity requirements – this also happened to almost half the respondents;
- Non-attendance at school/interviews due to illness, drug/alcohol dependency, family issues (including violence and abuse) and lack of money to pay for transport costs.

Understanding of the appeals process

Although only four respondents did not know of their right to appeal the breach, the majority (sixteen) of the other 21 had gained their knowledge of the breach process from friends or family (six), prior experience (eight) and service providers (three). Only three young people had been told of their rights by Centrelink. However, despite knowing that they could appeal, only thirteen of the 25 did so. The remaining twelve generally regarded an appeal as a 'waste of time'. Typical responses were: '*you always have problems [with an appeal] it takes too long and you don't win*'; '*They'll [Centrelink] come up with an excuse and get their own way*'; '*It's Centrelink. They'll get their own way*'; '*too much hassle*'; '*just cop it on the chin and deal with it. Centrelink get their own way – no point*';

Impact of the breach- first interview

This section refers to the impact in the immediate post-breach period. For some young people, this was as short as a couple of days after the breach, for others it was up to three months, as the timing was dependent on being able to make contact with the respondents. The findings here are divided into the impacts of finances, health, and relationships with family, friends and service providers.

Finances

For three young men (two from *Category 1* and one *Category 2*), there was little acknowledged change in their financial circumstances. All three were on their first breach, all lived at home with parent/s and all indicated that, although money for discretionary spending had been reduced, their families would provide financial support for everyday needs. It was interesting that, although all three said one of the impacts was that they could no longer pay board at home, this was apparently not recognised by them as a problem for their families.

At the other end of the spectrum, there were young people who were on their third breach (for this round) who had had their benefit stopped entirely. The story was quite different for them, as they essentially had no income. Four young women were living with their boyfriends, with the couple existing on his benefit. Three others were in supported accommodation and would have to repay their board when the benefit was reinstated. One had moved in with a neighbour after losing her flat because she couldn't pay the rent. Another young man and his pregnant girlfriend had been taken in by a neighbour when they couldn't pay their electricity bill and the power was disconnected. One young woman was working as a waitress (cash in hand), drug dealing and working in the sex industry to support herself, her boyfriend and his brother as all three of them had been breached. Her story illustrates a range of the financial implications of being without money.

For this young woman work had to take priority over study, which meant that she was often unable to attend classes at university (having enrolled three months earlier after spending the years since she was fourteen living in a series of squats, cheap boarding houses and sometimes being homeless). Even when she was able to attend university, she had great difficulties in paying for stationery, photocopying etc, which jeopardised her chances to study effectively and she had had to take out a loan from student support to pay for text books. She said *'I'm at uni, but I'm not really there if you know what I mean. I miss lectures and tutes and I can't afford stuff and I can't socialize with other students cos I haven't got the \$2 for a coffee'*. In addition, she often did not have the money for public transport to the campus. She said she often frequented Laundromats *'cos they're good – you often find a coin in the bottom of the machines'*. Food was always a problem in her home, with her admitting that they often went without food and it was the norm to exist on two minute noodles. A poignant statement was about her cat *'if there's only a little bit of money left I get the cat her food. It's like a kid isn't it – you make sure they're right first'*.

Other respondents also spoke of not being able to buy or access a range of things, typically:

- Food
- Transport
- Clothing
- Pay rent/utilities
- Medical treatment/medicine
- Socialise with friends – not even for a coffee

‘There are some weeks when I’m completely broke. No spending money – nothing for me. It bums you out because you can’t go out, not even for a coffee’.

It was quite clear that reduction/withdrawal of what is by any measure a meagre form of income support had dire consequences for the everyday wellbeing of the majority of these young people. For many, their tenure in their accommodation was jeopardised and, even if they were still able to pay rent, they were often unable to pay utilities and other bills, which then left them in debt when their benefits were reinstated – leading to further disadvantage.

Health

Some of the impacts on health have been outlined above, as the capacity to keep healthy was linked closely to financial status. The young people who did not report adverse impacts on health were, with the exception of three young women and two males, all living at home with their parents. The other fifteen all considered that their health status had been affected to some degree. This was mainly attributed to an inadequate diet and inability to afford medication. However, seven of them also admitted to long-term health issues as a result of substance abuse/addiction, so this cannot be directly attributed to being breached.

Of some significance here is that five of the young men stated that they used to keep healthy by playing sport, but had to discontinue due to costs when they were breached. They were not reporting ill health, but were commenting on their inability to continue living what they had considered a reasonably healthy lifestyle.

Relationships

For the majority of the interviewees, relationships were not severely affected by the breach. In terms of family relationships, as stated earlier, most of them had tenuous or non-existent relationships with immediate family, which were often long-standing and consequently not affected either positively or negatively by the breach. One young woman reported that her personal relationship was under strain as she was supporting her boyfriend (he was also on a breach) and resented the fact that she was always stressed and tired. Apart from that, the most significant impacts were felt at the level of relationships with friends. A common response was that young people lost friends when they were unable to afford to join in social activities. Their lives often were described as very restricted and isolated due to lack of social interaction. *‘Being breached makes it difficult to go out with friends. Can’t even have them round cos there’s no food in the house’.*

Only fourteen interviewees reported any contact with service providers, and these were the young people who were accessing supported accommodation and/or alternate education. In the main, service providers were considered by these young people to provide high levels of support and often helped through the breaching process. They were particularly effective in helping to appeal against the breach, link the young person with other services (for example the young women who were pregnant had high levels of need, as did those who were drug dependent or had chronic illness). The actual degree of attachment to service providers however was not strong, as the young people themselves were often highly transient and workers had large caseloads which were not conducive to high levels of support. Others did not access service providers at all, considering them to be a ‘waste of time’. *‘You can spend all day and bus fares trying to get a voucher for \$10 worth of food. It’s not worth it’.*

Intended outcome of the breach

This is an extremely important aspect of the research and will be analysed much more fully in the Discussion section to follow, as there is no clearly stated intended outcome of the breaching process. As will be discussed, the stated intention of *Mutual Obligation* policy can be located in Federal government documents (for example to ‘give back to the community that supports you’, to ‘improve your employment prospects’), but to breach people and withdraw what for many young people is their only form of financial support we will argue is nothing but a punitive measure with very little (if anything) to recommend it.

This was also made clear in the responses young people gave when asked what they thought the breach was supposed to achieve. These included many (twelve) ‘don’t knows’, but examples of other answers were:

To make you go to school

For the government to save money

To make your life even more difficult

So they can get back at you

They were trying to teach me a lesson, but there was no lesson to learn cos it wasn’t my fault I got breached

Show me how hard it is to live without money

Punish me, not to teach me a lesson or anything, just punish me.

This last young woman argued that there are other ways to teach people how to fulfill their obligations, rather than breach them, as she was already poor and thinks it is harsh, irresponsible and manipulative of Centrelink to do so. She said ‘*They shouldn’t assume everyone is lying*’ and felt that Centrelink staff are ‘*mean and unconcerned*’.

Attitudes toward Centrelink

Of interest here was that not one of the respondents referred to service providers (who often have to report a breach) as being implicated or in any way responsible for the breach. Invariably, it was regarded as a direct action by Centrelink staff and the majority (eighteen out of the 25) expressed anger and frustration directed specifically toward staff or Centrelink as an institution. Only one young man said ‘*they’re just doing their job*’. In general the responses reflected anger, frustration and – for those who had been breached on several occasions – ultimately resignation. The tenor of responses in this last category was typified by one young woman who said ‘*You can’t get away from it. If you’re on benefits, you’ll get breached. They make sure you do*’. The only exception was one female, who claimed that she knew far more about the system than the staff and could always tell them which form she needed and admitted to enjoyment in constantly rebelling against the system – just enough to avoid breaches, but enough to give staff a hard time. She did say though that ‘*You have to be careful. They’ve got all the power. They can hang up on you on the phone or refuse to talk to you if they reckon you’re being agro. They threaten you if it seems like you’ll get your way and not them*’.

A related issue was the attitude toward breaching itself. One young man agreed that he should have been breached because he had not complied with his activity requirement and didn’t have a satisfactory reason for not doing so. Another said it had ‘*given me the kick up the arse*’ I needed. None of the others agreed that they should have been breached – although two said they agreed with breaching in principle for ‘bludgers’. They did not, however, see themselves in that category.

Future aspirations

The interviewees all expressed their surprise at the degree of optimism displayed by the majority of the young people when asked about the future hopes and plans. What was sobering however was the disparity between these aspirations and the lived experience of the young people.

An overwhelming majority (23 out of the 25) spoke of finishing their education and/or getting a job. While some did not specify what type of work (this particularly applied to the females), most of the young men spoke about apprenticeships, such as mechanic, chef, builder, or 'computer work'.

Another goal common to all respondents was to establish their own home. They generally did not specifically refer to purchasing a place (one young woman talked about '*having a baby and buying a house with my boyfriend*'), but spoke instead of having a 'nice house', a 'decent place', a 'place of my own'.

Nine of the young men referred to buying a car, which was something not mentioned by the young women – who were more likely (five of the 10) to talk about getting married and having a family.

Six of the respondents said they would like to establish better relationships with their families and five (two females, three males) wanted a personal relationship with a partner. One sixteen year old male said '*I'd like to have someone who'd love me and I could talk to. And I'd like to get round to making some friends*'. This young man said he was 'in love' with a girl, but wasn't 'going out' with her and she wasn't interested in him. This made him very depressed, he admitted to being on '*lots of drugs*' and spoke of suicide.

'Getting healthy' was mentioned by five of the interviewees, getting off drugs by three and stopping smoking by two.

As mentioned above (and this will be explored in more detail in the discussion below) there was evidence of what appeared to be an innocence or naivety about the replies – indicating a disjunction between process and outcomes. Namely, no apparent recognition of the steps to be taken in order to achieve the stated goals was demonstrated. For example, ten of the young people had discontinued education, but were referring to getting a 'good' job as a future goal (these included apprenticeships, fashion designing, journalism). Two young women who were pregnant also spoke of finishing education, getting a job, traveling – but without any mention of how their impending motherhood might affect these plans.

In general, the future was viewed positively, but without real direction. Only two respondents (one male, one female) referred specifically to getting off welfare benefits as a goal.

A comment from a 21 year old young woman was '*A job so I've got money. I want to be in a position in my life where I never, ever, ever have anything to do with Centrelink again. They make it harder and harder every year just so they can get you off benefits and you don't appear on unemployment stats*'.

Impact of the breach- second interview

As stated above, despite exhaustive measures to contact all 25 initial interviewees, only nine second interviews were conducted. These comprised five young women (half of that sample) and four young men (less than a third of that sample). Of these, one young woman was from *Category 2* and the other four were *Category 3*. Of these four, one had given birth to a child between interviews and one was pregnant. Three of the young men interviewed for the second time were from *Category 2* and the

fourth from *Category 3*, and his girlfriend (with whom he was living) was pregnant. One of the young women (who was pregnant) was Indigenous, none of the young men were Indigenous. These demographics are regarded as highly significant and will be referred to in the Discussion section.

The intention of the second interview was to find out how, if at all, life had changed for the young people in ways which may be attributed to the breach. Once again, the areas of finances, relationships and future plans/aspirations were examined.

In each case here, the young person's story is summarised to demonstrate in what ways her/his life had changed between the interviews.

Young man, age seventeen, non-Indigenous living with a friend as he'd been kicked out of home.

He didn't appeal the decision to breach as Centrelink said 'an appeal was unacceptable'. This adversely affected his relationship with Centrelink as he thought he would get support from them to sort out his situation and he didn't. Four months after the breach, he was still in a share house but worse off financially. He was in debt with electricity and utility bills, friends pay his bills and girlfriend pays for things as well, which upsets him. This has put a strain on his relationships, as he feels inadequate with his girlfriend and feels his friends are getting 'pissed off' about helping him out. He often can't afford food. He feels like 'everything he does is wrong' and consequently socialises with his friends less and avoids them by staying at home as much as possible. He still has aspirations for the future, but they have changed. Whereas previously he wanted to go to TAFE, get a decent job, own a decent car and a house and get 'set up' before having a family, he now says he's 'not thinking about it – taking it day by day'.

Male, aged nineteen, Indigenous, living with a friend.

The breach was overturned after his mother complained to the local MP. He was without money for 3 weeks, which made him dependent on his family – which distressed him. He did, however, have excellent support from his family (particularly an aunt and his grandmother) and friends. He has more respect for his family, considering the amount of help they gave him. He feels positive about his future and still feels the same goals he had before are achievable – that is an education, go to TAFE, become an electrician, have his own house and 'be set up well'. He would also like a family of his own – which is something not mentioned in the first interview.

Male, aged 20, non-Indigenous, living with his girlfriend.

He had been working for 2 years, but left voluntarily and did not know that this would result in a breach. Because he had 2 prior breaches on the system almost 2 years prior to leaving work, this made it his third breach and he was cut off benefits for 8 weeks. This resulted in him declaring bankruptcy, moving in with his girlfriend and going on anti depressants. In his own words it '*screwed everything up*' and he feels he was doubly punished for losing his job. He had little support other than from his girlfriend and some services, which assisted him with food and accommodation. The breach directly affected his wellbeing and he went from being financially stable to bankrupt in a matter of weeks, which has affected how he views and deals with Centrelink. He now does not trust Centrelink and does not tell them more than he absolutely has to. The strain placed on his relationship with his girlfriend resulted in the relationship

breaking down. He feels the only possible reason people are breached is to save money, as there are no other possible benefits. In terms of his future, at the first interview he wanted to get a job (but said he's too old for a lot of jobs), get his own house, go out and go shopping, maintain his relationship with his girlfriend, get off medication and 'move on', but felt he had to get a job first in order to do any of this. In the second interview, he said he 'thinks about it [the future] a bit', feels things may work out and just wants 'the white picket fence thing'.

Male, aged 17, non-Indigenous, living with his girlfriend who is pregnant.

At the time of the first interview he was living in a caravan in his parents' back yard and the whole family was in financial difficulties. He had considerable health problems (including asthma and manic depression) which were not well managed because an administrative problem meant he didn't have a health care card and couldn't afford to see a doctor or buy medication for his chronic condition. After the breach, he had to eat less as he couldn't afford food and had to do without basic toiletries. He was no longer able to pay board to his parents, which caused significant disruption, with his parents being very annoyed that he couldn't pay the money he owed them. He moved in with his girlfriend, but they have very few possessions (for example they sleep on a single mattress on the floor and she is 20 weeks pregnant). He gets financial support from his girlfriend. At the time of the first interview, he wanted to finish his education, join the army as a mechanic, have a house, live with his girlfriend, have support, money, be able to take up kickboxing, buy a boat and have a stable relationship. After the breach, he still wants the same things and feels positive about getting them, but 'doesn't see why I have to go to school'. He wants to 'keep his family nice and tight', is pleased about the baby, but sorry it's a little girl (he wanted a boy).

Female, aged 18, non-Indigenous, living in SAHT accommodation.

She had moved to Adelaide from interstate (there were apparently issues with her stepfather, which she didn't discuss), so had left behind her support networks. She initially lived with her grandmother, but didn't get along with her. She hadn't made new friends and support was limited to an uncle and her mother (who was still interstate). Accommodation was a problem, so after living with her uncle (which wasn't ideal), she moved into supported residential care. She was attempting to go to school and find her own place to live. Life became very difficult when she was breached, as she had no assistance other than food from her uncle and a bit of money from her mum. At the time of the second interview though, she was feeling positive as she had managed to get a loan for bond money and was in SAHT accommodation. She still wanted the same things as 4 months ago, namely to 'be happy'.

Female, aged 16, non-Indigenous, living with her boyfriend and his parents.

She left her parents as a young teenager and has variously lived with aunts and uncles in at least two Australian country towns. The only consistently supportive relationship has been with a grandma. The grandma is not well off and the support given by the grandma has usually been limited to emotional and accommodation. During 2001/2002 she had an "off and on" relationship with a boyfriend and became pregnant at the end of 2001. She has been breached twice since receiving YA for failing to comply with an activity requirement, but was quickly reinstated after both breaches

due to her pregnancy - hence the impact of the breaches was negligible. She moved to supported accommodation briefly mid 2002(which is where she received help about getting the breaches overturned, although staff were angry with her for failing to comply with her obligation to continue schooling). However, she quickly left to move in with boyfriend and his family. She has since given birth to her child and is now on a parenting payment. The boyfriend's parents also provide considerable support, especially in relation to the baby. Her ambitions for the future are watching her son grow up and buying a house with her boyfriend, whereas at the first interview she spoke of going to TAFE, working in a bar and having the baby.

Female, aged 21, non-Indigenous, sharing a house with her boyfriend and his brother.

She has been living away from her parents since they split up when she was 16. She reported that she gets on quite well with them, is in contact reasonably often but has never received any financial support from them and doesn't seek any emotional support. She's very independent and has been determined to make her own way since her mother didn't want her around in her new relationship and she didn't want to live with her father for reasons she chose not to divulge. She had spent times living with friends in squats, in very crowded, cheap boarding houses and for the last two years in shared accommodation (a series of 2 bedroom flats) with her boyfriend, his brother and often other friends who were homeless.

She has had a drug habit (dope and heroin) for five years, has dealt in order to fund her habit and make money for everyday living, and has worked in the sex industry as a topless waitress, lap dancer and prostitute. At the time of the interview, she had given up smoking (cigs).

At the time of the first interview, she was on her third breach and her boyfriend and his brother had also been breached. Each time the breach had been due to an administrative error. The only income in the household was what she earned as a casual waitress. This caused a great deal of tension in her relationship with her boyfriend, as she was responsible for all the bills. Financial circumstances were extremely difficult, she couldn't afford to eat properly, was behind in utility payments, could not afford needed clothing, was unable to socialize at all as she couldn't even afford a coffee with friends and had difficulty paying for things (such as books, stationery, photocopying etc) at university, where she had just started an Arts degree three months earlier. Her health was poor due to tiredness, stress, lack of good food and no money to either go to the doctor or pay for medicine. There were also great demands in trying to balance uni work, attending lectures etc with paid work. The latter usually had to win in order to have any money at all.

She was extremely articulate and vocal in her condemnation of CL procedures, practices, staff attitudes and was convinced that breaching is inevitable as staff work to meet quotas. She regarded trying to make life as difficult as possible for CL staff, while not provoking a breach, as her coping mechanism.

Things had changed somewhat by the time of the second interview, though not for the better. Her living arrangements were the same, with her boyfriend and his brother. Although her boyfriend had got a casual job, they were still in grave financial difficulties as they attempt to pay off accumulated debts that occurred over the past year. She has given up university studies and is now doing a part-time design course

at TAFE as that is less demanding, leaves time for work and is cheaper to get to on public transport.

Her health has deteriorated, she thinks due to stress and extended periods without nutritional food and she has started smoking again as a stress-relief mechanism.

There is still not enough money for good food, clothing, needed household items or socializing.

She did not say so outright, but intimated that she's back working in the sex industry.

Female, aged 16, non-Indigenous, living with her boyfriend, his parents and his two brothers.

She had a difficult family life, mum was violent and abusive, there was no dad, so she left home. She was homeless for a while, living on the streets, and ended up in supported accommodation, which she found better as there was *'more privacy than on the streets'*. This became problematic though when she was breached and couldn't pay her rent. She also went without food and basic toiletries. At this time she moved out to live with her boyfriend and his family, which she said is good because she has more company. She is now seeing a counsellor and working through the issues around family violence and learning that the violence was not her fault. She was positive about her future and would like to do some form of journalism, but is not attending school as she feels that would be a *'step backwards'* as she wasn't happy there and has *'too much of my own stuff to deal with'*.

Female, aged 19, Indigenous, living with her boyfriend and his cousin and is pregnant.

She was given up at birth and lived with foster parents, who were mostly supportive. There were some problems with her foster mother over an apparent *'close relationship'* with her foster father for a while. She has been on welfare benefits since she was 13, when she was made a Ward of the State. Her living arrangements were tenuous at the time of the first interview. She had been with the foster parents, but wasn't forthcoming with much information about what went wrong and why she moved out, beyond saying it was stressful, the house was messy, she was the only one to clean up, and there was no good food. She had also been living (along with friends) at a teacher's house for about 6 months, but when interviewed was living in a flat.

After the breach, she lost the flat because she couldn't pay the rent, moved in with her birth mother for a while but that didn't work out - she made the comment that *'everyone is sick of me'* - and she went on to live with her boyfriend and his cousin. The financial impact of the breach was longer term, in as much as she got behind with bills, had to borrow from friends and then pay them back when her money was reinstated. She couldn't eat properly, got sick, developed high blood pressure and had to have tests for pre-eclampsia due to her pregnancy.

She now spends her days *'looking after her boyfriend'* and awaiting the birth of her child. She regards her pregnancy as the most positive thing in her life.

What would have helped at the time

Interviewees were asked what they thought might have been useful at the time of the breach – for example any services, information, or procedures. Only 3 young people did not have a response. The other 22 replies could all be categorised as:

- Poor knowledge of correct procedures by Centrelink staff;
- More/some information about the right to appeal;
- Lack of flexibility in the system;
- Lack of understanding of individual circumstances (such as homelessness, family abuse/violence, drug/alcohol dependency);
- Food/toiletries vouchers;
- Information about available services (where young people had accessed services, they usually reported positive outcomes as service providers were helpful in giving a range of information and practical assistance and support).

Summary

The results are analysed and discussed below, but a brief overview demonstrates that the majority of the young people interviewed were adversely affected by being breached. They were already experiencing disadvantage – some to a much greater degree than others – and losing their only form of income impacted not only on their finances but also flowed on to other areas of their lives, such as health, relationships and their future aspirations. Generally, they had very negative attitudes toward Centrelink and felt that ‘the system’ was a barrier to their well being rather than a support to help them overcome their inherent disadvantage. One young man poignantly summed up his life by saying *‘I wouldn’t wish it on anyone’*.

Service Provider forum and commentary

As outlined in the research plan, information, opinions and experiences were gathered from a range of service providers who were working in some capacity with young people undertaking activity requirements and/or who had been breached by Centrelink. At the commencement of the research project a forum was held. During the forum participants were invited to address a number of questions relating to breaching. The forum participation was initially structured around small groups to maximise opportunities for participation, followed by plenary session discussion. Towards the conclusion of the project selected service providers were asked to provide written comments on interview findings of young people (presented above). A summary of their responses is detailed below, first those from the forum, second the responses to the draft findings.

Service Provider Forum – comments on breaching

Q1 What do you see as the positive and negative aspects of Breaching – from the perspective of young people/from the perspective of service providers?

Most young people see it as punitive and it tends to put young people at further risk because they are more likely to be involved in risk taking behaviour eg. crime, prostitution etc to get more money.

One Service Provider (SP) had a positive example of a young person who responded to the breach as ‘a wake up call’. However this young person was in residential care

and being fed and housed and was at no risk of being kicked out if payments were stopped or reduced. This example was the only positive example the SPs had experienced.

Some SPs acknowledged it may have a positive effect if the young person decided to try harder to avoid the consequence with one SP suggesting that some young people who have never worked may have no real work ethic. For example they have no experience of what happens if they turn up to work late or don't ring to say they won't be in. Some young people may miss a bus for an appointment and instead of waiting for the next one, go home and don't advise SP they will miss the appointment. This was seen by the SP as a kind of laziness and so a breach could be a 'wake up call' for these people.

Most SPs however felt there were no positive aspects of breaching. They felt it contradicted their ethics, inflamed young people's attitudes towards agencies and Centrelink, placed a power imbalance in the worker/client relationship, didn't allow for lack of organisational skills on the part of the young person and had a huge financial impact on the young person. It also had a negative financial impact on the SPs who used their organisation's resources to provide material assistance, given that such resources are designed to provide material assistance for one off situations, not for ongoing financial hardship caused by breaching. It was pointed out that this practice could require reorganising of funds in the organisation.

There was a general consensus that Centrelink staff were inconsistent with their breaching practices. Most felt that there were unrealistic expectations about what some young people are capable of.

Also some Job Network (JN) members don't get their obligations right. One JN member didn't show up for an interview due to a car breakdown and didn't notify the client and this is not a good example to the young person. The JN is not policed or effective and has double standards. SPs argued that there should be a focus on the people who administer the JN and they should have high ethical standards as some have a lot of power and do not use it well.

One SP said "*You could do a crime and get a lesser fine than for not attending an appointment*".

Another said that "*We don't even train our animals with punishment these days*".

There was wide agreement with this, as the payment reductions for a breach often result in relatively more loss of money than a fine for a crime. It was also argued that you don't even get fined for not attending a court appointment.

It was commonly felt that young people receive mixed messages. There was inconsistency across Centrelink offices. Breaching was 'sudden death' in some offices, while others were much more reasonable, such as the Adelaide Youth Services Unit who started trialling SMS messages to remind their clients they had an appointment. This compares to other offices which offered no such options. The point was made that information given seems to depend on who picks up the phone and you can get different rules and regulations from each person who picks up the phone in the same office. It was widely agreed that some Centrelink staff have no idea what they are doing and that sometimes SP themselves have to tell them what to do, such as what codes to use and screens to access. If you get someone who knows what they are doing it is fine, but this was considered fairly rare.

Q2 In your experience, could you identify any common factors which lead to young people being breached?

Mental health issues, personality clashes and behavioural issues, particularly the case in numeracy and literacy classes, were seen as common factors amongst people who had been breached. Day to day problems, such as lack of transport, accommodation and a phone, as well as not receiving mail regularly due to transiency was common. Many young people move frequently and do not receive letters, or collect them infrequently and a suggestion for this was that Centrelink use certified mail rather than assuming if a letter is sent that it has been received. Many young people have often fallen through the education system or have a low educational level or poor literacy skills. Some don't notice or read their letters and many are unable to assert themselves due to a lack of confidence and understanding. They often don't have enough confidence to deal with Centrelink themselves. There was an example given by one SP of how some of their clients bring the letters into them, sometimes unopened because they can't deal with the letters, don't understand them or get too worked up or anxious to read them. The letters often confuse the young people who don't know what is expected of them. They regularly receive numerous letters which all say different things. They don't understand the terminology or what it means which impacts on the likelihood of being breached. The point was made that there are some not for profit organisations which specifically assist with filling out forms. Some young people find it more hassle to get a benefit than to receive one, and this may lead to crime and prostitution.

Mental health and drug and alcohol issues often meant that the young person was not able to fulfill the obligations imposed on them.

Other factors were the support available from family and friends. Some young people have to look after kids while their mothers work or play the pokies, or work themselves to help support their families. Some sell drugs to make money. Sometimes other family member's issues affect them, ie other's drug or violence issues.

Cultural issues were identified as important for many, who experience cross-cultural conflict.

Q3 What would you identify as the key issues for young people who are breached?

The main issue identified was money and associated factors such as food, shelter, warmth. A flow on effect of this was that the young person was further at risk of committing delinquent behaviours and for many it is the last straw which lead them towards crime and a disassociation from the community.

Another issue was that young people often don't know who to trust with their personal information.

There was general consensus that many young people were simply not aware of their rights and were confused and threatened by the appeal process. It was agreed that appealing a Centrelink decision is an incredibly difficult process, and young people often think they have in fact appealed when they have only had the decision reviewed.

Q4 What would you identify as the key issues for service providers in reporting non-compliance with a *Mutual Obligation* (MO) requirement/enforcing a breach?

All of the service providers felt that they would take every opportunity to avoid having to impose a breach. Despite this, they have a contractual obligation to the Government which makes breaching unavoidable in some cases. Some SPs felt that once a young person is breached it takes a long time to get someone else involved who may be able to assist.

They all had an inherent opposition to breaching and believed if it was done it caused damage to the worker/client relationship and was in conflict with their duty of care to a client.

They strongly felt that Work for the Dole/MO should be an incentive, not something that could be used to punish.

Q5 From an agency perspective, are there any tensions between your organisation's ethos and reporting non-compliance with a MO requirement/enforcing a breach?

Service providers felt the breach was unbalanced 'punitiveness' and reiterated that young people were punished more for missing an appointment than some people are for committing a crime. Some pointed out that the ads in the Messenger for 'escorts' in the Positions Vacant column offering regular work/safe/clean were increasing. This was seen as being linked with the number of young people (male and female) who are resorting to prostitution – often as a result of a breach.

Q6 Do you agree with Breaching policy and process as it currently stands? Why/why not?

The answer to this question was an emphatic NO! Comments included that:

"the fine doesn't fit the crime"

"it causes further hardship"

It was also considered that the process was unfair and extremely inconsistent depending on workers at Centrelink offices and that there was a quota for breaching, which Centrelink staff have to meet.

SPs suggested there is the potential for database information to be kept on young people to flag them as being at risk of being breached.

Q7 Do you see any differences in the way being breached is regarded and experienced by different young people? Are there any identifiable patterns in the way young people regard/experience being breached – that is, are there any discernable group characteristics (eg family background, education level attained, living arrangements)?

Some SPs nominated certain discernable group characteristics which influence young people to regard breaching in a negative, punitive way. These were:

- a) independent-living;
- b) low education;
- c) low self esteem;
- d) an 'at risk' background, characterised by the presence in the young person's life of people with mental health and/or drug and alcohol problems.

Others argued that the effect is consistently negative across all people who are affected, and that the income level is already low before they are breached, which generates chronic problems for young people and creates attitudes which are unintended. The point was made that breaching tends to be more readily accepted in families experiencing inter-generational unemployment but, paradoxically, this then perpetuates a downwards spiral for people who are breached.

Q8 What strategies do you think are – or would be – most effective in terms of helping young people to avoid being breached? And/or reconnect with mainstream institutions (eg, family, education, employment)?

Most SPs felt that breaching should be abolished. There was consensus that participation in MO activities should be based on incentives rather than punishment. A basic welfare payment was suggested with incentive payments for those who participate in programs. There was consensus that this payment should never be taken below that line, as this is what contributes to crime and problems for young people. This could be a building-block type system, with extra money for each activity the person participates in. A system of reward such as this was considered much more positive, useful and appropriate.

Others suggested there should be early intervention programs in schools and for families to prevent the situations which often result in breaching. There was currently no incentive for schools to persevere with ‘at risk’ young people.

There were questions raised as to how ‘intensive’ Intensive Assistance actually was, as some SPs had spoken to clients who had received a letter saying they were in Intensive Assistance but hadn’t heard from them for 8 months. The question was asked by an SP *‘Is this due to high case-load or not? If it is, something must be done’*. There was a strong sentiment that the program should not be called Intensive Assistance when it is clearly nothing of the sort.

Screening of participants was recommended to determine what their appropriate training or support needs were and this may need to be individual and lengthy screening. *‘Cattle herding people into programs should not continue’*. It was felt that some young people may need guidance only, or they might need to sort out drug and alcohol or mental health issues. Others might need career counselling. Some felt this should be included at the school level, with pathways for non-academic people discussed. Some SPs discussed the Career Reference Centre, with one suggesting that most young people wouldn’t even know it existed and it would scare them anyway (although it was noted that the staff at CRC were generally unhelpful to young people in that SP’s experience). Many young people don’t do anything because they don’t know what options they have.

Services themselves needed to ‘get peoples lives back on track’ with increased monitoring and assessment and much more flexibility needed in service provision. Some SPs felt mentors and advocates would be helpful for young people.

Another suggestion was that people who are enforcing a breach be required to show that they had investigated the case and that breaching was the last resort. Certified mailing could help address the incidence of breaching for the ‘not replying to mail/attending an interview’ cases, as Centrelink would not be able to argue the person had received the letter. Another way of helping with transient young people would be to come up with an alternative plan to keep in contact with them to avoid breaching. Better communication was considered essential.

Q9 Participants were asked to comment on our typology of disadvantaged young people - namely *Categories 1 2 & 3*

There was general agreement that the 3 categories of young people suggested in Kerr et al's (2000) typology were valid and consistent with service providers' experiences.

Responses to the draft report

Service providers who attended the forum were asked if they would be prepared to comment on a draft of this report at the conclusion of the research. The following represents a collation and summary of their responses.

Overall, the respondents were highly supportive and agreed that the research had encapsulated the experiences of young people as they, the service providers, understood them. There were specific comments about aspects of breaching which they felt were significant, but which young people either had not recognised as being worthy of mention – or had perhaps been loathe to discuss.

In regards to young people not attending appointments:

Homeless people often don't have clocks, watches calendars or diaries and are unaware of the day, date and time, as we are when on holidays.

In regards to relationships and recreation:

It is curious that young people do not take up low cost/free recreation options such as visiting a library and reading a book. They want the same recreation options as everyone else, but don't opt for cheaper ones in line with their income.

General comments:

I don't think many people would be surprised to know that it was hard to orchestrate second interviews, given the instability being experienced by the interviewees'

These results are in line with my experiences in the field. Often negative dealings with other bureaucracies such as SAHT and FAYS and school lead to negative feelings towards Centrelink and suspicions of their motives.

Being breached results in emotions as widespread as anger, a sense of injustice, to indifference "just more of the same old shit" where disappointment and injustice is just expected. It just verifies their lack of faith in all bureaucracies.

We have dealt with examples where young people are forced into crime due to a lack of a 'legitimate' income e.g. stealing, prostitution and drug dealing

Young people unable to look for work as no dollars therefore have no transport to interviews, no clothes for interview and can't buy Sat.Advertiser. Have to use all their dollars on food and rent, in 'survival' mode, not thinking of the future.

In our experience breaching can lead to young people losing their accommodation as they are unable to afford to pay their rent. A two week total breach (which some of our clients have 'chosen') can take them months to recover from.

The impact of a breach on a young persons' mental health is not highlighted in the report. In all cases that we have dealt with it has had a significant impact. Many of our clients have existing mental health conditions, ranging from depression to

diagnosed psychoses. Many have not informed Centrelink of their condition and are not on a disability support pension or sickness certificate. They often chose not to inform Centrelink due to the perceived stigma of having a mental health problem. The breach of itself can also contribute to depression. Young people on benefit are already marginalised and the added pressure of less income, coupled with the need to 'do something about it' can be more than they feel able to deal with.

We have also experienced difficulty recently in contacting the regional Youth Services Unit of Centrelink. It has been scaled down and young people are reporting an inability to access by phone and long waiting times when accessing in person. Many state this is extremely frustrating as they like to be able to deal with a person who they feel 'knows and understands them.'

ANALYSIS AND DISCUSSION

Introduction

The analysis and discussion below examines the nature of the life circumstances of severely disadvantaged young people and their perceptions and experiences of policy interventions such as activity requirements and penalties for non compliance (breaching).

The findings from this research project indicate that the life circumstances of severely disadvantaged young people (Kerr et al. 2000, *Category two and three*) is fundamentally different to young people who experience relatively stable financial and familial support.

Furthermore, the capacity to undertake activity requirements is significantly diminished in relation to other less disadvantaged young people and consequently, attitudes on the reasons for and perceived benefits of, activity requirements are overshadowed by the extreme deprivation of the young people required. Hence the failure by many disadvantaged young people to undertake and/or maintain activity requirements.

Within this context the impact of penalties further exacerbates the deprivation experienced by disadvantaged young people.

Socio-demographic

The study revealed that respondents had very unstable social and financial supports. Most respondents came from resource poor familial arrangements that often provide tenuous emotional and financial support. In a number of cases young people indicated that families were dysfunctional necessitating an early exit (often early to mid teens). This finding is consistent with current literature and previous findings by Kerr and Savelsberg (2000, 2002). Importantly, this finding highlights the erroneous assumptions implicit in current youth policies that families are able and largely willing to provide extended support for young people beyond the teenage years. Clearly a significant percentage of families in Australia, including sole parent, blended and nuclear, are not the best, or in some instances even the appropriate structure, to facilitate the nurturing and support of young people.

The young people also indicated that they generally had few friends and little connection to community via clubs and groups. The most disadvantaged young people were the least likely to have stable friendships and community connections, resulting in isolation and loneliness. This finding also contrasts sharply with assertions underpinning activity requirements, namely that young people 'should give back to the community which supports them'. Most young people interviewed did not feel connected with, let alone supported by, the community and this finding is consistent with other recent research on similarly disadvantaged young people (Kerr & Savelsberg, 2000, 2002).

Engagement in education and employment were largely unsuccessful with most respondents revealing that school and/or other educational programs and employment experiences were negative and, at best, tenuous. This finding is also consistent with previous research conducted by Kerr and Savelsberg.

The most alarming findings were the precarious state of accommodation and/or serious health issues experienced by most of the young people interviewed. This is most alarming because the activity requirements directed at young people make little or no allowance for this disadvantage and clearly young people's capacity to

undertake activity requirements (and prevent breaching) is heavily contingent upon stable accommodation and sound health.

Breaching

i) Reasons for breach

Lack of stability regarding accommodation, finance and family support were major factors in circumstances leading to breaches for young people interviewed. In all but a few cases breaches were issued for minor attendance matters, for example failing to attend an interview, missing school, or for administrative matters such as insufficient ID. Clearly the breaches here were as direct results of disadvantage (homelessness, lack of finances) and largely beyond the control of the young person. Especially detrimental was the finding that most of the respondents did not know of any rights and/or procedures to appeal penalties and consequently, unless a service provider was able to advocate on behalf of the young person, penalties were not challenged despite strong grounds for appeal. Furthermore, the overwhelming attitude regarding the role of Centrelink in overseeing the compliance of *Activity Test* requirements and any consequent penalties for non-compliance, was one of disdain. Only several respondents indicated that Centrelink were helpful or that penalties were in any way efficacious. This provides a compelling argument for Centrelink discretion and recognition regarding the disadvantage faced by young people and their capacity to undertake and comply with the activity (and administrative) requirements.

ii) Impact of the breaches

The findings demonstrate that the impacts of the penalties were severe. The effects of the penalties for most young people could be categorised as short term, medium term and long term.

The most significant short term effect was the inability of respondents to meet basic needs such as food and accommodation as a result of financial shortfall. Given that most of the young people interviewed had little or no financial support from parents or friends, even in times of crisis, this is an alarming finding. The implications of this are two fold. Firstly, the inability of young people to meet basic needs as a result of Centrelink penalties is likely to result in frustration and rash behaviours such as crime to acquire essential goods and services and also to vent anger. Secondly, apart from the anti-social consequences of these sorts of behaviours the most immediate effect of the penalties was to reduce the capacity of the young people to function at a rudimentary level and, we argue, seriously impair their ability to comply with future *Activity Test* requirements. Hence the potential exists for a perpetual cycle of breaches and increasing penalties.

Perhaps the most notable medium term effect of the penalties was the impact on social networks and relationships. That is, the effect of breaching, particularly the reduction or termination of financial support, further restricted the opportunities disadvantaged young people had in regard to making and maintaining social connections (clubs and friends). Respondents reported that close interpersonal relationships were often stressed due to financial hardship and the concomitant emotional anxiety resulting from the breach. Clearly the danger here is that young people will not engage with regular social networks which foster social integration. Interestingly, the respondents did not identify significant community stigma as a result of the breach, although for most young people (*Category 2 and 3*) the pre-existing community connections prior to the breach were at best tenuous.

The long term effects include poor health (mental and physical health) and diminished capacity to undertake educational and employment programs. That is, beyond the

immediate adverse effects of breaching on health and capacity to engage in educational and employment programs were the longer term impacts. Here poor nutrition, stress, isolation and substance abuse often resulted in chronic health issues. This is coupled with a dramatically diminished capacity to participate in vocational programs and/or employment. Furthermore, because many severely disadvantaged young people are now serially breached the chronic health issues (and causes) manifest themselves as permanent features of the young people's lives, yet another dimension of social exclusion, if not testimony to the emergence of an underclass. Clearly the impact and consequences of chronic and acute multiple disadvantages resulting from breaches and penalties is profound and may contribute to permanent physical, mental and social disadvantage.

iii) Intended outcomes of the breach

As indicated in the results section the rationale given for activity requirements and any sanctions by government policy stand in stark contrast to the attitudes expressed by the respondents. The only common ground between policy statements and respondents perceptions is that Centrelink benefits for young people now require an obligation of time and effort in exchange for support. Beyond this there appears to be little consensus of opinion, especially regarding the nature of the obligation and any sanctions for non compliance. Government documents refer to 'giving back to the community' and 'improve employment prospects' suggesting that the "community" has a right to expect something of young people receiving Centrelink benefits and that the obligation undertaken by young people will be of benefit to the young person. By implication then, young people not complying with obligations are ungrateful and squandering opportunities to improve themselves with a view to becoming self-reliant.

The respondents largely interpreted the obligations as punitive and /or cost cutting measures. That is, the obligations were, according to many young people interviewed, intended to provide a disincentive to remaining on benefits by 'making life more difficult', or forcing young people to undertake activities such as schooling, or remove young people from benefits altogether thereby saving money.

Perhaps the most interesting point from these findings is that the young people interviewed expressed ideas about activity requirements and penalties as if they were one and the same. This blurring between obligation and sanction is entirely understandable and constitutes the lived reality of young people experiencing *Category two and three* disadvantage. That is, the life circumstances of severely disadvantaged young people is so debilitating that any further challenges or requirements are invariably perceived as unwelcome or punitive regardless of their intentions. Hence activity requirements, such as Mutual Obligation may well envision positive intention(s) for young people, whom less disadvantaged young people may embrace; however, for highly disadvantaged young people these activity requirements represent yet another hurdle upon which to stumble. For these young people the dull compulsions of their life circumstances are so precarious that meeting basic needs such as food, clothing and housing, absorb all their time and resources.

Clearly a 'one size fits all' social policy for young people is not only inappropriate but counter productive. That is, the intentions of the policies are to foster self-reliance and community engagement yet the opposite is likely to occur for young people who do not have the capacity to undertake and maintain the obligations. As a first step, recognition by government that not all young people have the same capacity to

undertake obligation is necessary and redress could include greater support and/or modified activity requirements.

Secondly, the impact of these policies on service providers must be recognised and supported. Both young people and service providers reported an inordinate increase in support needed by young people to cope with the organisational matters arising from activity requirements and the consequent assistance with administration and resources regarding breaching.

Future aspirations

The respondents generally held positive attitudes and could articulate clear and concrete aspirations regarding their futures. This is despite the fact that most of the respondents had described a history of long term profound disadvantage where basic needs and wants were not met and even minor goals were frustrated by life circumstances. While this optimism is somewhat surprising Carson. et al (2000) notes that studies have consistently found that young people (especially teenagers) are remarkably positive about their prospects. This general optimism could be better understood as resilience to the considerable adversity most respondents experienced. Furthermore, this resilience should be heartening to policy makers and service providers for it offers an opportunity to reconnect young people into positive transition pathways. Conversely, punitive practices such as breaching are only likely to increase resentment among young people and lead to further social exclusion.

CONCLUSION

The finding from this research project on the impact of breaching on disadvantaged young people confirms previous findings from research projects on Youth Allowance and Mutual Obligation. Namely that disadvantaged young people, especially severely disadvantaged young people (Kerr et al. 2000, *Category two and three* young people), understand and respond to welfare obligations such as activity requirements differently from other young people. This is principally due to the fact that the life circumstances of these young people, especially their resources and opportunities, are vastly different from other young people, who have considerably greater access to, and more stability regarding, familial, educational and social supports. Furthermore, the impact of activity requirements and any associated sanctions such as breaching are likely to exacerbate the disadvantage experienced by category two and three young people. That is, severely disadvantaged young people are unlikely to benefit from activity requirements because life circumstances make a sustained commitment to educational and development opportunities untenable. Here, the 'dull compulsions' of life are overwhelming. Hence pressure to comply with activity requirements is more likely to cause further disadvantage and disaffection among severely disadvantaged young people. Penalties in this context become the final straw resulting in even less capacity to engage with programs and pathways to self-reliance. Indeed, for most disadvantaged young people breaching results in more tenuous connections with educational programs, labour market and social life.

The nature and extent of social exclusion experienced by young people in early 21st century Australia has been profoundly affected by the precarious states of labour markets, problematic familial and interpersonal support structures and inadequate and often repressive government policies.

It is of great concern that the overly repressive and punitive nature of these policies, most particularly breaching young people who are already experiencing grave disadvantage, in effect gives rise to a scenario whereby the citizenship rights of young people are severely compromised. This has two dimensions. There is one argument that the right to income support should be the inalienable social right of all citizens who are excluded from the labour market and are in financial distress. The other argument is that the way in which breaching is operationalised contravenes basic legal rights, which start from the premise that one is innocent until proven guilty. We maintain that non-compliance with a *Mutual Obligation* is regarded as a punishable 'crime', that 'offenders' are considered guilty unless they can prove themselves innocent, that the magnitude of the 'punishment' is grossly disproportionate to the 'crime' – and furthermore, this scenario is played out *outside* the recognised principles of due process such as natural justice. We will pursue these arguments in another forum, but note here that to use bureaucratic processes to deprive someone of what may be their only means of subsistence is a challenge to notions of citizenship and human rights.

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Appendix 1.

While some characteristics in this framework may overlap, (that is young people do not necessarily demonstrate *all* characteristics of a particular category), as a result of previous research (Kerr et al 2000) we found that for the purposes of analysis and comparison, young people can be broadly grouped into three categories. The category framework we suggest is as follows:

Category 1

Category one comprises largely of young people within full-time education who are currently experiencing some financial hardship which impinges on their ability to participate in extra-curricula and social activities. Such young people have little financial autonomy, however their essential needs are met, mostly willingly, by their parents. Members of this group are at low risk of discontinuing education or training, have positive expectations for their future and could be expected to make a smooth transition to adulthood. Non-receipt of Youth Allowance, usually because of parental means tested income, places some financially related strain on the family unit and the young person which 'makes things tight'. This category can be characterised as:

- Residing with their family of origin which appears to be functional and is often close knit.
- Having limited opportunities to participate with friends and experience some strains on friendships due to financial constraints and/or constraints through having to engage in part time work and balance study commitments
- Finding it difficult to engage in sport or other activities in the community because of costs involved
- May find it difficult to engage in higher education because of the associated costs
- Are likely to complete their education and make a reasonably smooth transition to employment.

Category 2

Category two young people are at high risk of discontinuing mainstream education or already participating in an alternate education program (often a short term placement). In comparison to category one such young people more frequently reported strained or severed relationships with family and a greater likelihood of families finding it difficult to meet the essential needs of members (although they are generally excluded from Youth Allowance due to parental means tested income). Such families were generally unable or unwilling to provide financial support which extended to a living allowance and clothes or personal possessions. Interestingly, the level of parental income was not a good guide of financial support to young people in this group. A number of young people whose parents were middle income earners reported less financial support than those on significantly lower incomes.

Attitudes to teachers and mainstream schooling were particularly negative in this category and distinguished them from category one. While optimistic about their futures, this category were naïve about vocational pathways and/or expressed doubt about the likelihood of being able to sustain further education. Additional income commensurate with Youth Allowance was viewed by this group as offering broader options to them vocationally and significantly reducing the pressure on them and their families.

This category can be summarised as:

- having very restricted opportunities to participate in some aspects of the school curriculum – such as camps, excursions
- being unlikely to engage in sport or other activities in the community because of costs involved
- experiencing severe constraints on friendships and may be alienated from friends because of their financial position and ability to participate in activities
- having an inadequate system of support – both financial and social/emotional to sustain them in education
- being likely to come from a family where one or more of the parents have re-partnered or to live with other family members (grandparents, sisters or aunties)
- being at high risk of discontinuing their education prior to completion

Category 3

These young people described a history of alienating, conflict ridden and discriminating experiences of education, resulting in their being unable or unwilling to return to mainstream education. Many of this group had very poor or non-existent relationships with families, which were characterised by abuse, conflict, mental health problems and substance abuse. This group were focused on short term survival and meeting essential needs. They were ambivalent but hopeful for the future. As one young woman summarised it “I just won’t survive if things don’t improve”. This group most often did not receive Youth Allowance because they failed to meet the eligibility requirements and

had not been able to negotiate an activity agreement or some other exemption. Parents of young people in this category often experienced financial hardship and were therefore unable to assist effectively in the absence of welfare benefits. For some others, parental income exceeded the threshold, however parents were unwilling to support them and at the same time unwilling to convey this to Centrelink. Income commensurate with Youth Allowance was urgently needed by this category of young people in order to meet basic living needs.

This category can be summarised as follows:

- unable to meet basic living expenses
- often highly transient
- likely to have difficult relationships with their parents and/or be estranged from their parents
- likely to come from a family which could be described as dysfunctional
- highly unlikely to be in mainstream education, though may be involved in an alternate education program
- likely to have had difficulties at school either with teachers or learning
- likely to have friends whose lifestyle involves illegal activities

Being of ATSI descent, part of a family from a NESB, having a blended family, identifying as homosexual, bi-sexual or transgendered, or having several siblings appeared to increase the likelihood of being in category 3.