

QUESTIONS ON NOTICE
Parliamentary Committee Inquiry Hearing
Senate Standing Committees on Community Affairs

Inquiry into ParentsNext, including its trial and subsequent broader rollout

Department of Jobs and Small Business Question No. SQ19-000087

Senator Rachel Siewert asked on 27 February 2019 on proof Hansard page 59.

Question

PCI- ParentsNext - Advice to Government TCF

CHAIR: Thank you. When the TCF was applied to ParentsNext, was there advice provided to government about the pros and cons of using the TCF?

Ms O'Regan: I imagine so. I wasn't personally involved in that.

Mr Smyth: I'd have to take that on notice. It might go to advice to government that may have been part of deliberations that were considered as part of the budget process. Can I just take that on notice and get back to you?

Senator WATT: Was anyone at the table involved in the provision of advice to government about applying the TCF? We've got a lot of people here. Surely there was someone who was involved. It was only a couple of years ago—not even two years.

Ms O'Regan: I was only indirectly involved

Senator WATT: We're going to be careful not to ask you what you advised government, but I don't think it's unreasonable to ask whether government was given pros and cons or given options. Mr Manning: Certainly there were discussions within the department about the pros and cons, but I don't know what was actually put to government, because I wasn't part of that work. Senator WATT: There's not one person, out of all the people we've got here today, who was involved?

Ms O'Regan: Not directly. I would be very surprised, though, if pros and cons weren't discussed.

Senator WATT: That is normal to do that kind of thing? Okay. CHAIR: Can you take that on notice?

Mr Smyth: I can certainly take that on notice.

Answer

The Department provided advice to Government on measures included in the 2017-18 Budget process as is usual practice.

QUESTIONS ON NOTICE

Parliamentary Committee Inquiry Hearing Senate Standing Committees on Community Affairs

Inquiry into ParentsNext, including its trial and subsequent broader rollout

Department of Jobs and Small Business Question No. SQ19-000088

Senator Rachel Siewert asked on 27 February 2019 on proof Hansard page 59.

Question

PCI - ParentsNext: Opening Statement from Mr Smyth

CHAIR: This is a very long opening statement, when you know very well that we do not have much time. Perhaps you could table the rest, please, because we have a number of questions, and a lot of what you're covering is available in your submission.

Mr Smyth : Sure.

CHAIR: Is it okay if you table your report, please? Two more pages is going to take a significant period of time.

Mr Smyth : We can do that.

Answer

The Department of Jobs and Small Business' opening statement to the Inquiry into ParentsNext hearing on 27 February 2019 is attached at [Attachment A](#).

Opening Statement

Introduction

- The Department of Jobs and Small Business thanks the committee for the opportunity to address its submission and explain the objective, design and operation of the ParentsNext program.
- Long periods out of the workforce often increases a person's level of disadvantage, making it difficult to return to work.
- This is the case for many parents on income support, predominately mothers, who often have long periods out of the workforce while they are caring for young children.
 - Australia is at the lower end of OECD countries in terms of the employment rate of women aged between 25 and 54 years and of mothers with very young children.¹
 - The workforce participation rate for married women in 2017 was 63.1 per cent, while that for single women was 54.7 per cent.
 - Parents on income support are much more likely to have long periods out of the workforce. Half of parents outside the income support system are working when their child is one year old². By contrast, parents in receipt of income support have poorer employment outcomes; almost half of all Parenting Payment recipients in 2005, of whom 95 per cent were female, remained on payments 10 years later.
- This disadvantage is particularly pronounced for those families facing intergenerational welfare dependence.
 - Parents' labour market status has a profound effect on children's wellbeing. Research from the OECD notes that 'one of the most important factors which can contribute to child poverty is whether or not children are living with parents who are jobless'.³
 - Persistent joblessness is much more prevalent amongst single-parent families than two-parent families. Analysis undertaken by the ABS indicated that the majority of jobless families in Australia in 2012 were headed by single parents.⁴ These parents had a far higher risk of low incomes, welfare reliance, financial stress, reduced social opportunities, poorer physical and mental health⁵ and very low labour market participation⁶.
 - Australia has a disproportionately higher percentage of children living in jobless single-parent households than other OECD countries. In 2014, on average across OECD countries, around 36 per cent of children in single-parent households lived

¹ *Connecting People with Jobs: Key Issues for Raising Labour Market Participation in Australia*. OECD Publishing: Paris (2017).

² Baxter, J. A. (2013). *Parents working out work* (Australian Family Trends No. 1). Melbourne: Australian Institute of Family Studies.

³ *Society At a Glance: OECD Social Indicators 2005 Edition*

⁴ *Labour Force Australia: Labour Force Status and Other Characteristics of Families*, ABS, (2012). Available at: <http://www.abs.gov.au/ausstats/abs@.nsf/Products/6224.0.55.001~Jun%202012~Chapter~one%20Parent%20Families>

⁵ *Helping Young Parents and Supporting Jobless Families Research Report*, Department of Employment, (2017). Available at:

https://docs.jobs.gov.au/system/files/doc/other/final_hyp_and_sjf_qon_final_19072017.docx_isbn.pdf

⁶ *Australian households and families – Australian Family Trends No. 4*. Qu, L. and Weston, R., Australian Institute of Family Studies, (2013). Available at: <https://aifs.gov.au/sites/default/files/publication-documents/aft4.pdf>

in a jobless household. The proportion in Australia was 48 per cent; most of these households were headed by single mothers.

- Australian evidence suggests that children whose grandparents or parents had experienced separation or joblessness may themselves face a greater risk of separation and joblessness as adults. By age 6–7 and 10–11 years, the children in families who had experienced persistent intergenerational disadvantages had already fallen substantially behind their peers with respect to their academic performance and social-emotional development.
- Indigenous families often face a greater risk of persistent joblessness. Around 40,000 Indigenous Australians receive Parenting Payment—Indigenous parents are almost five times more likely to be receiving parenting payment than non-Indigenous parents.
 - In consultations on the design of the expanded program, Indigenous stakeholders consistently advised the department of the value and importance of supporting Indigenous parents with young children to develop practical plans to enter the workforce, to both reduce reliance on income support and set an important example about the benefits of employment.
- Long-term improvements to workforce participation helps to reduce welfare reliance, with positive impacts on identity, financial wellbeing, mental wellbeing, social participation, community connectedness, skills and personal development.
- ParentsNext helps those parents most at risk to improve their chances of success at entering the workforce when their youngest child reaches school age.
- Supporting parents to participate in the workforce sooner than they might otherwise have been able to, helps to achieve these outcomes, with the additional benefit of improving outcomes for children.
- Key findings of the ParentsNext pilot evaluation included evidence from participants that participating in ParentsNext improved their attitude to workforce participation; their overall wellbeing; their chances of studying, training or employment; and their use of childcare. Having education and employment goals was positively associated with higher proportions of ParentsNext participants undertaking study and training, and looking for work.
- ParentsNext was designed and implemented with a focus on meeting the needs of parents, including by ensuring parents have a key role in determining the support they need to prepare for work so that they have a better chance of securing work when they are ready and choose to do so:
 - It is flexible, recognises and values parents' caring responsibilities, does not require them to look for work, and incorporates family friendly sites and activities.
 - Parents have a key role in determining how they will participate in the program, based on their own education and employment goals. Parents negotiate and agree to their activities and plans, taking into account their goals and family circumstances.
 - Program eligibility is carefully targeted, providing early intervention to parents on Parenting Payment who are at greater risk of long-term welfare dependency.
 - Exemptions and valid reasons for non-attendance are in place to appropriately support those parents who are not able to participate. This ensures we have the right balance between the obligation to participate in the program and recognising the individual circumstances of parents.
- ParentsNext is designed to offer a range of support depending on the personal circumstances of participants, including those dealing with domestic violence. This includes assistance to access other services and support available in the community, and exempting those parents facing personal crises so they can get the immediate help they need.

- The services that providers are required to deliver are clearly outlined in the program deed and guidelines. These resources set out the aims of the program, the support providers are required to deliver to parents, and the flexibility built into the program for providers to tailor assistance to parents' goals, needs and circumstances.

Why is ParentsNext compulsory?

- There has been significant recent media questioning as to why disadvantaged parents with young children have compulsory requirements imposed on them.
- Many parents are motivated to help themselves to prepare for future employment, but many of those who need help the most are not. Research by the Australian Social Inclusion Board has found that people in a cycle of disadvantage were less inclined to recognise the need for or to seek help⁷, even though a decision to seek help in many cases acted as a catalyst for moving out of a disadvantaged situation.
- The evidence shows that mandatory participation and mutual obligation arrangements work, resulting in participants with more educational qualifications, increased workforce participation and higher earnings.
- The ParentsNext program is tailored to be supportive and family friendly to build genuine engagement. It is there to assist those most at risk of long-term welfare reliance and gives them a better chance of securing work after their children start school. It is also premised on parents having an obligation to prepare themselves for future employment.
- For this reason, requirements in ParentsNext are not onerous. There is of course no requirement to look for work or accept work that is offered (and the legislation was specifically amended to make this clear). Participants need to agree to a participation plan, attend appointments with their provider - usually once every three months – and participate in one activity.
- It is worth noting that under the previous compliance framework, ParentsNext participants were also subject to payment suspension for not meeting their requirements. In fact, while payment suspensions were lower a higher percentage were subject to action under the previous compliance regime than have been under the expanded program.
- Both the ParentsNext evaluation and evidence from earlier similar pilots (Helping Young Parents and Supporting Jobless Families) showed significantly better results when the activity requirements were compulsory. The ParentsNext pilot was open to voluntary participation, however the numbers of volunteers were well below anticipated levels.
- Welfare conditionality and mutual obligations form part of a social compact with the Australian people that has long-standing bipartisan support.
- Mutual obligation requirements reflect the different circumstances of welfare recipients — parents have fewer requirements than participants in other programs and priority is given to their parental responsibilities. This approach recognises and values the role of parents in caring for their children, while at the same time providing important support to help families prepare for the future.
- ParentsNext is subject to the Targeted Compliance Framework (TCF), which also applies to jobactive and Disability Employment Services. This was agreed to by the Parliament.
- The potential for compliance action under the TCF is considerably lower for ParentsNext participants - with over 98% of participants compliant with their Participation Plan. Compliance action consists primarily of payment suspensions with potential financial penalties only for those who are deliberately and persistently non-compliant. Importantly, the framework includes a range of safeguards to protect those who cannot meet their requirements, including two capability reviews, valid/acceptable reasons for non-

⁷ *Breaking Cycles of Disadvantage*, Australian Social Inclusion Board, (2011), p 33.

attendance, and exemptions that can be applied by both providers and the Department of Human Services.

- The TCF is designed to use payment suspension, rather than financial penalties, to secure re-engagement in most instances. A participant's income support payment is suspended if they do not complete a requirement in their Participation Plan and if they do not contact their provider beforehand. As soon as they contact their provider to discuss their missed requirement and meet any re-engagement requirement, their payment is restored – generally within 24 hours - back paid and with no loss of income.
- Not only is income support back paid following a suspension, in the majority of cases, the suspension does not delay the person's payment at all, because the participant re-engages and the suspension is lifted before the person's next pay day.
- A number of modifications were made to the participation and compliance arrangements for ParentsNext in negotiations conducted in the context of a disallowance motion considered by the Senate last year. The Government agreed to a number of amendments and they have been implemented in good faith. Changes implemented include:
 - Updating guidelines to include that parents who are studying meet their activity requirements (updated, effective from 8 January 2019).
 - Reinforcing communications that children can attend appointments and services are family friendly (implemented 25 October 2018).
 - Working with the DHS to minimise the number of initial appointments scheduled close to a parent's payment date (implemented in early October 2018).

Closing remarks

- The department has been delivering ParentsNext since April 2016. The program initially operated as a trial in 10 locations, then expanded to all non-remote locations nationally from 2 July 2018.
- Since April 2016 the program has helped more than 77,000 parents work towards their education and employment goals, including more than 13,000 parents to start education and more than 9,800 to start employment.⁸
- The ParentsNext evaluation found that participants had significantly higher rates of wellbeing (including social isolation), more positive views about work, higher rates of work, study and childcare usage and assisted parents consider and achieve their goals (compared with similar parents who did not participate). In the ParentsNext trial, nearly 80 per cent of parents, who were assessed by an independent tool, had increased their work readiness.
- The department anticipates these strong results to continue under the current program—early results support the positive impact the program is having on a large number of parents.
- Thank you.
- My colleagues and I would be happy to answer any questions from the Committee.

⁸ As at 31 December 2018.

QUESTIONS ON NOTICE
Parliamentary Committee Inquiry Hearing
Senate Standing Committees on Community Affairs

Inquiry into ParentsNext, including its trial and subsequent broader rollout

Department of Jobs and Small Business Question No. SQ19-000090

Senator Murray Watt asked on 27 February 2019 on proof Hansard page 60-61.

Question

PCI - ParentsNext: Provision of ParentsNext Evaluation to Government

Senator WATT: When was the evaluation provided to government?

Ms Shannon : I'd have to double-check but it was around the time of the debate on the disallowable instrument.

CHAIR: Given to government; not when it was released?

Ms Shannon : Correct.

Senator WATT: It's never been released, has it, in full?

Ms Shannon : Yes, it has. The evaluation report is on the department's website in full.

Senator WATT: When did that happen?

Ms Shannon : I'll check but I think it was 30 September last year.

Senator WATT: I thought there were still fair chunks of the evaluation that had never been released.

Ms Shannon : No, the evaluation has been released.

Senator WATT: Does anyone know roughly when it was provided to government?

Ms Shannon : We were working on the evaluation. It became time critical because a number of the issues that were covered in the evaluation were pertinent to the Senate's consideration of the disallowable instrument that underpinned the national rollout program. We got the report to government in the days immediately preceding the Senate's consideration of the disallowable instrument.

Senator WATT: So it was roughly around the time that the Senate was considering the disallowable instrument, which, from memory, was around October last year?

Ms Shannon : I think that's right; I just have to find the right brief.

Senator WATT: That was around the time that the government received the evaluation?

Ms Shannon : That's correct.

Answer

The ParentsNext 2016–18 Evaluation Report was provided to the Hon Kelly O'Dwyer MP, Minister for Jobs and Industrial Relations, on 11 September 2018. The Report was published on the Department of Jobs and Small Business's website on 13 September 2018 and can be found at <https://docs.jobs.gov.au/documents/parentsnext-evaluation-report>.

QUESTIONS ON NOTICE
Parliamentary Committee Inquiry Hearing
Senate Standing Committees on Community Affairs

Inquiry into ParentsNext, including its trial and subsequent broader rollout

Department of Jobs and Small Business Question No. SQ19-000103

Senator Rachel Siewert asked on 27 February 2019 on proof Hansard page 68

Question

PCI - ParentsNext: Complaints about Privacy - ParentsNext

Mr Manning : We've had two complaints to the department's National Customer Service Line about privacy. So we haven't had a large number, but, of course, we're following up those two because, as you said, it's a very important issue.

CHAIR: If you could fire those up on notice and get back to us, that would be appreciated. The point that's being made to us very strongly is that mothers are signing waivers because they essentially are made to understand—

Mr Manning : They feel pressured. And that's unacceptable to us, obviously.

CHAIR: And you've had only two complaints about that, or two complaints about inappropriate use of—

Mr Manning : No, two complaints about feeling pressured to sign it.

Answer

The Department of Jobs and Small Business is unable to comment on the details of these two complaints as there may be a risk of identification of the individuals which would breach privacy.

Refer to SQ19-000112 for information on how complaints are managed by the department.

QUESTIONS ON NOTICE
Parliamentary Committee Inquiry Hearing
Senate Standing Committees on Community Affairs

Inquiry into ParentsNext, including its trial and subsequent broader rollout

Department of Jobs and Small Business Question No. SQ19-000182

Senator Rachel Siewert provided in writing.

Question

PCI - ParentsNext: Definition of Work Ready

What is the definition of work ready?

Answer

The ParentsNext 2018–2021 Deed defines ‘Work Ready’ or ‘Work Readiness’ in reference to the assistance and services a parent can expect from providers (clause 84 and Annexure B2).

Work Ready is defined as possessing the core skills and behaviors required by employers, including team work skills; communication skills and a positive attitude and work ethic, including motivation, reliability and a willingness to work.

**QUESTIONS ON NOTICE
Parliamentary Committee Inquiry Hearing
Senate Standing Committees on Community Affairs**

Inquiry into ParentsNext, including its trial and subsequent broader rollout

Department of Jobs and Small Business Question No. SQ19-000183

Senator Rachel Siewert provided in writing.

Question

PCI - ParentsNext: Income Support Participants

How many participants have dropped out of the income support system, that is are no longer receiving income support and have not found work?

Answer

2,665 participants referred to ParentsNext between 1 July 2018 and 31 December 2018 were no longer on income support payments as at 4 January 2019.

QUESTIONS ON NOTICE
Parliamentary Committee Inquiry Hearing
Senate Standing Committees on Community Affairs

Inquiry into ParentsNext, including its trial and subsequent broader rollout

Department of Jobs and Small Business Question No. SQ19-000185

Senator Murray Watt provided in writing.

Question

PCI - ParentsNext: Participants

1. How many participants are in the ParentsNext program?
2. How many participants are women?
3. How many participants are single parents?
4. How many participants are Aboriginal and Torres Strait Islander peoples?
5. How many participants are Aboriginal and Torres Strait Islander women?
6. How many Aboriginal and Torres Strait Islander women are also single parents?
7. How many participants are CALD?
8. How many participants are CALD women?
9. How many participants are homeless or at risk of homelessness?
10. How many participants have a disability?

Answer

As at 31 December 2018:

1. There were 75,259 participants in the program.
2. 71,259 participants were women.
3. 51,386 participants were single parents.
4. 14,169 participants were Indigenous Australians.
5. 13,320 participants were Indigenous women.
6. 9,748 participants were Indigenous women who were single parents.
7. 14,500 participants were from culturally and linguistically diverse backgrounds.
8. 13,817 participants were women from culturally and linguistically diverse backgrounds.
9. 3,374 participants were homeless.
10. 10,717 participants were people with disability.

QUESTIONS ON NOTICE
Parliamentary Committee Inquiry Hearing
Senate Standing Committees on Community Affairs

Inquiry into ParentsNext, including its trial and subsequent broader rollout

Department of Jobs and Small Business Question No. SQ19-000188

Senator Murray Watt provided in writing.

Question

PCI - ParentsNext: Approved Activities

What kinds of activities are approved for the purpose of meeting mutual obligation requirements? Is volunteering an approved activity

Answer

Providers can approve vocational and non-vocational activities that parents can undertake to meet their mutual obligation requirements. Vocational activities include: education and training; work experience; language, literacy and numeracy courses; paid employment or apprenticeships and work preparation activities. Non-vocational activities include: assistance to access child care; play group type activities; financial management; personal development and confidence building courses; cultural services, and counselling and mental health services.

Participants can undertake voluntary work as an approved activity.

QUESTIONS ON NOTICE
Parliamentary Committee Inquiry Hearing
Senate Standing Committees on Community Affairs

Inquiry into ParentsNext, including its trial and subsequent broader rollout

Department of Jobs and Small Business Question No. SQ19-000189

Senator Murray Watt provided in writing.

Question

PCI - ParentsNext: Workplace Protections

What kinds of workplace protections are in place for ParentsNext participants who undertake volunteering as part of their mutual obligation requirements if they experience harassment?

Answer

Where a ParentsNext participant is participating in voluntary work as a means of meeting their mutual obligation requirements, their host organisation must take reasonable steps to protect them from unlawful workplace behaviour. In addition to complying with all relevant laws and requirements, the host organisation must also ensure that the participant is adequately and appropriately supervised. The participant's ParentsNext provider must also conduct and document a risk assessment of the activity prior to the participant commencing in the activity. The risk assessment identifies if the activity is suitable for the participant and identifies any risks that might arise from the participant's personal circumstances.

The ParentsNext deed and the Appointments and Activities guideline also require that a provider ensures the participant has been advised of the process for reporting any work health and safety issues, (including if they experience harassment).

Participants can renegotiate their participation plan with their provider at any time if they feel uncomfortable in an activity, including voluntary work.

QUESTIONS ON NOTICE
Parliamentary Committee Inquiry Hearing
Senate Standing Committees on Community Affairs

Inquiry into ParentsNext, including its trial and subsequent broader rollout

Department of Jobs and Small Business Question No. SQ19-000194

Senator Murray Watt provided in writing.

Question

PCI - ParentsNext: Costs

1. How much has been spent so far on the ParentsNext program?
2. How much is expected to be spent on the program over the 2018-19 forward estimates?

Answer

1. For the national expansion of the ParentsNext program, \$59.1 million has been spent since commencement on 1 July 2018 up to 31 December 2018.

For the ParentsNext 2016–2018, a total of \$37.8 million was spent over the period 4 April 2016 to 30 June 2018.

2. A total of \$351 million has been forecast to be spent on the program over the forward estimates (2018–19 to 2021–22). See table below.

	2018–19	2019–20	2020–21	2021–22	Total
Budget	\$84.7m	\$86.2m	\$90.1m	\$90.0m	\$351.0m