



BUILDING INDEPENDENCE & PARTICIPATION

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## Submission to the Standing Committee on Community Affairs References Committee

### Inquiry into ParentsNext

YFS Ltd was one of seven providers of ParentsNext in Logan City during the trial period from April 2016 to June 2018.

YFS is a general community service provider, backing vulnerable people to overcome adversity and to thrive. Our services including homelessness responses, domestic and family violence services, family support and mental health recovery support.

We are not an employment services provider, but we saw ParentsNext as an opportunity to support vulnerable parents to achieve economic participation, a key ingredient of independence and participation.

During the trial period, YFS' ParentsNext team worked with more than 850 parents. Our assessment of the program as we conducted it during this period was positive overall. Key factors we noted were:

- The participation plan allowed for a truly **individualised approach**, linking parents with vocational or non-vocational support to meet their unique needs and progress their own goals.
- We could link parents with a **wide range of activities** that best met their needs at the time, and we could take a slow and steady approach to building their work readiness over time, including addressing difficult personal circumstances that made participation in work unlikely, such as domestic violence.
- The program was **founded on relationships** between case workers and participants. Many of the most reluctant participants eventually acknowledged the program was useful to them. Some of these gained paid work, despite being adamant on referral that they had no intention of looking for work.
- The **"light touch" approach to compliance** enabled us to give parents the benefit of the doubt and encourage participation in positive ways. Payments were only suspended in cases of long-term deliberate refusal to engage. The compulsory nature of the program during the trial period was positive – it meant that YFS was able to engage with and support parents with many vulnerabilities who were not actively seeking help from other sources.
- In line with the published evaluation of the trial, YFS found **the program worked to increase participants' work readiness** across many aspects including confidence, motivation, stability, challenges, skills and job seeking.

YFS tendered to continue as a ParentsNext provider under the national rollout of the program, so that we could continue to engage with this cohort and support them to achieve their aspirations.

Unfortunately, since July 2018 ParentsNext has changed radically compared with the trial.

## **1. Impact of the Targeted Compliance Framework**

The compliance arrangements in the ParentsNext trial were effective in encouraging engagement and participation, but were not punitive.

The new Targeted Compliance Framework is not an appropriate instrument for parents on Parenting Payment. Parents are not jobseekers. They are not required to apply for jobs or to take up work unless they choose to do so. The Targeted Compliance Framework is designed for jobactive. Using it for parents is a clumsy attempt to impose mutual obligation monitoring on parents using a system targeting a different cohort.

The most vulnerable parents are the ones most likely to struggle with the reporting requirements of the Framework. It requires parents to complete two separate reports on different systems on different dates. They are required to report their income fortnightly via Centrelink, and report activities undertaken via the mygov jobactive app at various frequencies depending on their plan.

## **2. Change in the role of the provider**

Providers are now the face of the Targeted Compliance Framework. Previously, providers would lodge a breach against a participant who refused to engage, and Centrelink would action it. Centrelink could also remove it.

The Targeted Compliance Framework has become the focus of ParentsNext activity, influencing every aspect of the program. The administrative burden is extreme, reducing the time we can spend actually supporting participants.

Making the providers the people who participants have to call to get their benefits reinstated has fundamentally changed our role and damaged our relationship with participants.

## **3. Change in activities**

The imposition of the Targeted Compliance Framework has had a profound impact on the way ParentsNext works. Providers are required to design the activities in a Participation Plan so that they fit the clumsy jobseeker diary structure. The system is so clunky that it drives provider behaviour to design activities that can be reported on, rather than those that will really help the parent.

There was a disconnect between the apparent intent of the program – to help parents at risk of welfare dependence prepare to enter or re-enter the workforce when they are ready – with the implementation of the national rollout. In particular, Targeted Compliance Framework training for providers emphasised rigid and unrealistic activity commitments for parents, despite departmental policy leaders maintaining that the intent of ParentsNext had not changed since the trial period.

Many parents with six month old babies are not ready for work. This is even more true for parents with significant barriers to employment. It takes time to build their skills, confidence and motivation, and to put in place the resources they need (like child care, drivers' licences, transport, stable housing and safety).

There are issues with the systems that underpin ParentsNext, reducing provider flexibility with including appropriate activities in plans. These “glitches” need to be fixed.

## **Recommendations**

YFS recommends the following changes to improve the effectiveness of ParentsNext:

1. Remove the requirement for parents to use the job seeker diary. If necessary, retain the fortnightly income reporting and the appointment attendance elements of the compliance system so that parents avoid racking up debts, but remove the activity reporting via the diary.
2. If online activity reporting is continued, invest in development of a reporting system that works for ParentsNext participants, rather than expecting parents to use the inappropriate jobactive system.
3. Reduce the compliance imposts for parents of children aged 6 months to 3 years. The focus in this time should be establishing foundations for work readiness, often largely through non-vocational activities.