



**Submission to the House of Representatives Select Committee on
Workforce Australia Employment Services: ParentsNext**

November 2022

Background

Settlement Services International (SSI) appreciates the opportunity to make this submission to the House of Representatives Select Committee on Workforce Australia Employment Services on ParentsNext. We would welcome the opportunity to provide further evidence to the Committee in a public hearing.

SSI was founded in Sydney in 2000 with the aim of helping newly arrived refugees settle in Australia. Over time, our expertise in working with people from diverse cultural and linguistic backgrounds served as the foundation for a gradual expansion into other social services and geographical areas.

In 2018, SSI merged with Queensland-based Access Community Services, and in 2019 opened in Victoria providing an extensive footprint across the eastern coast of Australia. Today, SSI supports 52,500 clients across more than 37 programs and community-based services.

In the area of employment services SSI delivers several programs funded by the Australian Government including ParentsNext, the Disability Employment Services program, Local Jobs Program and the HomeCare Workforce Support Program. We also deliver the Refugee Employment Support program funded by the NSW Government and are a Jobs Victoria partner, delivering tailored employment assistance to people from culturally and linguistically diverse (CALD) backgrounds in Western and Southern Melbourne.

SSI delivers ParentsNext in NSW in the Inner West and South-West of Sydney. In Queensland, Access Community Services delivers ParentsNext in Brisbane South East, Wivenhoe and Townsville (including Mt Isa). Due to the locations where SSI and Access deliver this program, a large proportion of participants are from cultural and linguistically diverse (CALD) backgrounds, especially in NSW, but we also work with Aboriginal and Torres Strait Islander participants and others in these regions.

In addition, SSI delivered the initial trial of ParentsNext in the Bankstown area of South West Sydney. Consequently, SSI is well-placed to comment on the changes that were introduced to ParentsNext in the national roll-out of the program.

ParentsNext plays a crucial role as a pre-employment program providing early intervention support and has sound policy objectives

SSI supports the intent of the ParentsNext program as a pre-employment program providing targeted early intervention to parents at risk of long-term welfare dependency, some of whom have multiple and complex needs (including combinations of mental health, alcohol and other drug abuse, disability, and victim-survivor of domestic and family violence). We believe it plays a crucial role in the suite of the Federal Government's employment-related programs in supporting disadvantaged parents of young children, mostly women, to engage in pre-employment activities and build social connections in their local community.

ParentsNext provides support to parents to address immediate issues and barriers to participation in education and employment and empowers them to build skills and confidence to enter the workforce. In SSI's experience, this program is often the first point of contact for parents from CALD backgrounds and parents experiencing vulnerability, such as victim-survivors of domestic and family violence. SSI has found

that participation in the program is a vital opportunity for parents to explore what they can do outside of caring duties in the home.

Our experience is that participation in ParentsNext prepares parents and provides bridges to participation in other employment programs like Workforce Australia. Almost all of SSI's current 3200 clients have participated in activities spanning accredited education, employment or employment programs, personal development and health or counselling. The most frequent activity is personal development followed by accredited education. These high rates of participation (well over 90%) are also achieved for specific cohorts including parents from CALD backgrounds, refugees and Aboriginal and Torres Strait Islander parents.

Policy objectives

The stated objectives of the ParentsNext program are to:

- target early intervention assistance to parents at risk of long-term welfare dependency;
- help parents identify their education and employment related goals and participate in activities that help them achieve their goals; and
- connect parents to local services that can help them address any barriers to employment.¹

SSI believes that these objectives are appropriate to the longer-term goals (outlined in the program logic) of increasing female labour force participation, reducing the gender gap in economic status and reducing intergenerational poverty and long-term welfare dependence.²

Some elements of ParentsNext have shifted from the original focus

Eligibility and compulsory participation

In the trial phase of ParentsNext, which SSI delivered, the focus was on engagement and support for parents to meet their education, training and pre-employment goals. In this phase there was provision for providers to compel participation in some circumstances, however this was not a dominant feature in how the program was implemented and providers had greater flexibility.

With the introduction of the Targeted Compliance Framework, there is greater emphasis on compulsory participation and much more stringent and time-consuming administration requirements for ParentsNext participants and providers to demonstrate compliance. SSI supports reintroducing more flexibility for providers in implementation of the Targeted Compliance Framework.

Compulsory participation in ParentsNext should be designed to realistically accommodate the caring responsibilities of parents with young children. Currently, people in receipt of Parenting Payments can be referred to ParentsNext with compulsory participation when their youngest child turns six months, if they are assessed as being disadvantaged or an early school leaver. Many women with children aged six months have high levels of caring obligations, particularly when they have other young children. In these circumstances they have challenges participating in ParentsNext activities, which become an additional difficulty and demand on their time, rather than a form of support.

We suggest amending access to ParentsNext so that it is offered universally to all eligible parents whose youngest child is six months old as a voluntary option but defer referrals to ParentsNext (which typically have compulsory participation) until the youngest child is two years old.

¹ Australian Government. (2022). *Social Security Guide*. <https://guides.dss.gov.au/social-security-guide/3/11/11#:~:text=Background%20%26%20objectives,their%20youngest%20child%20starts%20school.e>

² Department of Jobs and Small Business, (2018). *ParentsNext Evaluation Report*. P63. Australian Government.

Administrative burden on participants

The implementation of the Targeted Compliance Framework has resulted in more time consuming administrative requirements for ParentsNext participants. Consequently, participants may focus on ensuring compliance with reporting requirements, so that their payments are not suspended. As a result, the value of activities can be a secondary priority, which impacts on quality of participation.

Suspension of payments and impact on families experiencing vulnerability

The suspension of Parenting Payments has major negative impacts on parents and the young children that these payments support. Our anecdotal experience in the national rollout is that the suspension of payments has increased and that this has a direct impact on child and family wellbeing.

Suspension of Parenting Payments should involve a rigorous process with several steps managed by Centrelink. Anecdotally, SSI and Access have heard of variations in the implementation of suspension of payments between ParentsNext providers. SSI recommends that the Department of Employment and Workplace Relations carry out an audit of payment suspensions to assess if there is inconsistency by region, provider and participant characteristics and ensure consistency across the program.

Funding and service delivery arrangements

SSI endorses the flexibility currently provided in the participation fund as providers can allocate funding to individual clients within the overall pool in the participation fund. We recommend that this flexibility be maintained in any future reforms to the program.

Consideration should also be given to the skill set required for ParentsNext consultants. In SSI's experience, the role requires a combination of case management skills and expertise relating to the labour market. In relation to the case manager role – parents often connect with the ParentsNext consultants on a frequency well beyond the monthly and quarterly appointments, with the partners seeking regular support and connection.

ParentsNext would benefit from a review to ensure that it is meeting its objectives

The (former) Department of Jobs and Small Business conducted an evaluation of the early impact of ParentsNext in the 10 trial sites after the first 14 months of the program. However, the national program has significant differences to the trial program, particularly in relation to compliance requirements. SSI recommends that an independent evaluation be completed and made public to ensure that ParentsNext is achieving its intended objectives and inform and refine future reforms to the program.

Case study

The following case study illustrates the vital role of Parents Next as a pre-employment program which helps parents address non-vocational barriers and build skills and confidence to enter the workforce.

Background

Having just come out of an abusive relationship and suffering from severe anxiety attacks, Nadia (name changed to protect privacy) found herself in a very low period of her life and didn't believe anyone could help her to get out of it.

Nadia, a mother of two young children, said at first she did not fully understand why she was referred by Centrelink to ParentsNext and neither did she have a very high expectations of what she would get out of it.

Support provided by ParentsNext

"The day of my first appointment, my anxiety was so bad I couldn't even take the lift to go up to the ParentsNext offices, so I had to walk up the emergency stairs with my daughter," Nadia said. "I actually had an attack during the meeting, as well, because I couldn't stand to be out of home in unfamiliar environments."

Nadia remembers how friendly and welcoming the staff were and how they helped her calm down and go ahead with the meeting. They talked about Nadia's past experience, her goals and dreams, and they set up a date for the second appointment.

"The first impression I had was good, but due to previous experiences with other employment service providers, I didn't think there was going to be much follow-up after that," she said. "Imagine my surprise when I attended the second meeting and they had a plan tailored and ready for me, which actually included the things I had mentioned in the first meeting I was interested in."

The feeling of being listened to had an immediate effect on Nadia, who slowly started rebuilding her self-esteem and believing in herself again.

"Seeing that someone believed in me encouraged me to continue and keep attending the sessions and courses that ParentsNext suggested for me," Nadia said.

Outcome

As part of her participation plan, Nadia completed a Certificate 4 in Community Services at TAFE and then went on to study a Diploma in Community Services. Nadia hopes this will lead her to a job where she'll be able to support other women who have experienced domestic and family violence.

"ParentsNext has had a great impact on my life, even my family and friends have noticed how much I've changed, and they've even asked me how they can access the service," Nadia said. "I'm really happy and ready to take on many new challenges from now on."