



## **Australian Government**

Australian Government response to the Senate  
Community Affairs References Committee report:

ParentsNext, including its trial and subsequent broader rollout

1 August 2019

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## Introduction

The Australian Government welcomes the Senate Community Affairs References Committee (the committee) report of March 2019 on ParentsNext, including the program's trial and subsequent broader rollout.

The Government thanks the committee for its report and the many people who took the time to provide submissions and appear as witnesses.

The ParentsNext program aims to:

- reduce welfare reliance and intergenerational welfare dependency
- increase female labour force participation
- help close the gap in Indigenous employment.

It supports these aims by helping parents plan and prepare for employment before their youngest child starts school.

ParentsNext was designed and implemented with a focus on meeting the needs of parents. It is flexible, recognises parents' caring responsibilities, does not require them to look for work, and incorporates family friendly sites and activities. Parents negotiate and agree to their activities and plans. Program eligibility is targeted, providing early intervention to parents on Parenting Payment who are at risk of long-term welfare dependency. While participation is compulsory for most participants, exemptions and valid reasons for non-attendance are available for those who are unable to participate.

The Government remains committed to the ParentsNext program. The national expansion has helped more than 93,300 parents to plan and prepare for employment by the time their children turn six. Since the national expansion (1 July 2018 – 30 June 2019):

- Over 25,000 parents commenced education
- Over 15,200 parents commenced employment
- Over 1,300 parents exited due to stable employment.

The ParentsNext 2016-2018 evaluation report shows participating in the ParentsNext trial generally increased parents' attitude to work, wellbeing and their chances of being in study or finding work. In addition to these findings, the department is undertaking a further evaluation to assess the effectiveness of the expanded program.

The Government is taking positive steps to improve the program including:

- reducing reporting requirements for parents in the program
- providing reminders to parents to attend and report their attendance at activities to reduce the incidence of payment suspensions
- expanding the range of exemptions that Services Australia can grant to parents who are genuinely unable to participate in the program.

These changes are being progressively implemented with some elements having already commenced. The Government will continue to work with stakeholders and the community to identify opportunities to enhance the program. As required, it will also take steps including adjusting program guidelines, improving communications or correcting provider behaviour.

The Government notes the committee's recommendations, and continues to review processes and settings to ensure the program meets stated objectives.

## Recommendations made by the committee

### **Recommendation 1**

The committee recommends that the ParentsNext program should not continue in its current form.

Government response—Not Supported.

The Government remains committed to the program. Evidence from the ParentsNext evaluation shows that the ParentsNext trial was effective in increasing parents' wellbeing and resulted in higher rates of work and study.

The Government has recently made a number of changes to improve the program including:

- removing activity reporting requirements for participants in full-time study
- ensuring participants do not need to report activity attendance more than once per fortnight
- allowing providers to remove reporting requirements for flexible activities such as online study or research activities
- simplifying exemption claims by expanding the exemptions Services Australia applies
- sending two reminder messages to participants to attend and report their attendance at activities to reduce the number of parenting payment suspensions

The Government will continue to identify further opportunities to make program improvements.

### **Recommendation 2**

The committee recommends that ParentsNext be reshaped, through a process of co-design with parents and experts, into a more supportive pre-employment program which meets the needs of parents and acknowledges and addresses the structural barriers to employment which they face.

Government response—Noted.

During the rollout of ParentsNext, the Department of Employment, Skills, Small and Family Business (the department) undertook a substantial consultation process with stakeholders, including providers, parents, peak bodies and community and Indigenous organisations.

As part of implementing the Government's changes described above, the department has consulted with key stakeholders who have been broadly supportive of the changes.

The department is committed to ongoing engagement with parents and key stakeholders to identify opportunities for program improvement. This collaborative approach reflects the Government's desire create a ParentsNext program that genuinely supports parents to prepare for employment.

**Recommendation 3**

The committee recommends that Centrelink, the Department of Jobs and Small Business and all ParentsNext providers review their strategies for communication with ParentsNext participants to ensure that messaging is consistent and clearly sets out what the program is, what is required of participants and participants' rights under the program.

Government response—Supported.

The department regularly reviews government communication products for participants. The department is updating existing ParentsNext information and creating new information for participants, including web content, FAQs and an updated fact sheet. The department is considering procuring a specialist communications consultancy to refine these materials to the target audience.

Several key documents are already translated into the ten languages in highest use by participants in the program and the department is arranging for the Participation Plan and supporting material to be developed into an audio translation for Indigenous languages.

**Recommendation 4**

The committee recommends that the Department of Jobs and Small Business consider sanctions against ParentsNext providers who are found to have pressured or coerced participants into signing the Privacy Notification and Consent form, or have suspended a participant's payment by recording 'Misconduct' for an appointment when they refused to sign the form.

Government response—Noted.

The department has written to all provider CEOs highlighting that parents are not obliged to sign the Privacy Notification and Consent form and that failure to do so does not result in suspended payments. The department is also exploring changes to the Privacy Notification and Consent form, and the associated guideline, to clarify its purpose.

If a provider is found to have pressured a participant into signing the form, the department will take appropriate action under the ParentsNext 2018-2021 Deed (the deed).

The department has reviewed all instances where 'Misconduct' has been recorded and found no evidence of a provider coercing a participant into signing the Privacy Notification and Consent form at the initial appointment.

**Recommendation 5**

The committee recommends that ParentsNext providers ensure that their employees are trained in areas such as disability awareness, cultural sensitivity and domestic and family violence to ensure that the services they deliver and the activities to which they refer participants are appropriate, sensitive and suitable to the needs of individuals.

Government response—Noted.

To be awarded ParentsNext business, providers had to satisfy the department that they would deliver services to vulnerable parents in their local community appropriately. This included the ability to support parents in a culturally competent way and supporting those who are experiencing violence and trauma or living with disabilities.



The department is embarking upon a range of training for provider staff and will consider including specialised domestic and family violence targeted training which will build upon their existing skills levels. The department is also considering avenues for enhanced Indigenous cultural competency training.

The department has engaged a consultant to develop a toolkit for providers to better support the delivery of culturally appropriate services for Indigenous participants.

#### **Recommendation 6**

The committee further recommends that where a ParentsNext provider does not have the specialised knowledge to provide appropriate pre-employment services to a participant with specific needs, participants should be referred to another ParentsNext provider, or an alternative pre-employment or social service program which does.

Government response—Noted.

Providers link participants to services in the community delivered by other local service providers where specialised services are required.

Parents in the program can transfer to a new provider, either by mutual agreement or through the department's National Customer Service Line. Reasons for transfer include for better servicing.

#### **Recommendations made by the Labor Senators:**

##### **Recommendation L1**

For participants, the first appointment with a ParentsNext provider should remain mandatory.

Government response—Noted.

This is a continuation of the status quo.

##### **Recommendation L2**

Participants who miss the first appointment should be given the opportunity to address their failure to attend before any suspension is imposed.

Government response—Not supported.

This recommendation is inconsistent with the Targeted Compliance Framework (TCF). Under the TCF, attendance at ParentsNext initial appointments has increased from 65 per cent during the ParentsNext trial (ParentsNext 2016) to around 78 per cent in the current program.

Under existing arrangements, participants generally have several days to re-engage after missing their initial appointment before a suspension affects their Parenting Payment which is administered by Centrelink. This is because Centrelink generally avoids scheduling a participant's initial ParentsNext appointment close to the reporting day for their Parenting Payment.

Parents can and should contact their provider prior to the appointment if they are unable to attend and the provider will reschedule to a more appropriate time.

The changes the Government has made in response to Recommendation 1 should significantly reduce the frequency of payment suspensions.

**Recommendation L3**

Continued participation in the program, following the first appointment, should be by agreement between the provider and the participant. Compliance obligations should not apply to activities undertaken by agreement.

Government response—Not supported.

As discussed in the department's submission, both the ParentsNext trial evaluation and evidence from earlier similar pilots showed significantly better results when the activity requirements were compulsory. As such, the Government does not support this recommendation as it will undermine the program's effectiveness.

**Recommendation L4**

Providers' staff should be trained in recognising disclosure of domestic violence and in referring victims and survivors to specialist services.

Government response—Noted.

To be awarded ParentsNext business, providers had to satisfy the department that they would deliver services to vulnerable parents, including supporting parents dealing with violence and trauma. The department has given, and continues to give providers access to training resources.

The department will review the domestic and family violence response training undertaken by ParentsNext provider staff. Using this information, the department will consider making domestic violence training mandatory for all ParentsNext provider staff or delivering specialised domestic violence targeted training.

**Recommendations made by the Australian Greens:****Recommendation G1**

The Australian Greens recommend that the use of the Targeted Compliance Framework for recording and reporting participation in ParentsNext be ceased immediately and not included in any future redesign.

Government response—Not supported.

Ceasing the operation of the TCF would undermine the effectiveness of the ParentsNext program. ParentsNext attendance at appointments has increased from 66 per cent during the ParentsNext trial (before the TCF) to around 80 per cent in the current program (under the TCF).

**Recommendation G2**

The Australian Greens recommend that the compulsory referral to ParentsNext of any eligible person receiving Parenting Payment be ceased immediately.

Government response—Not supported.

The Government does not agree with this recommendation, as the evidence shows that having compulsory activities improves the program's effectiveness and that the most disadvantaged participants would not participate if the program was voluntary.