



SHEPPARTON
PO Box 1069 Shepparton Vic 3632
19 Welsford Street Shepparton
Phone: 03 5823 7000
Fax: 03 5831 1917

SEYMOUR
PO Box 457 Seymour Vic 3660
64 High Street Seymour
Phone: 03 5735 4600
Fax: 03 5799 0016

www.familycare.net.au
Goulburn Valley Family Care Inc.
Reg no. A0030646V
ABN 99 572 820 584
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Committee Secretary
Community Affairs References Committee
The Senate
PO Box 6100
Parliament House
Canberra ACT 2600

(by email to community.affairs.sen@aph.gov.au)

12 February 2019

Dear Ms Radcliffe,

Inquiry into ParentsNext, including its trial and subsequent broader rollout

Thank you for the invitation to provide a submission. We appreciate the opportunity to comment.

FamilyCare is the main provider of child and family services in the Goulburn Valley and West Hume region of Victoria. FamilyCare commenced operations in 1984, has its base in Shepparton, with offices in Wallan, Seymour and Cobram and an outreach presence in Kinglake, Alexandra and Kilmore.

We employ around 120 staff and engage around 70 volunteers in a variety of roles. FamilyCare also provides targeted aged-care and disability support services, particularly for carers, as well as a range of innovative community development activities. On issues of importance to our clients and when it is practical to do so, FamilyCare contributes to public policy discussion and debates. The majority of FamilyCare's child and family services are funded and supervised by the State of Victoria, via the Department of Health and Human Services.

ParentsNext commenced in Shepparton in mid-2016. There is overlap between people required to participate in ParentsNext and those accessing FamilyCare's services. Our comments are informed by that intersection and communications with our clients, other service providers and relevant representative bodies.

Please let me know if the Committee would like any further information or clarification of the issues we have raised.

Yours sincerely,

David Tennant
Chief Executive Officer

Executive Summary and Recommendations:

Shepparton was selected as one of ten place-based welfare reform trial sites in May 2011. There was no consultation prior to the announcement of the sites and there has been limited effective engagement with the local community about the impacts of the reform measures in the years since. The reform trials have presented a variety of challenges for participants and local providers of a range of support services.

The initial ParentsNext trial sites announced in January 2016 were the same ten places selected to host the welfare reform trials in 2011. There was no consultation with the Shepparton community about the design of ParentsNext, or of the need for such a program prior to the announcement. Communications with the Departments responsible for ParentsNext have provided limited opportunity for substantive feedback.

ParentsNext has made the delivery of effective support services for families with children more difficult. Interactions with our clients suggest it has also made the lives of participants more stressful and on occasions has precipitated crises that placed vulnerable people, including children, at increased risk.

The broader roll-out of ParentsNext in 2018 failed to recognise or respond to the problems inherent in the programs's design. Although there was a welcome relaxation of some activation points for mandatory participation, linking ParentsNext with the Targeted Compliance Framework has caused additional problems for participants and other service providers.

Recommendations:

- 1. Programs intended to address vulnerability or disadvantage in specific locations must effectively involve relevant people in those locations in design, delivery, oversight and review.**
- 2. Evaluation should be independent of government and properly engage impacted participants and relevant stakeholders in design, governance and publication.**
- 3. The delivery of ParentsNext in its current form should be suspended.**
- 4. Any revised model should be based on the principles of voluntary participation, support and encouragement and specifically exclude the application of financial penalties.**
- 5. Programs intended to encourage parental participation in study or employment must consider and as far as practical avoid adverse consequences for participants and their children.**

This submission will focus on three issues:

- a) Shepparton's experience of place-based welfare reform activities;
- b) Process concerns about the development, roll-out and evaluation of ParentsNext; and
- c) Adverse impacts of ParentsNext.

a) Shepparton's experience of place-based welfare reform activities:

In May 2011, as part of the Commonwealth Budget, the local government area of Greater Shepparton was announced as one of ten communities around Australia to host a series of place-based welfare reform trials. The trials were included in a package referred to as Building Australia's Future Workforce (BAFW). Two of the ten BAFW trial communities were located in Victoria, the other being the local government area of Hume. Five of the ten sites were also required to host a trial of Income Management. Shepparton was included in the Income Management trial list as well and is the only such site in Victoria.

As far as FamilyCare is aware, the Shepparton community was not consulted about its inclusion in the welfare reform trials, or informed about the selection prior to announcement. The identification of a group of communities based on their disadvantage resulted in a focus on negatives. For example, local and external media contacted community groups in Shepparton to ask why our town had been included in a list of the ten worst communities in Australia. In the absence of additional explanation and timely transitional support, the communication gaps fed a sense of frustration locally.

As the trials commenced a Local Advisory Group (LAG) was appointed by the Minister for Human Services in each of the trial sites. FamilyCare's CEO was a member of the Shepparton LAG. The main function of the LAG was to make recommendations to government about the distribution of additional resources through a Local Solutions Fund. The capacity for local services to design and deliver activities within the Building Australia's Future Workforce framework was welcome. Some very positive initiatives followed, for example the establishment of a youth leadership program focused on culturally and linguistically diverse groups, including young people from refugee backgrounds.¹

Shepparton also received funding to become a Communities for Children site in the BAFW package. FamilyCare participated in the establishment of Communities for Children and continues to be a part of both the governance and operational aspects of that program.

Elements of the welfare reform trials have evolved since the announcement in 2011. The most significant change occurred after the federal election in September 2013, which resulted in a change of government. The incoming Coalition Government under the leadership of Prime Minister Abbott concluded the BAFW package, disbanded the LAGs and discontinued the Local Solutions Fund. A number of welfare reform activities remained however, including two programs that were the forerunners to ParentsNext – Helping Young Parents and Supporting Jobless Families. Income Management was also amongst the programs that continued.

The special status of the ten place-based trial sites remains. FamilyCare is not aware of any planned review of that status, or of any cost-benefit analysis to determine the effectiveness of the trials overall, or per site.

¹ Information about the Future Voices program can be found at <http://futurevoices.com.au/>

Across the period of the reform trials, the programs that focus on groups of Commonwealth benefit support recipients generally require those people to participate in defined activities. Participation is monitored and a failure to comply with program rules can result in the suspension or even cancellation of a benefit entitlement. This approach contrasts with other support services such as those provided by FamilyCare, which are mostly voluntary. The tension between the mandatory, compliance-based, sanction-backed reforms and free, voluntary services has created problems for participants and providers throughout the reform trials. There is currently no forum for the discussion or resolution of those tensions.

Recommendation 1:

Programs intended to address vulnerability or disadvantage in specific locations must effectively involve relevant people in those locations in design, delivery, oversight and review.

b) Process concerns about the development, roll-out and evaluation of ParentsNext:

The first trial of ParentsNext was announced in a media release issued by the Minister for Employment, Senator the Hon Michaelia Cash, on 6 January 2016. The same ten sites included in the place-based reforms announced in May 2011 were selected to host the ParentsNext trial. ParentsNext replaced two existing measures – Helping Young Parents and Supporting Jobless Families. Similar to the initial rollout, there was as far as FamilyCare is aware no consultation with the Shepparton community prior to the Minister's announcement.

There was limited information about how ParentsNext would work in the media release. FamilyCare sought further details from the Department of Employment. Several attached documents provide background on those communications and the concerns about ParentsNext which were raised in early 2016:

- Attachment 1 – A letter to Member for Murray, the Hon Dr Sharman Stone, dated 26 February 2016.
- Attachment 2 – An Overview of ParentsNext prepared by the Department of Employment ahead of a Shepparton consultation on 31 May 2016.
- Attachment 3 – Minutes of a meeting between Shepparton service representatives and Department of Employment representatives on 31 May 2016, prepared by CatholicCare Sandhurst.

With local service partners, FamilyCare sought to focus attention on the likelihood that mandatory participation requirements and financial sanctions would cause unintended harm to participant parents and their children. Those concerns were underpinned by the defined activation points for compulsory participation. In summary, all parents with children between the ages of six months and six years, who had been unemployed for six months or more, were required to participate. Exemptions were available but were narrow in their application. The Department was asked to ensure these issues were considered in the planned evaluation of the trial. Local services including FamilyCare also asked to be consulted about and included in evaluation activities.

A Research Report on the Helping Young Parents and Supporting Jobless Families trials was released in August 2017, several months after ParentsNext commenced in Shepparton. The report concluded that both trials had resulted in parents increasing their participation in education and usage of child care. Additional conclusions were drawn about the relative

benefits of programs where participation is mandatory and where sanctions are applied for non-participation, including:

Former Australian and International government interventions which provided a holistic level of support services to assist jobless families have generally been found to have had a modest impact on reducing welfare use, especially when the uptake of interventions was voluntary. Research demonstrates that programs with no, or limited enforcement of participation requirements, often have weak or negligible impact on employment outcomes.²

In conclusion, both trials had positive impacts on participants' engagement in study and child care usage. The compulsory nature of (Helping Young Parents) activities was the likely cause of the significantly higher level of program impact.³

Helping Young Parents and Supporting Jobless Families did include holistic support services that were in FamilyCare's view significant contributors to the achievement of positive outcomes. For example, the design of the Local Advisory Groups included representatives from all levels of government, Commonwealth, State and the Greater Shepparton City Council, local non-government community service providers, local businesses and training/education providers. Regardless of any local concerns about the design and announcement of the BAFW package, all of the Local Advisory Group stakeholders worked hard to consider structural barriers to opportunity and participation and to ensure referral pathways were timely and effective.

There was also an increased capacity for case coordination built into the BAFW delivery model for relevant Commonwealth officers. Centrelink staff at the Shepparton regional office were able to provide additional support to trial participants, including detailed planning discussions, warm referrals to external services, networking and follow-up. FamilyCare's experience of these elements of the model was positive, with similar feedback from other local providers.

Information provided to LAG members indicated that the case coordination model was planned to operate until 2015, which was presumably extended until ParentsNext commenced in 2016. There was a commitment to evaluate the effectiveness of the approach, to determine implications for future delivery.⁴ If that evaluation was conducted FamilyCare has not been able to locate it. An announcement made as part of the 2014/15 budget indicated that evaluations of the BAFW package not yet complete would cease. Case coordination may have been part of the work that was discontinued.

In mid-2017 the Department of Employment issued a Discussion Paper in relation to ParentsNext. Along with Mildura-based agency Mallee Family Care which has a similar child and family services platform, FamilyCare provided a brief written comment on the review which is included as Attachment 4. Both agencies noted the Discussion Paper focused on the terms for expanding ParentsNext and not its effectiveness and asked to be involved in evaluation processes. Neither FamilyCare nor Mallee Family Care received any reply to the correspondence, or any contact about the evaluation of ParentsNext. Mildura subsequently became an Intensive ParentsNext site in the 2018 expansion.

In September 2018 the Department of Jobs and Small Business released the ParentsNext Evaluation report, after the national expansion had occurred. FamilyCare was not asked for its views about the operation of ParentsNext in Shepparton in the preparation of the evaluation.

² Australian Government; *Helping Young Parents and Supporting Jobless Families Research Report*; Department of Employment; Canberra; August 2017; page 5

³ Ibid; *Helping Young Parents and Supporting Jobless Families Research Report*; page 10

⁴ Shepparton LAG members were provided with a Local Government Area Profile on 7 May 2012. The document included a description of the case coordination approach and commitment to review.

There are a number of concerns about the design and conclusions in the evaluation. The most significant of those is the absence of enquiry about the impact of sanctions on participants.

The incidence of reported compliance activity and sanctions was significant. Of the 16,792 participants who commenced ParentsNext in the ten trial sites, 22% (over 3,500) were subject to a compliance report and 9.1% (over 1500) received a payment suspension.⁵ The incidence of multiple compliance reports or sanctions for individual participants was not included in the evaluation.

FamilyCare's understanding of the broader roll-out of ParentsNext is that whilst there has been some relaxation of activation points in non-intensive sites, the introduction of the Targeted Compliance Framework has dramatically increased the rate of sanctions being applied.

Recommendation 2:

Evaluation should be independent of government and properly engage impacted participants and relevant stakeholders in design, governance and publication.

c) Adverse impacts of ParentsNext:

In the media release announcing ParentsNext in January 2016, Minister for Employment, Senator the Hon Michaelia Cash noted the following:

"ParentsNext will help parents with young children at risk of long term unemployment to gain the skills and build the networks they need to be able to get a job once their child is old enough to go to school.

"This is an important step towards reducing intergenerational unemployment and welfare dependency."⁶

FamilyCare recognises the benefits of supporting parents to reconnect with community, education and the workforce as their children grow up. More detailed evidence about the important role education and employment play in insulating families against poverty and disadvantage are provided by other sector colleagues, including the Centre for Excellence in Child and Family Welfare, Good Shepherd ANZ and the Brotherhood of St Laurence.

The design of ParentsNext focuses less on empowerment than it does on participation obligations and penalties for non-compliance. It does not consider effective parenting and attachment. Although there are participants who have reported positive experiences, the compliance framework has created extra challenges. For some of our clients that has included confusion, or frustration; for others, genuine anxiety. Feedback provided to FamilyCare accords with a small sample of local experiences undertaken by the Council for Single Mothers and their Children during visits to Shepparton in March 2018.⁷

For a not-insignificant minority, compliance and sanctions have created a crisis, or made a difficult situation worse. In one matter, FamilyCare intervened to cover a debt created by a suspension, that may have exposed the family to homelessness. Reinstating and backdating payments does not immediately restore financial stability in a household with young children, surviving on a low, fixed income.

As a Victorian child and family services provider, FamilyCare operates within a system that prioritises the wellbeing and safety of children. The Victorian Child Youth and Families Act 2005 contains a series of Best Interests Principles and a copy of the relevant section is attached. In

⁵ Australian Government; *ParentsNext Evaluation Report*; Department of Jobs and Small Business; Canberra; September 2018; page 38

⁶ Senator the Hon Michaelia Cash; *ParentsNext – helping parents with children prepare for work*; Media Release; Canberra; 6 January 2016

⁷ Council of Single Mothers and their Children; *Exploring views on ParentsNext – CSMC visit to Shepparton 7-8 March 2018*; Melbourne; April 2018. (The report appears as an appendix in the CSMC submission to this Inquiry.)

FamilyCare's view the sanctions applied under ParentsNext are inconsistent with the Best Interest Principles, in particular Section 10(1), (2) and (3)(a), (b) and (j). The latter of these, section 10(3)(j), specifically notes 'the capacity of each parent or other adult relative or potential care giver to provide for the child's needs...'. The application of sanctions under ParentsNext does not consider the material needs of children and the capacity of the sanctioned parent to meet those needs.

There have been a variety of service delivery challenges for FamilyCare as a result of ParentsNext. The majority of FamilyCare's services are voluntary with the exception of some activities connected to the Child Protection and Justice systems. In most circumstances, positive outcomes are more likely to be achieved and sustained if our clients choose to be involved and feel like services are responsive to their needs and circumstances. The interface between predominantly voluntary services and mandatory participation has been problematic.

A good example of the friction between these different models was a change in the pattern of calls to FamilyCare's Child FIRST intake lines in the months after the ParentsNext trial commenced. Child FIRST provides a safe entry point for people who have questions or concerns about the safety of children. It offers anonymity when appropriate but also facilitates referral to a wide variety of other supports inside FamilyCare and across regional services.

FamilyCare received numerous calls from clients who reported contacting Child FIRST had been included in mandatory participation plans. Some indicated they had no role in the selection of the requirement to call FamilyCare, had no idea what Child FIRST was and no specific need for the service, other than meeting a participation requirement. Child FIRST staff were also routinely contacted by provider staff wanting to confirm that ParentsNext participants had called, without permission for the confirmation to be provided. The interactions were unhelpful for clients and made Child FIRST more difficult to contact for those who did want the support.

Communications with Catholic Care Sandhurst, one of two Shepparton ParentsNext providers, helped to resolve some of the initial communication and demand problems. The structural disconnect between the state and commonwealth policy approaches remains.

Instances of unintended harm have been exacerbated by the Targeted Compliance Framework (TCF) introduced after the initial trial. FamilyCare's understanding of the TCF is that discretions to avoid sanctions have reduced, in turn increasing the number of sanctions applied. The harm being caused is both predictable and avoidable.

Recommendation 3:

The delivery of ParentsNext in its current form should be suspended.

In late 2018, prior to the announcement of this Inquiry, FamilyCare's CEO and Board Chair met with Member for Murray the Hon Damian Drum to discuss ParentsNext. As a result of those communications a proposal for an alternative trial was prepared and is attached. FamilyCare does not claim the alternative is the best or only way to proceed but any model that combines mandatory participation requirements with the suspension of Parenting Payment places vulnerable parents and children at risk.

Recommendation 4:

Any revised model should be based on the principles of voluntary participation, support and encouragement and specifically exclude the application of financial penalties.

Recommendation 5:

Programs intended to encourage parental participation in study or employment must consider and as far as practical avoid adverse consequences for participants and their children.

Attachments:

- 1) Letter to the Hon Dr Sharman Stone, Member for Murray, 26 February 2016**
- 2) Overview of ParentsNext prepared by the Department of Employment May 2016**
- 3) Minutes of meeting between Shepparton service representatives and Department of Employment representatives on 31 May 2016, prepared by CatholicCare Sandhurst**
- 4) Letter from Mallee Family Care and FamilyCare to Department of Employment**
- 5) Extract from the Children Youth and Families Act (2005), section 10 Best Interest Principles**
- 6) Proposal for alternative trial - Supporting Parents to Connect**

(Attachment 1)

The Hon Dr Sharman Stone MP
Member for Murray
(By email)

26 February 2016

Dear Dr Stone,

Re: ParentsNext Trials

We write to seek your assistance in obtaining a better understanding of the ParentsNext trial that is due to commence in Shepparton in early April. As a group of key community agencies operating in Shepparton and providing support and assistance to low income households in the region, we believe it is inevitable that significant numbers of our clients will be impacted by the trial. To date we have not been able to obtain sufficient practical information about the intended activities from the auspice agency, the Department of Employment.

Our key questions are as follows:

Operational detail:

- Can we be provided with the program guidelines for ParentsNext?
- How have the estimated numbers for the Shepparton trial been determined?
- Who will be responsible for determining when instances of non-participation will result in payment suspensions; what if any discretions can be applied in determining payment suspension; what are the appeal rights and what practical arrangements are being made in Shepparton to ensure people can access and give effect to those appeal rights?

Evaluation:

- What were the Shepparton specific outcomes for the Helping Young Parents and Supporting Jobless Families trials that commenced in 2012 and which ParentsNext is intended to replace?
- Has the Shepparton data and the broader evaluation of the Helping Young Parents and Supporting Jobless Families trials been independently verified and if so how and by whom?
- What is the intended approach to evaluating ParentsNext and specifically:
 - When and how is a baseline being established?
 - Who is conducting the evaluation and will it be undertaken independent of Government?
 - What opportunities will the Community have to engage with and comment on the evaluation framework?

Understanding and ameliorating unintended consequences:

- What risk analysis has Government undertaken into the potential adverse consequences of the ParentsNext compulsory participation and penalty for non-engagement approach, for example the likely Child Protection impacts of suspending parenting payments?
- How will Government ensure that no child is harmed, exposed to increased risk, or disadvantaged as a result of the trial?
- Has Government undertaken any analysis of likely increased demand for additional support services for ParentsNext participants and how will those be resourced?

We would greatly appreciate your assistance in obtaining answers to these questions. We would also welcome effective engagement between the Department of Employment and Shepparton services as a matter of urgency. To date the Department has deferred substantive communications on the basis that it may adversely impact the probity process for appointing providers to administer ParentsNext in Shepparton. Commercial arrangements with the

provider(s) are separate to the questions we have raised in this letter and in understanding and preparing for the impacts of the trial in our community, including the potential to maximise positive outcomes. Either in ameliorating problems, or building sustainable improvement, effective engagement with the local service sector has much to offer.

We also note that one our signatories, CatholicCare Sandhurst, is a lead applicant in the ParentsNext tender process. If necessary, CatholicCare can stand aside from these communications until the tender outcomes are announced. CatholicCare's application makes clear its commitment to the type of proper local consultation that this letter is seeking.

Finally, we acknowledge Governments are elected to pursue their policy agenda and that community agencies should find ways to work with that agenda. We are however frustrated by the lack of respect for place in the development of place-based solutions. The announcement of ParentsNext is not dissimilar to the way the first wave of welfare reform trials for Shepparton and nine other communities were announced on budget night 2011. Indeed the time allowed between the announcement and commencement of ParentsNext in this community is much shorter than was the case for the first trials.

We would welcome a commitment from Government to talk to communities in advance of major policy announcements and to involve us in their design.

We look forward to your reply and would be happy to meet with you if that were of assistance.

Yours sincerely,



David Tennant – CEO
FamilyCare



(And on behalf of)

Melinda Lawley – CEO
The Bridge Youth Service



Nicholas Haney
Regional Manager, Goulburn-Murray
Catholic Care Sandhurst



Patrice Jackson – Director Hume
Berry Street Victoria



Rebecca Lorains – CEO
Primary Care Connect



(Attachment 2)



Australian Government
Department of Employment

Overview of ParentsNext

This paper provides background information for a discussion between Department of Employment representatives and the Shepparton ParentsNext Consultation Group on 31 May 2016, via teleconference.

Introduction

ParentsNext is an initiative under the Youth Employment Strategy announced in the 2015-16 Budget. On 4 April 2016, ParentsNext projects were established in Greater Shepparton and nine other Local Government Areas to help parents with young children to plan and prepare for employment. Projects are delivered by non-government organisations selected through a grant application process. ParentsNext replaces the Helping Young Parents and Supporting Jobless Families trials established as part of the Better Futures/Local Solutions initiative and delivered by the Department of Human Services (DHS) from 2012 to 31 March 2016.

Funding for ParentsNext is ongoing. As with any other Government programme, the future funding, shape and scale of ParentsNext will be subject to decisions by Government.

The selection of 10 Local Government Areas

The selection of Greater Shepparton and other nine Local Government Areas dates back to a decision taken under the Better Futures/Local Solutions (place-based) stream of the then Building Australia's Future Workforce package. The selection was informed by an analysis of a wide range of labour market and socioeconomic indicators, including the unemployment rate, participation rate, educational attainment, the number and proportion of population on income support, and a history of labour market disadvantage. While conditions have improved somewhat in some areas (and deteriorated in others) in the intervening years, the selected areas remain below the national average on a number of key indicators. Better Futures/Local Solutions encompassed other measures administered by different portfolio agencies which meant a whole-of-government perspective to the selection of Local Government Areas for place-based measures, of which Helping Young Parents and Supporting Jobless Families were but two.

An important consideration for the implementation of ParentsNext was to provide continuity so that the transition from government to non-government service delivery could build on the service and community networks established under the earlier Better Futures/Local Solutions initiatives.

Policy underpinnings

ParentsNext is a pre-employment programme aimed at helping parents to think about and plan for employment by the time their youngest child goes to school. The model of assistance centres on goal setting and goal attainment. A parent's Participation Plan identifies their education and employment related goals and the activities they agree to do to progress towards their goals. The Participation Plan is negotiated by the parent and their ParentsNext provider and takes personal and family circumstances into account.

The rationale for a separate ParentsNext programme is that mainstream employment services which focus on job search effort may not be ideally suited to parents caring for young children. ParentsNext is designed to encourage parents to actively plan and prepare for employment while allowing for young children to be their first priority. There are no job search requirements for parents in ParentsNext.

ParentsNext is based on a principle of compulsory regular appointments and activities to help parents become work ready, with priority given to the completion of Year 12 or equivalent qualification for parents who are early school leavers. This is similar to the Helping Young Parents model of assistance, but ParentsNext targets a wider group of parents, including volunteers, and is designed with a stronger focus on preparing for employment. There is no specified parental age limit: a parent may be eligible if they have a youngest child under six years of age.

Participation in ParentsNext is compulsory for certain Parenting Payment recipients at high risk of long-term unemployment or nearing job search requirements (when their child turns six years). Compulsory participation involves attendance at an appointment with the ParentsNext provider once every six months and one compulsory activity. This compares with two compulsory activities under the Helping Young Parents trial delivered by DHS. Appointments can be face-to-face or by other means—for example, telephone or online contact—as agreed by the parent.

Consultation

The Department of Employment consulted with the Australian Council of Social Service, the National Welfare Rights Network, and the National Council for Single Mothers and Their Children on the introduction of ParentsNext. These organisations expressed general support for the decision to engage community and non-government organisations with strong local service networks to deliver ParentsNext and the flexibility that project providers will have to respond appropriately to each parent's individual and family circumstances.

Purchasing process and outcomes

In late December 2015 the Department of Employment publicised the forthcoming announcement of a programme for parents with young children to operate in 10 Local Government Areas. Grant Guidelines for ParentsNext were released on 6 January 2016 with notices in the national press. On 9 March 2016, the Minister for Employment announced 25 successful applicants, including CatholicCare Sandhurst and CVGT Australia Limited in Greater Shepparton.

Operational overview

ParentsNext Programme Guidelines were published on 21 March 2016. They can be found at www.employment.gov.au/parentsnext?resource. Providers with access to the department's information technology system can access Programme Guidelines on the Provider Portal. Eligibility criteria for ParentsNext can be found in the Eligibility, Referrals and Commencement Guideline (eligibility criteria were also published in the Grant Guidelines).

Estimated numbers of participants in Greater Shepparton were determined from administrative data on income support recipients by applying the eligibility criteria for compulsory participants in ParentsNext. An estimate of voluntary participants was based on numbers of volunteer parents in mainstream employment services; at the time this was the best available, although possibly not precise guide, to volunteering in ParentsNext. The Department estimated that the two funded projects in Greater Shepparton will together support around 1200 participants per year of ParentsNext, over the course of each year.

A project-based model for delivering ParentsNext was chosen to allow providers to bring creative and unique approaches to delivering activities that help parents achieve their goals. Compulsory participants have one compulsory activity, as agreed between the participant and their ParentsNext project provider, and can have any number of additional, voluntary, activities, as agreed. There is no specified number of hours of activity because activities should be tailored according to parents' individual needs and circumstances. The Department expects each project to involve participants in the design of activities and project governance.

Should a parent express a desire to look for work and need help to do so, he or she can participate on a voluntary basis in *jobactive*. ParentsNext project providers can help participants to access voluntary work, the Transition to Work programme, the National Enterprise Incentive Scheme and Skills for Education and Employment, as appropriate. If a participant obtains part-time or casual paid employment this can count as their compulsory activity and where paid employment averages at least 15 hours per week for the foreseeable future the participant can be exited from ParentsNext.

Core aspects of a project including the contact model, activity model, participant involvement and feedback mechanisms, and community linkages are reflected in the Project Delivery Plan which is made available to all participants in the project.

The ParentsNext Compliance Framework equips project providers with strategies to help compulsory participants meet their participation (appointment and activity) requirements. In instances of non-participation, ParentsNext Project providers are expected to employ a range of re-engagement strategies before submitting a compliance report to DHS. The Department expects that providers' experience in working with parents will minimise compliance reports. If a report is submitted, DHS determines whether to take compliance action after investigating the report. Action by DHS may include payment suspension and, if the parent does not agree to re-engage within 13 weeks, cancellation. Where payment is suspended, payment is restored and back paid in full when the parent agrees to participate. Note that a parent's receipt of Family Tax Benefit is unaffected by any suspension applied in relation to non-participation in ParentsNext.

ParentsNext project providers have the delegation to exempt compulsory participants from their participation requirements if they are experiencing exceptional circumstances as specified in Social Security Law.

ParentsNext is an approved labour market programme for Jobs, Education and Training Child Care Fee Assistance. This ensures child care affordability for eligible parents who are undertaking education and employment activities in ParentsNext.

Evaluation

An evaluation of ParentsNext will be conducted by the department's Evaluation, Research and Evidence Branch. Key stakeholders will be consulted on the draft evaluation strategy.

(Attachment 3)

**ParentsNext
CatholicCare Sandhurst**

MEETING MINUTES

Date:	31 May 2016	Location:	CatholicCare Sandhurst
Time:	11:00 am	Closed:	12:00

Welcome and Acknowledgment of Country:

Attendees: Peter Richardson, David Tennant, Greg Laidlaw, , Melinda Lawley, Glenn Canning, Nicholas Haney, Cathy Hales (Director Parents and Families), Ali Jalayer (Assistant Secretary Specialist Programmes Branch), Kathryn Gardner , Carol Frederick, John Fletcher

Apologies: Rebecca Lorains, Patrice Jackson

TOPICS/THEMES FOR DISCUSSION

- I. Update provided of CCS ParentsNext - Outlined subcontractual and community capacity approach intended to extend existing service system.**
- II. Update/Response to Letter to Dr. Stone February 25, 2016**

Discussion highlighted grant guidelines released January advised the need for organisations to be comfortable with approach before tendering for ParentsNext.

Confirmed by group to date there has been no response from Dr. Stone's office, but overview provided by the Department of Employment gave some overarching information to the group. Outlined intention of the day was to gain Shepparton specific perspective.

- a. Group - Operational Clarity – Shepparton community has been exposed to several 'trials' and appears rollout of ParentsNext repeats the lack of consultation of 2011**
- b. Department - Caretaker mode – Factual Responses only at this time**

Questions - Operational

Queries regarding development of calculated projection of voluntary/compulsory participants for the project, how were these determined for Shepparton specifically?

- 6K per year voluntary per year across Australia**
- Approximately 1200 (compulsory and voluntary) Shepparton specific**
- As a general guide, areas can expect around $\frac{3}{4}$ Compulsory (900) and $\frac{1}{4}$ Voluntary (300)**

Question raised if this was consistent with the BFWA numbers which were – significantly lower

Action – Question on Notice for clarification with the Department

Further discussion regarding the implications of Social Security and information to vulnerable/disadvantaged

Providers supply general information to participants re: rights in line with existing provisions through the Department of Human Services for appealing decisions that relate to income support; no additional specific support for appealing Department of Human Services decisions is provided through ParentsNext.

ParentsNext locations determined through analysis of labour market indicators undertaken for the 2012 trials and more recent reconfirmation that areas remain below national averages on a range of indicators, together with consideration of the service networks that were established under the 2012 trials and which provide a foundation for ParentsNext projects. Data included but were not limited to unemployment rate (increase/decrease etc...) Shepparton data taken on notice.

Actions: Department to supply publicly available data on the Shepparton area that factored into the decision.

Evaluation

Request to have access to the outcomes/report for Helping Young Parents and Supporting Jobless Families Trials (Shepparton specific or generally?) – Advised this would have to come from Government

Evaluation approach currently under development upon settlement of the ParentsNext program. Will incorporate a range of factors which will include: area data – Early school leavers / degree of change measurement

Questions raised regarding a valid baseline – evaluation methods are currently being developed, considering a range of options for impact measurement including checking the feasibility of methods that involve historical and geographical and within-area comparison groups.

Timeframe for rollout: To be advised by the Evaluation, Research and Evidence Branch — timing is an aspect of the evaluation strategy that is under development.

Evaluation will be designed and conducted by the Evaluation, Research and Evidence Branch of the Department .

Given desire by group for clarity, question raised if possible for a direct line of communication with the evaluators for communication with Shepparton service stakeholders.

Action: Confirm availability of evaluators to have direct contact, to be communicated through CCS

Unintended Consequences

Discussed if any analyses of consequences of penalties in line with State (child protection)?

- **99% of participants in the 2012 trials had no financial penalties**
- **Enough safeguard within system to ensure vulnerable children are not affected**
- **An analysis of risks and benefits was undertaken for the Statement of Compatibility with Human Rights that supports and was tabled with the Legislative Instrument for ParentsNext.**

Next Meeting: TBD

All

(Attachment 4)



John Fletcher
Regional Manager
Victorian Country Regional Office Bendigo
Australian Government Department of Employment

Email: John.Fletcher@employment.gov.au

And by email: espurchasing@employment.gov.au.

12 October 2017

Dear Mr Fletcher,

We are aware that the consultation period for the recent ParentsNext Discussion Paper is now closed. Having read the paper, engaged with colleagues and in Mallee Family Care's case attended an Information Session, we understand the consultation was focussed on expansion of the program, rather than the policy approach.

We do however believe the perspective of our agencies is useful and even though the consultation has concluded provide the following comment for both information and to maintain an appropriate record of developments. Neither Mallee Family Care nor FamilyCare are or intend to be ParentsNext providers. A significant number of our clients are or will be impacted by the policy.

Brief background and context:

Mallee Family Care and FamilyCare are independent, regional community service providers. As the name suggests Mallee Family Care operates across the Mallee with its main office in Mildura. FamilyCare's full legal name is Goulburn Valley Family Care Inc and its main office is located in Shepparton. Both Mallee Family Care and FamilyCare share similar visions and values. In particular both are committed to building capacity by focusing on strengths and providing positive support and encouragement.

Shepparton has been a trial site for ParentsNext since the program commenced in mid-2015 and was a trial site for the preceding Supporting Young Parents and Helping Jobless Families programs. Mildura has been selected as an Intensive ParentsNext site for the expanded roll out in mid-2018. As far as we are aware, neither community was engaged about their need for these programs prior to their selection.

Our brief observations:

A cornerstone of the ParentsNext program is mandatory participation. There are penalties for failure to participate which involve the suspension or cancellation of Parenting Payments. We strongly oppose both those elements. The best evidence of what works in the delivery of child and family services and effecting sustainable change points to the critical importance of personal agency. More specifically, we cannot think of any occasion or circumstance in which the removal or reduction of Parenting Payments is appropriate. Those payments are primarily intended to support the care of children. Removal or reduction is likely to cause harm.

We have seen submissions that have been made to the Department by a number of our colleagues and in particular:

- The Centre for Excellence in Child and Family Services,
- The Victorian Council of Single Mothers and their Children, and
- Good Shepherd Australia and New Zealand.

We strongly support those submissions and the concerns expressed about the mandatory and punitive elements of the policy.

Mallee Family Care and FamilyCare will continue to engage with ParentsNext providers, including those already operating in Shepparton and those eventually selected in Mildura. We will assist our clients to engage with any opportunities the program presents for them to pursue study and employment opportunities. We will also monitor the negative consequences of the approach and look forward to details of appropriate, independent and transparent evaluation should they become available.

Yours sincerely,



David Tennant

FamilyCare

Chief Executive Officer



Teresa Jayet

Mallee Family Care

Chief Executive Officer



(Attachment 5)

Extract from the Victorian Children, Youth and Families Act 2005.

Division 2—Best Interests Principles

s. 10

10. Best interests principles

- (1) For the purposes of this Act the best interests of the child must always be paramount.
- (2) When determining whether a decision or action is in the best interests of the child, the need to protect the child from harm, to protect his or her rights and to promote his or her development (taking into account his or her age and stage of development) must always be considered.
- (3) In addition to sub-sections (1) and (2), in determining what decision to make or action to take in the best interests of the child, consideration must be given to the following, where they are relevant to the decision or action—
 - (a) the need to give the widest possible protection and assistance to the parent and child as the fundamental group unit of society and to ensure that intervention into that relationship is limited to that necessary to secure the safety and wellbeing of the child;
 - (b) the need to strengthen, preserve and promote positive relationships between the child and the child's parent, family members and persons significant to the child;
 - (c) the need, in relation to an Aboriginal child, to protect and promote his or her Aboriginal cultural and spiritual identity and development by, wherever possible, maintaining and building their connections to their Aboriginal family and community;
 - (d) the child's views and wishes, if they can be reasonably ascertained, and they should be given such weight as is appropriate in the circumstances;
 - (e) the effects of cumulative patterns of harm on a child's safety and development;
 - (f) the desirability of continuity and stability in the child's care;
 - (g) that a child is only to be removed from the care of his or her parent if there is an unacceptable risk of harm to the child;
 - (h) if the child is to be removed from the care of his or her parent, that consideration is to be given first to the child being placed with an appropriate family member or other appropriate person significant to the child, before any other placement option is considered;
 - (i) the desirability, when a child is removed from the care of his or her parent, to plan the reunification of the child with his or her parent;
 - (j) the capacity of each parent or other adult relative or potential care giver to provide for the child's needs and any action taken by the parent to give effect to the goals set out in the case plan relating to the child;
 - (k) access arrangements between the child and the child's parents, siblings, family members and other persons significant to the child;
 - (l) the child's social, individual and cultural identity and religious faith (if any) and the child's age, maturity, sex and sexual identity;

- (m) where a child with a particular cultural identity is placed in out of home care with a care giver who is not a member of that cultural community, the desirability of the child retaining a connection with their culture;
- (n) the desirability of the child being supported to gain access to appropriate educational services, health services and accommodation and to participate in appropriate social opportunities;
- (o) the desirability of allowing the education, training or employment of the child to continue without interruption or disturbance;
- (p) the possible harmful effect of delay in making the decision or taking the action;
- (q) the desirability of siblings being placed together when they are placed in out of home care;
- (r) any other relevant consideration.

(Attachment 6)

Supporting Parents to Connect

(A proposal to trial an alternative to ParentsNext in the regional Victorian city of Shepparton)

Background

- Shepparton has been a Commonwealth Welfare reform trial site since 2011.
- Families where parents are unemployed have been a focus since commencement.
- In 2016 a trial of ParentsNext commenced, requiring parents with children aged between 6 months and 6 years, who had been unemployed for more than 6 months, to develop and stick to a mandatory participation plan.
- Most households involved in ParentsNext are headed by single parent women.
- Failure to engage or meet ParentsNext participation obligations can result in the suspension of Parenting Payments.
- The trial has produced a number of adverse consequences, particularly when suspension has caused or exacerbated financial hardship.
- In FamilyCare’s view, ParentsNext penalties have placed children at increased risk in impacted households.
- The experience in Shepparton is consistent with international research findings that welfare conditionality rules focusing on compliance and penalties can cause harm.
- The alternative trial recommends a different approach, encouraging connection without adversely impacting family wellbeing.

Changing the focus from compliance to support

The alternative trial will include the following key elements:

- a) Respect for the importance of parenting:
 - The trial should reinforce the importance of parenting young children and not interfere with appropriate focus and attachment.
 - There should be no compulsory participation requirements, although the invited target group will be the same as for ParentsNext.
 - The trial should encourage and facilitate participation in activities addressing three key questions:
 - i) What would help me be a better parent?
 - ii) What would help me be more involved in my community?
 - iii) What do I want to achieve as my children get older?
 - The priority of the questions will be different at different ages and stages for the children in the household.

b) More responsive and relevant participation activities:

- Participants are best placed to determine what will be most useful and relevant to them and their children.
- The model would prioritise participant choice, with an expansive range of options allowing participants to design activities that suit current needs and capacity.
- Existing engagements, including but not limited to study should be respected and supported, not crowded out by additional activities.

c) Flexible brokerage as a right, co-designed with participants:

- Every participant should be able to access a consistent and appropriate brokerage allocation to support engagement activities and we recommend \$1000, per annum.
- The allocation of brokerage should be co-designed with participants, with providers required to accommodate participant requests unless doing so would undermine the intent of the trial.
- Options for expenditure should also be expansive, with participants suggesting allocation to help them pursue one or more of the key questions.

d) Changing the focus from compliance to support:

- Sanctions do not work and should be removed.
- In particular there is no safe or appropriate way to suspend or cancel a Parenting Payment and this option should be excluded.
- The trial will test whether participants want to volunteer and stay involved, based on the perceived value of engagement.
- Participants who fail to attend, communicate or participate will not be able to co-design brokerage expenditure.

e) Engage the community as well as participants:

- The trial should engage a broader group of critical stakeholders, like other human service providers and local employers.
- Providers should be required to communicate regularly with these stakeholders and be funded accordingly.

f) Evaluation:

- A transparent and independent evaluation should be conducted, with an advisory group of local stakeholders.
- Shepparton hosts campuses of two respected Universities with research capacity, so a local option should be pursued.
- Baseline data should be collected locally, to inform meaningful comparisons throughout the trial.