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Select Committee on Work and Care
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Parliament House
Canberra ACT 2600

By email: workandcare.sen@aph.gov.au

16 September 2022

Dear Committee Secretary,

Submission to the Select Committee on Work and Care

Thank you for the opportunity to provide these comments for the Committee's consideration.

FamilyCare is the main provider of child and family services in the Goulburn Valley region of Victoria. Founded in 1984, FamilyCare has its base in Shepparton, with offices in Cobram, Seymour and Wallan and outreach to Kinglake, Alexandra and Kilmore.

As well as a range of child and family services, FamilyCare provides carer supports, NDIS registered disability services and a variety of community development programs and activities. Across our services, FamilyCare assisted around 9,000 people in the 2021/2022 financial year.

Service delivery gives us a unique perspective on the experiences and needs of those who seek our support. It is that perspective which informs this submission.

Focus of this submission:

The Committee has already published on its website a number of submissions from peak bodies and policy groups, covering the broad range of issues in the Terms of Reference. We have chosen to focus on one key subject area – the vulnerability and disadvantage experienced by single parent households. Those families are overwhelmingly headed by a female.

Whilst very specific, we believe this choice of focus has broader application. It is indicative of critical weaknesses in Australia's Social Security system. These weaknesses undermine both the quality of care provided to vulnerable people and sustainable transitions to employment. Of most importance to an agency like FamilyCare, there is limited recognition of the harm that system weakness and failure causes to children.

Context:

FamilyCare's home base of Shepparton has attracted considerable attention from all tiers of government, based on elevated levels of vulnerability and disadvantage. Shepparton is not unique in this respect. Many rural and regional communities around Australia are experiencing profound social and economic changes, including pressures on manufacturing,

climate change and its multiple impacts on everything from primary production to the incidence of disaster and emergencies and the lack of attractive opportunities for young people. All these factors have combined to create constant challenges to community health, wellbeing and sustainability.

Some increased policy attention is helpful, particularly when a local community is actively involved in articulating its challenges and designing the solutions. That inclusive approach to place-based response is unfortunately rare.¹

In May 2011, the Local Government Area of Greater Shepparton was selected as one of ten communities around Australia to participate in a welfare reform trial under the Building Australia's Future Workforce (BAFW) strategy. There was one other BAFW trial site in Victoria – the Hume LGA. Shepparton was also selected as one of five of the ten sites to trial compulsory income management, delivered through the government issued BasicsCard. Shepparton remains the only income management site in Victoria. The announcement, delivered as part of the 2011/12 Commonwealth Budget package, came as a surprise to people in Shepparton, including community service providers like FamilyCare.²

The BAFW trials evolved in the years following 2011, particularly after the election of the Abbott coalition government in 2013. A key feature throughout that period of evolution was more targeted and intensive forms of conditionality. Specified categories of benefit recipients were required to comply with additional rules, or risk the suspension or cancellation of their Commonwealth issued benefit incomes.

The trial measures focused on several groups, including vulnerable people and families and the long-term jobless. In 2016, the ten original BAFW trial sites including Shepparton, were announced as the first communities around Australia to require parents unemployed for longer than six months and with children over six months of age, to participate in the pre-employment program ParentsNext.³ Mandated participants were overwhelmingly single mothers. Unless one of the limited exemptions applied, failure to develop and stick to the terms of a participation plan could result in the suspension or cancellation of benefit payments.

There is no Shepparton specific data about the prevalence, or impact of ParentsNext suspensions and cancellations. A letter from The Minister for Employment, Skills, Small and Family Business, Senator the Hon Michaelia Cash, to Dr Ann Webster Chair of the Parliamentary Joint Committee on Human Rights on the 11th of March 2021, provided a national summary. Between 2 July 2018 and 28 February 2021 there were 52,343 suspensions and 1,072 cancellations of Parenting Payment as a result of ParentsNext compliance events.⁴ Undoubtedly Shepparton families were included in those numbers, although it is impossible to know who many or how often.

The Minister noted the average duration of suspensions was five days and cancellations 28 days. Payments in most cases were backdated when reinstated. Regardless of payments recommencing, each and every one of the occasions when payment was withheld would have precipitated a crisis in the households involved. No information from government describes or otherwise assesses the impacts on the children living in the households subject to suspensions or cancellations.

¹ A suggested framework for place-based governance was outlined in *Governance Models for Location Based Initiatives*, published by the Australian Social Inclusion Board in May 2011

² Macklin, The Hon J MP, Minister for Social Services, *New approaches to address disadvantage in targeted communities*, Media Release (joint), Canberra, 10 May 2011

³ Cash, Senator the Hon M, Minister for Employment and Minister for Women, *ParentsNext – helping parents with young children prepare for work*, Media Release, Canberra, 6 January 2016

⁴ A full copy of the letter can be accessed from the Committee's website, via the link under key documents: [ParentsNext: examination of Social Security \(Parenting payment participation requirements - class of persons\) instrument 2021 – Parliament of Australia \(aph.gov.au\)](#)

Some of FamilyCare's client families and their children were amongst those who bore the brunt of these harsh outcomes. With other local providers we utilised various emergency relief and brokerage options to help those people bridge the gaps in already stretched budgets, covering food, rent and other essentials.

The additional layer of challenge on top of this compliance and penalty approach to welfare reform, remains the level of benefit payments themselves. Failure, or rather the stubborn refusal, to ensure that levels of working-age payments at least keep pace with cost of living increases, has accumulated over several decades. These issues will no doubt be explored in more detail in the Inquiry into Poverty and Financial Hardship being conducted by the Community Affairs Committee. What we know, based on evidence before, during and after the delivery of the Coronavirus supplement, is that levels of social security payments have a direct and causal relationship with the level of poverty in Australia.⁵

After 11 years, there is no clear evidence that the package of more intensive welfare reform measures has had any positive impact on the incidence or experience of disadvantage in Shepparton. The rate of unemployment is roughly the same in 2022 as it was in 2011.⁶ The numbers of single parent households are comparable.⁷

These findings are entirely consistent with a body of international evidence that punishing people for their hardship is not effective at reducing the incidence and experience of that hardship and can make it worse.⁸

If compliance and punishment achieved little, what is the alternative?

There are many ways in which the system could be improved for single mothers and their children, some of which are covered in more detail in other submissions. We have chosen two key features that in FamilyCare's view must be part of any change process to ensure safety, fairness and sustainable pathways to employment, whilst respecting parents' caring responsibilities and the needs of children reliant on that care.

1) The wellbeing of children must be central to all policy decisions:

Too often the design of policy is blind to the consequences on children. ParentsNext is a prime example. There is no way to suspend or cancel a Parenting Payment, without impacting the children of the parent receiving the benefit.⁹

We must change this approach and ensure that children, their needs, safety and wellbeing, are not forgotten but are at the heart of policy making. FamilyCare is part of a research collaboration being led by Professor Sharon Bessell of the ANU's Children's Policy Centre, that is investigating the impacts of poverty and disadvantage on children –

⁵ See for example Davidson, P, *A tale of two pandemics: COVID, inequality and poverty in 2020 and 2021*, ACOSS/UNSW Sydney Poverty and Inequality Partnership, Build Back Fairer Series, Report no.3, Sydney, March 2022

⁶ The latest DSS Jobseeker data to July 2022 reports the number of recipients in Greater Shepparton as 2,887. The September 2013 DSS report on demographic data is the closest available to the 2011 announcement of the BAFW trials and reports the number of unemployment benefit recipients (then the Newstart payment) in Greater Shepparton was 2,438.

⁷ The latest DSS Demographic data to June 2022, reports the number of people receiving Parenting Payment Single in Shepparton as 980. It is difficult to get a precise comparison from the Commonwealth data, however the id demographic package to which Greater Shepparton City Council subscribes reports the number of single parent households in 2021 as 2,958 and in 2011, 2632.

⁸ See for example the findings of a major UK Welfare Conditionality study released in 2018, which included hosting an international conference to compare experiences [Welfare Conditionality » Publication Categories » Reports inc Final Findings](#)

⁹ The Services Australia website refers to Parenting Payment as 'The main income support payment while you are a young child's main carer' [Parenting Payment - Services Australia](#)

putting the voice of children at the centre. Professor Bessell has written extensively not just on the causes of child poverty but the solutions. Structural reform of broken social security rules is a critical element of reform.¹⁰

2) Engage single mothers in order to understand barriers and design sustainable solutions:

ParentsNext and similar punitive conditionality approaches, assume those required to participate will not do so unless compelled. They pay insufficient regard to the nature of caring responsibilities, or the needs of those being cared for. Similarly, there is no attempt to understand or address structural barriers, like the absence of sustainable employment opportunities, compatible with caring roles.

A better approach would be to engage single mothers directly in the design of solutions. Along with the Victorian Council for Single Mothers and Their Children and GROW Shepparton, an employment development initiative of the Committee for Greater Shepparton, FamilyCare put forward a proposal to the Department of Social Services In November 2021 called *For, By, With Single Mothers*.

The premise behind *For, By, With Single Mothers* was simple. There are no better people to understand the challenges, provide effective support networks and design sustainable training and employment opportunities for single mothers than other single mothers. An environment of mutual trust and respect can provide participants confidence not afforded them in a system dominated by compulsion and penalty.

Innovative job sharing and carving options stand a greater prospect of succeeding if those involved in their creation have a personal stake in that success. There is also potential to reduce the onus on businesses, many of which are small to medium enterprises in rural and regional locations, to both create opportunities and carry the risks associated with employees juggling caring responsibilities, that must take precedence. Those risks might be more effectively shared with others who have the same responsibilities.

The proposal which was part of a funding round for the Department's Strong and Resilient Communities Activity, was not successful. The concept does have potential however in a reimagining of current approaches.

Thank you again for the opportunity to comment. We would be happy to provide further information or clarification, if requested.

Yours sincerely,

David Tennant
Chief Executive Officer

¹⁰ See for example a recent piece in The Conversation: [We asked children how they experienced poverty. Here are 6 changes needed now \(theconversation.com\)](https://theconversation.com/we-asked-children-how-they-experienced-poverty-here-are-6-changes-needed-now-14888)