

Submission to the Inquiry into Workforce Australia Employment Services on ParentsNext

December 2022

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Overview

Volunteering provides a flexible option for single parents to undertake prevocational training, build skills, connect with the community, and ensure social supports. Connecting people with meaningful and fulfilling opportunities to volunteer should be supported in government policy. However, while the contributions of volunteering to Australian communities should be acknowledged and supported in relevant government programs, participation in ParentsNext should not be mandatory, and volunteering should not be included as a compulsory activity.

- Requiring participation in a program in order to receive a payment does not meet our definition of volunteering – “time willingly given, for the common good and without financial gain.”¹ As outlined in the ParentsNext 2018–2021 Evaluation Report, Participation Plans must include a compulsory activity, and in some circumstances, a participant’s most appropriate activity can only be recorded as voluntary work.²
- While participation in volunteering through ParentsNext should not be required to fulfil mutual obligations, the program should acknowledge and support volunteering for those who want to participate.
- Volunteering should be included in future employment programs. Its inclusion should:
 - o Follow extensive consultation with the volunteering ecosystem, and
 - o Ensure that strategic investment is provided to support the referral and placement of volunteers.

Introduction

About the Inquiry

The House of Representatives Select Committee on Workforce Australia Employment Services was established by a resolution of appointment that passed the House of Representatives on 2 August 2022. The Committee will present its final report by no later than 29 September 2023.

On 16 September 2022, the Committee resolved to include pre-employment and complementary programs within the scope of its inquiry, and to specifically consider the role of ParentsNext in providing early intervention services to disadvantaged parents as part of the employment services system. The Committee undertook to make any recommendations on ParentsNext in an interim report before the end of February 2023.

About ParentsNext

ParentsNext is a pre-employment program designed to provide early intervention assistance to parents with young children. From July 2018, the Targeted Compliance Framework was introduced to the program, which made participation compulsory for people who met the eligibility criteria. This

¹ <https://www.volunteeringaustralia.org/resources/definition-of-volunteering/#/>

² <https://www.dewr.gov.au/employment-research-and-evaluations/resources/parentsnext-2018-21-evaluation-report-final>, 28

meant that participants had to complete activities included in their Participation Plan, designed by the participant in collaboration with a ParentsNext provider, in order to receive a Parenting Payment. Voluntary work can be included as a compulsory activity in a Participation Plan.

About this submission

This submission is based on evidence presented at a public hearing of the Select Committee on Workforce Australia Employment Services on 11 November 2022 by Volunteering Australia CEO Mark Pearce. It outlines evidence of the value of volunteering to employment and community engagement outcomes, and highlights issues with the way volunteering was included in the ParentsNext program.

This submission was drafted by Volunteering Australia in collaboration with the State and Territory volunteering peak bodies.

Volunteering and ParentsNext

Voluntary work is included in the ParentsNext program as a possible activity which may be included in a Participation Plan, which outlines activities that must be completed by the participant in order to receive a Parenting Payment. Providers are required to connect participants to local activities and support services such as counselling, financial advice, domestic and family violence support, parenting courses, child care, transport, further education, secure housing, training and volunteering.³

As outlined in the ParentsNext 2018–2021 Evaluation Report, Participation Plans must include a compulsory activity, and in some circumstances, a participant’s most appropriate activity can only be recorded as voluntary work.⁴ However, the number of participants who count volunteering as a compulsory activity is not reported, and data published on ParentsNext activity referrals reports ‘Voluntary work in community-non-profit sector’ referrals under the ‘Other activity’ category, which also includes ‘Informal activity’, ‘Other government programs’, ‘Defence reserves’, ‘Launch into Work’, and ‘Other approved programs’. Greater clarity on the volume of volunteer referrals and on the number of participants who volunteer would enable a more precise assessment of how volunteering supports the aims of the program. This data should be considered in an assessment of the ParentsNext program and should be made public.

³ <https://www.dewr.gov.au/employment-research-and-evaluations/resources/parentsnext-2018-21-evaluation-report-final>, 31

⁴ <https://www.dewr.gov.au/employment-research-and-evaluations/resources/parentsnext-2018-21-evaluation-report-final>, 28

Volunteering and mutual obligations

Volunteering provides a flexible option for single parents to undertake prevocational training, build skills, connect with the community, and ensure social supports. Research undertaken by employment company SEEK found that 95 per cent of employers identify that volunteering is just as credible as paid work.⁵ Further, 92 per cent of employers identified that relevant volunteering experience gave a candidate an advantage in job interviews.⁶ Volunteering also creates opportunities to make new connections and to maintain existing skills while searching for paid work. A quantitative study from the US found that people who volunteered were 27 per cent more likely to find employment than those who did not volunteer.⁷ Connecting people with meaningful and fulfilling opportunities to volunteer should be supported in government policy.

However, requiring participants to engage in programs to receive a payment does not meet our definition of volunteering as “time willingly given for the common good and without financial gain.” Requiring participants to volunteer may also impact volunteering more broadly. Research suggests that participation in mandated volunteering can reduce intentions to volunteer in the future, potentially inhibiting volunteering rates in the long-term.⁸ Further research on volunteering to fulfil mutual obligations, or as part of employment programs more broadly, is needed to better understand its effect on volunteering in the Australian context. While volunteering is a key pathway to employment and enhances social connectedness, emphasis should be put on the voluntary nature of the activity, with no requirement for individuals to participate in volunteering.

Volunteering Australia also stresses that the ParentsNext program does not meet the needs of jobseekers and is inconsistent with Australia’s human rights obligations. We echo the concerns from the Australian Human Rights Commission regarding ParentsNext, including that it affects some of the most disadvantaged parents and children, and has resulted in severe financial impacts on single parents.⁹

Given these concerns, and the implications of compulsory participation for future volunteering, participation in ParentsNext should be voluntary. Participants should have the choice to volunteer as part of the ParentsNext program, and volunteering should be acknowledged as a meaningful pathway to employment and as a valuable form of community participation. This would not only help to program to better realise its objectives, but greatly improve the appropriateness and effectiveness of its measures. As one ParentsNext participant indicated:

⁵ <https://www.seek.com.au/career-advice/article/3-reasons-volunteering-can-put-you-ahead-of-the-pack>

⁶ *ibid*

⁷ https://americorps.gov/sites/default/files/evidenceexchange/FR_2013_VolunteeringasaPathwaytoEmployment_1.pdf

⁸ Arthur A. Stukas, Mark Snyder, and E. Gil Clary, “The effects of “mandatory volunteerism” on intentions to volunteer,” *Psychological Science* 10, no. 1 (1999): 62, doi: 10.1111/1467-9280.00107; Wei Yang, “Does ‘compulsory volunteering’ affect subsequent behavior? Evidence from a natural experiment in Canada,” *Education Economics* 25, no. 1 (2017): 394-405, doi: 10.1080/09645292.2016.1182622

⁹ <https://humanrights.gov.au/about/news/parentsnext-limits-right-social-security-parents-and-children>

We didn't actually reinvent the wheel much in the Participation Plan because I'm already engaged with the community, I'm already doing volunteer work, I'm already considering training options. (Interview 5. Parent, regional, intensive)¹⁰

Volunteering and Workforce Australia

Volunteering has been included as a mutual obligation requirement in the Workforce Australia system without consultation with the volunteering ecosystem. In the current system, neither the point allocations for volunteering or the differentiation between “participant sourced” and “provider sourced”¹¹ volunteering opportunities were designed with or effectively communicated to volunteers, volunteer involving organisations, peak bodies, volunteering support services, or other members of the ecosystem.

The mutual obligation system is complex and not widely understood by volunteer involving organisations. This has created challenges under the previous *jobactive* system and the current Workforce Australia system, as organisations struggle to assist volunteers to undertake applicable roles, provide evidence of their volunteering, and report voluntary commitments through the system to be eligible for payments. If volunteering is to be promoted as a mutual obligation activity, this process should be streamlined, simple guidance should be communicated to support this change, and organisations should be provided with clear resources and training to support their volunteers to fulfil their requirements. If this system is changed, volunteer involving organisations that currently engage people who volunteer to fulfil mutual obligations will also require support to adapt to a new model. In either case, inclusion of volunteering in future employment programs should be designed in consultation with the volunteering ecosystem.

Further, volunteering support services play a crucial role in facilitating safe, effective, and sustainable volunteering by connecting prospective volunteers to formal roles and supporting organisations to recruit, retain, and manage their volunteers. In the context of employment support services, this is primarily achieved by providing information and referral services to job seekers. Under the current model, these services do not receive the financial support they need to remain operational. They do not receive any of the money allocated to private employment service providers and are not sufficiently funded through the Volunteer Management Activity. Consequently, these services do not receive consistent Commonwealth funding under any existing funding arrangement. Volunteering support services should not be used to fulfil the role of private employment service providers without receiving any of the designated funding for this function.

¹⁰ <https://www.dewr.gov.au/employment-research-and-evaluations/resources/parentsnext-2018-21-evaluation-report-final>, 70

¹¹ <https://www.workforceaustralia.gov.au/individuals/obligations/learn/points/earn-points>

Recommendations

Based on the evidence presented on volunteering and employment, mutual obligations, and the ParentsNext program, Volunteering Australia makes the following recommendations to improve the inclusion of volunteering in future employment programs:

1. Include participation in volunteering as an optional activity in future employment programs, ensuring that volunteering opportunities are supported and accessible to participants on their own terms.
2. Consult with the volunteering ecosystem on how to include volunteering and what resourcing is needed to support volunteering as an activity undertaken to fulfil mutual obligations.
3. Address the urgent funding gap for volunteering support services, ensuring that strategic investment is provided to support the referral and placement of volunteers.

Authorisation

This submission has been authorised by the Chief Executive Officer of Volunteering Australia.

A handwritten signature in blue ink, appearing to read 'Mark Pearce'.

Mr Mark Pearce
Chief Executive Officer

About Volunteering Australia

Volunteering Australia is the national peak body for volunteering, working to advance volunteering in the Australian community. The seven State and Territory volunteering peak bodies work to advance and promote volunteering in their respective jurisdictions and are Foundation Members of Volunteering Australia.

Volunteering Australia's vision is to promote strong, connected communities through volunteering. Our mission is to lead, strengthen, promote, and celebrate volunteering in Australia.

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