

13 February 2008

The Honourable Brendan O'Connor MP
Minister for Employment Participation
Parliament House
Canberra ACT 2600



ABN 28 000 030 179

Dear Minister O'Connor

Review of Employment Services

I am writing in response to your request for consultation on how Commonwealth Employment Services can be improved, with particular reference to achieving the objectives identified in the Government's Social Inclusion and Skills policies to ensure that *early interventions minimise the number of long-term welfare dependent Australians of working age*. While The Smith Family does not deliver Commonwealth Employment Services we work with a large number of lone parent families and are aware that lone-parents comprise a sub-group of the long-term unemployed who could benefit from effective early interventions by the Commonwealth Employment Services.

Lone parent families

Lone parent families have dramatically increased in Australia by as much as 38% between 1991 and 2001 to constitute close to 25% of all families, with this percentage projected to rise further over the next 20 years if current trends continue. Similarly, estimates using recent data forecasts suggest that the number of children aged 0–14 years living in one-parent families will increase from 745,000 in 2001 (19% of children aged 0–14 years) to between 875,000 (23%) and 1.3 million (33%) by 2026.¹

Lone parent families face considerably greater challenges to workforce participation than those in couple families. For example, they face an unemployment rate of 12.0%, which is more than twice the rate for all persons and more than four times the rate for persons in couple relationships (2.8%). They also face low earning capacities, poor working conditions and reduced probability of accessing training options.² Meeting the costs of education, clothing, food, health and housing for children poses a huge challenge to many lone parents, whose median weekly income in 2003 was \$412, less than half the income of parents in couple families with children. As a consequence, over half (58%) of lone parents receive a government pension, benefit or allowance as their main source of income compared to 8% of couples with children aged 0-17 years.³

At present, parents receiving income support are not obliged to consider entering or returning to the workforce until their youngest child has reached the age of six. To assist in this transition, they are able to access skills assessment and training through the *Employment Preparation* initiative, run through participation in the Job Network. Although this service is in principle available to parents at

¹ Source: Australian Bureau of Statistics (2006) *2006 Yearbook Australia*. Canberra.

² Sources: Parliament of Australia (2005) *High Unemployment at a time of Low Unemployment*. Research Note No. 15, 31 October 2005. Parliamentary Library: Canberra; Australian Bureau of Statistics (2004) *Family Characteristics, Australia*. Canberra.

³ It has been estimated that the cost of raising one child in Australia for families in the bottom fifth of income (where the majority of lone parents are likely to be located) ranges between 10% and 38% of their gross income, depending on the child's age – consistently greater in proportion than for those in middle and high income brackets. Source: AMP-NATSEM (2002) 'All they need is love... and around \$450,000' *AMP-NATSEM Income and Wealth Report*, No. 3, October, AMP.

any time while on income support, it requires participation in the Job Network and commencement of employment should the opportunity arise. In other words, existing policy does not directly address the situation of the estimated 300,000⁴ parents on income support with the youngest child under six, who may need to develop their literacy, numeracy and social skills, but have not committed to seeking employment through the Job Network.

Though this demographic remain largely unheard and unseen from the perspective of mainstream services, they have increasingly manifested themselves to The Smith Family among the 14,000 families – 10,000 of whom are lone-parent families – with over 27,000 children with whom we work in 85 communities nationwide. They are particularly evident in the families of the 16,000+ children in the seven *Communities for Children* sites where The Smith Family is a Facilitating Partner,⁵ and the 55 communities where 33,000 children aged birth to 5 years are targeted for *Let's Read*, a program for the development of pre-literacy skills and successful home to school transitions.⁶

Lone Parent Families and The Smith Family's *Learning for Life* Suite of Programs⁷

Lone parent families participating in the *Learning for Life* suite of programs have a number of educational opportunities at key transition points throughout the life course. This is achieved through three complementary streams:

- **Financial scholarships** (which facilitate the participation of disadvantaged children and youth helping them to have the materials needed to allow them to belong in the formal education system from early childhood through primary and secondary school to tertiary);
- **Personal Support** (which goes hand in hand with financial support and is focused around enhancing the cognitive/academic skills of the individual through formal learning assistance via tutoring, mentoring and coaching); and
- **Personal Development** (which focuses on developing an individual's social-emotional development through informal learning by participating in extra-curricular activities such as sports and the arts etc.)

Within these streams *Learning for Life* concentrates on improving essential literacies such as numeracy and comprehension, financial, and ICT for participation in a 21st century knowledge society.

In today's global knowledge society, basic literacy and numeracy skills are no longer sufficient to compete for employment and socioeconomic advancement. The increased frequency with which individuals now move between multiple forms and sectors of employment throughout their careers has placed new demands on those seeking to enter or return to the workforce. There is now an ongoing necessity to acquire, upgrade and market an individual's various skills in order to respond to the changing needs of employers and social contexts outside work such as the home and family. Resilience, adaptation and flexibility are critical in this respect, as are the motivation and capacity to absorb an increasingly diverse range of information. For our constituents, disengaged from education and employment, the development of these skills requires sustained support over an extended period of time, and access to a comprehensive system of referral across a range of organisations able to contribute elements of their skills development.

Through a shared commitment to their children's wellbeing, The Smith Family has been able to establish a unique and trusting relationship with these parents, sustained by our network of 124 *Learning for Life* Team Leaders and Workers on the ground. As a social enterprise specialising in supporting key transition points across the lifecycle (including transitions into employment), these

⁴ This figure is an informed estimate based on the approximate 600,000 currently on income support in Australia.

⁵ This figure is comprised of 2,900 in Brimbank (VIC), 2,860 in Fairfield (NSW), 2,000 in Katherine region (NT), 1,700 in Kwinana (WA), 4,000 in Mirrabooka (WA), 1,700 in Raymond Terrace / Karuah (NSW) and 1,055 in Townsville West (QLD).

⁶ In addition, during 2008 Let's Read will be delivered to a further 24,000 children from birth to 5 in Tasmania and to 11,000 birth to 5 year old children in Queensland.

⁷ For examples of programs within our *Learning for Life* strategy, see The Smith Family web site, www.thesmithfamily.com.au.

relationships have been invaluable in privileging The Smith Family with a unique and insightful evidence base around the capacities and needs of this group.⁸

For example, we know that:

- The motivation for these parents to report and act upon their skill needs (assuming they are even aware of them) is mitigated by the multiple demands of caring for their infant(s), their social isolation and/or their lack of knowledge around the support available.
- The lack of confidence and self-esteem among our constituents, particularly our low-skilled and inexperienced parents, further reduces the likelihood of their pro-actively engaging in their own development. After having disengaged from education and/or employment, many among this group will find the idea of returning to learning a daunting and difficult task.
- For many of our constituents, learning/skills development options are often scarce (particularly in rural and remote communities), and those that may be available (e.g. TAFE) operate at too high and intense a level to encourage their participation.
- This results in these individuals experiencing prolonged periods when they are out of touch with services that could build their capacity, increasing their chances of enduring long-term negative consequences. This is of particular concern for parents with a number of children, who are subjected to successive periods out of the mainstream and who could potentially be away from work for as many as 20 years.

Lone Parent Families and *Families Learning Together*

As part of The Smith Family's *Learning for Life* strategy and suite of programs, we are currently developing a demonstration project based on our dual-generational learning model which addresses the learning needs of both children and their parents, many of whom are lone parents who have welfare to work requirements to re-enter the workforce. The context for the development of the demonstration project, which we are calling *Families Learning Together*, will be one or more communities where families are participating in *Learning for Life*.

The *Families Learning Together* demonstration project would be complemented and supported by other Smith Family early years initiatives (e.g. *Communities for Children*) and our adult education opportunities developing skills such as financial and technological literacy. An integral element of *Families Learning Together* is the intention, once the project has operated for an established period and after the key drivers of success have been identified, for The Smith Family to play a lead role in promoting its adoption on a broad scale in Australia and potentially internationally.

The Smith Family's development of a *Families Learning Together* demonstration project is intended to contribute to a number of population outcomes that are particularly relevant to the Government's Social Inclusion and Skills policies:

- **Increased pre-vocational skills development of parents through expansion of the network for adult referral.** Through *Families Learning Together*, The Smith Family will work with other organisations and individuals to engage and refer the parents of children aged 0-5 to support and development opportunities such as parenting groups, financial and technological literacy programs, and activities that build the social and relational skills that are pre-requisites for joining the contemporary workforce. Our track record in engaging parents is already proven through our widespread implementation of early childhood initiatives such as the *Let's Read* pre-literacy program, and our facilitation of seven *Communities for Children* sites.
- **Increased social and human capital development through expansion of family involvement in early childhood activities.** The dual generational learning model at the heart

⁸ See, for example, The Smith Family (2006) *Technology Enabled Inclusion – Educating and Empowering through Community Technology Learning Centres*. Phase II Evaluation of The Smith Family's Involvement with Microsoft Unlimited Potential. The Smith Family (2003) *Barriers to Participation – Financial, Educational and Technological*. The Smith Family / Orfeus Research.

of Families Learning Together is designed to develop relationships with hard-to-reach, low-skilled parents through a shared commitment to the wellbeing of their young children. To this end, The Smith Family will expand the reach and diversity of early childhood activities currently available as part of The Smith Family's LfL suite of programs, and use the opportunity provided in these programs to identify and engage parents in the pro-active development of skills required for a smooth transition into the workforce. These include technological and financial skills, as well as social and relational skills. In this way, the social capital of communities will also increase through the greater participation of parents in early childhood networks.

- **Increased participation through Welfare to Work initiatives.** The Smith Family has a proven capacity to act as a conduit, assisting marginalised communities to re-engage with mainstream opportunities through referrals to agencies such as the Job Network.

The Smith Family will keep you informed of *Families Learning Together* progress over the coming years and will provide findings, as they become available, that can be used as part of the evidence base in developing a more preventive approach intervening earlier in the employment pathway. In the interim we offer for your consideration the potential contribution by *Families Learning Together* to the above population outcomes in conjunction with the aim of the Commonwealth Review of Employment Services to ensure that early interventions minimise the number of long-term welfare dependent Australians of working age.

Yours sincerely

Elaine Henry
Chief Executive Officer
The Smith Family