Intergenerational Disadvantage

Learning about Equal Opportunity from Social Assistance Receipt

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Motivation

- Intergenerational correlations in numerous domains: economic resources, education, health, etc.
  - ➡ Many factors may be responsible for tying children's life chances to the family circumstances into which they are born.

- Distinction between
  - **Poverty traps**: arise from correlation in low income
  - **Welfare traps**: arise from welfare system when parental welfare leads to child welfare receipt

➡ To design approaches to support disadvantaged families: crucial to understand the mechanisms underpinning intergenerational persistence in welfare

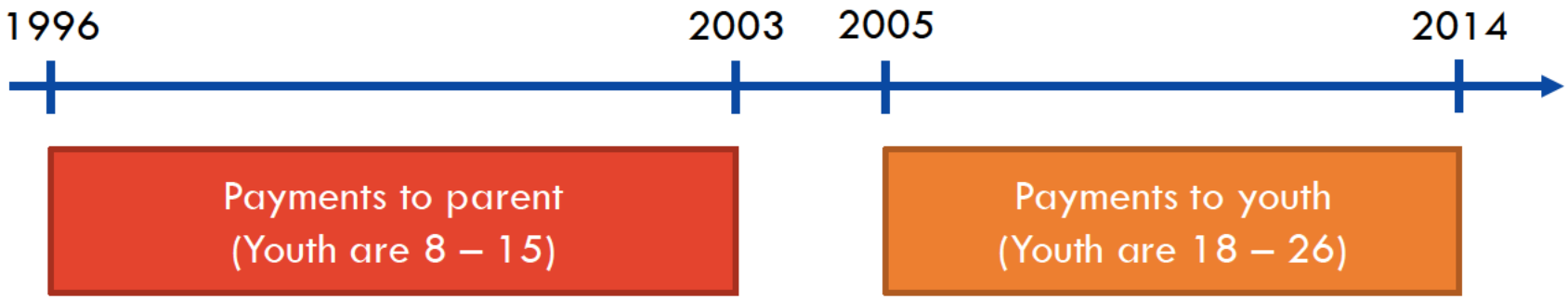
Literature on Intergenerational Social Assistance

- Focus on within-benefit correlation in social assistance
  - **Disability benefits**
    - US (Deshpande 2016)
    - Norway (Bratberg et al. 2015, Dahl et al. 2014)
    - Netherlands (Dahl and Gielen 2016)
  - **Unemployment insurance**
    - Canada, Sweden (Corak et al. 2004)
  - **Income support**
    - Quebec (Beaulieu et al. 2005)
    - Sweden, Finland, Norway (Stenberg 2000, Moisio et al. 2015)

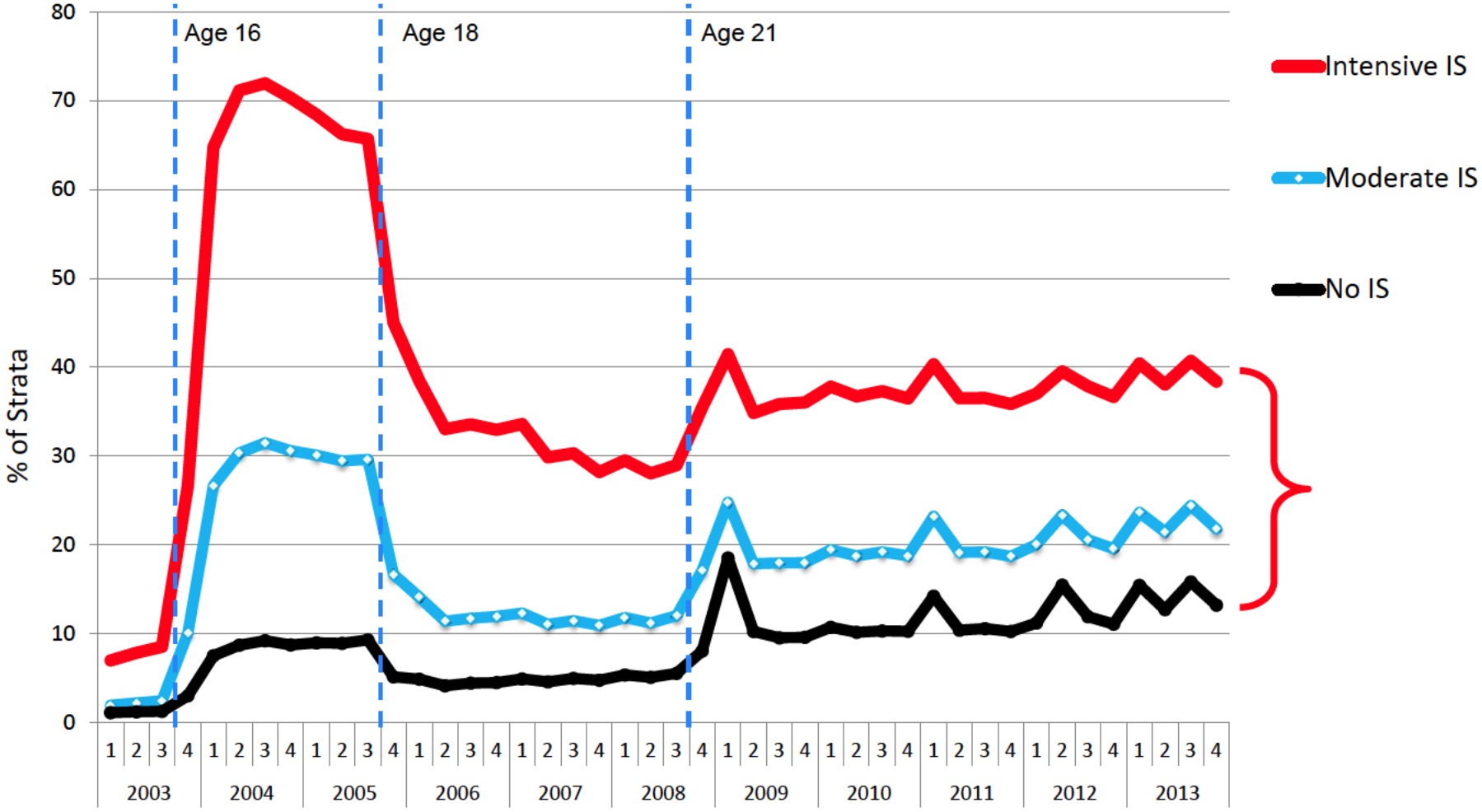
- Our focus is on the entire social safety net – including in cross-benefit correlations

Transgenerational Data Set (TDS2)

- Covers 97% of youth cohort born 1 October 1987 - 31 March 1988
- Detailed Centrelink data from Jun 1996 to Dec 2013
- Complete history of their carers' contact with Centrelink
- 124,285 parent-youth pairs



Overall Income Support (excluding FTBA and YA)



Source: Youth in Focus Project -- Transgenerational Data Set (TDS2)

This Project

- Link social assistance of parents and their adult children
- Estimate the intergenerational correlation of disadvantage in Australia
- Use receipt of social assistance as a measure of economic and social disadvantage

Method

- Use variation over multiple, highly targeted, social programs to learn about luck vs. effort
- Focus on single country controls for institutional context
  - Regulated labor market, universal health care, privatized education
  - Social safety net: highly targeted
  - Income mobility lower than in Europe but greater than in US

Australian Social Assistance

Payment	Eligibility	Age
Health		
Disability Support Pension	Permanent diagnosed disability • Mental disability: one psychological condition among 4 primary • Physical disability: all else	
Carer Payment	Constant daily care for a person with severe disability/illness or who is frail aged	
Parenting		
Parenting Payment Single	Principal carer of at least 1 child (≤8 years)	
Parenting Payment Partnered	Principal carer of at least 1 child (<6 years)	
Unemployment		
Newstart Allowance	Unemployed, looking for work, and willing to work	≥22
Youth Allowance Jobseeker	Looking for full time work or doing approved activities	16-22

Source: Income Support Payment Description, Australian Department of Human Services.

Method: Type of Parent Benefit

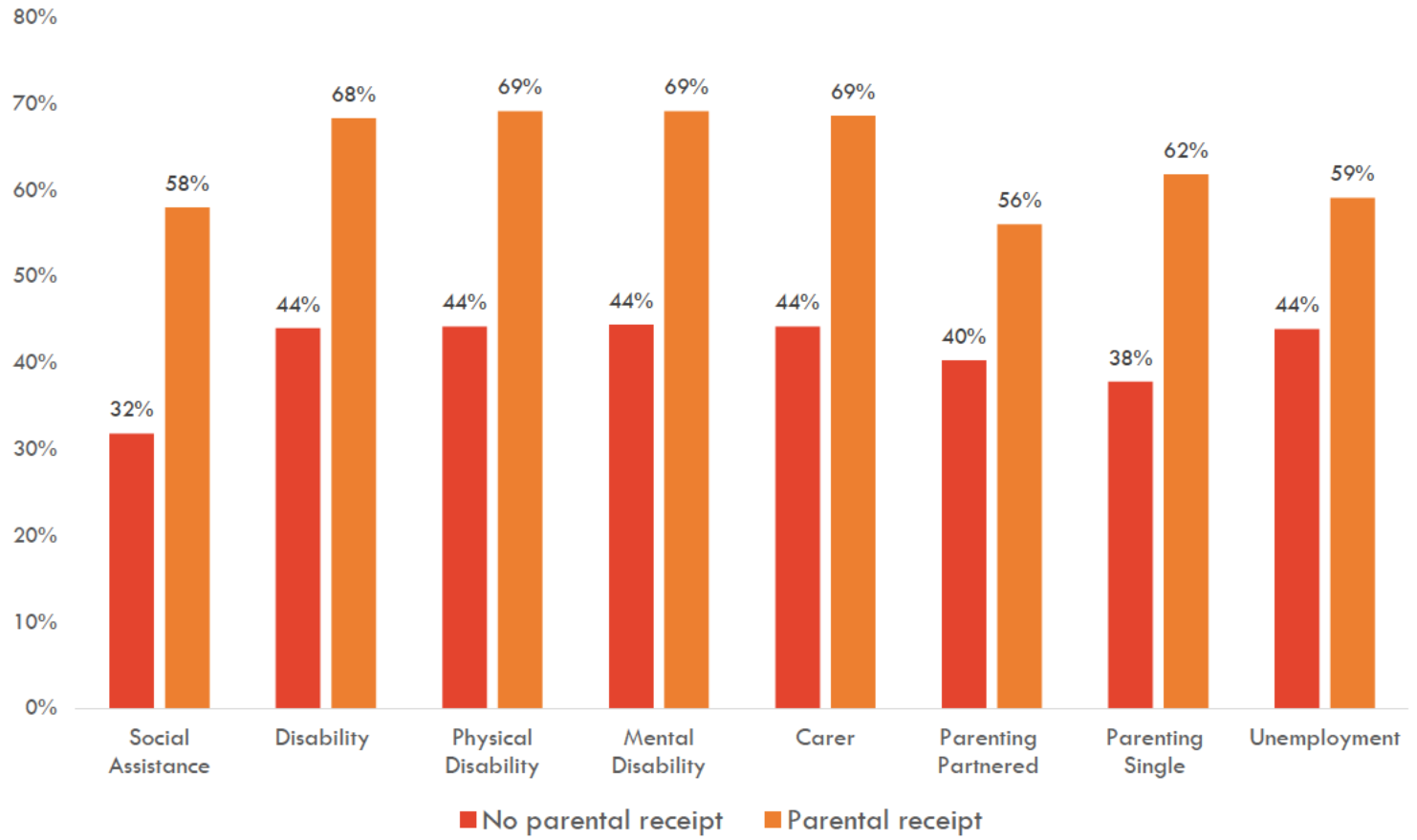
Incidence: $\Pr(ASSISTANCE_i^y = 1) = \beta_j BENEFIT_{ij}^p + \gamma_j' X_i + \varepsilon_{ij}$

Intensity: $TOTAL_i^y = \bar{\beta}_j BENEFIT_{ij}^p + \bar{\gamma}_j' X_i + \bar{\varepsilon}_{ij}$

i: family; $ASSISTANCE_i^y$: dummy of youth receipt; $TOTAL_i^y$: dollars of youth receipt; $BENEFIT_{ij}^p$: dummy of parental receipt of type j; X_i: gender^y, gender^p, aboriginal^y, Aboriginal^p, parent age at birth

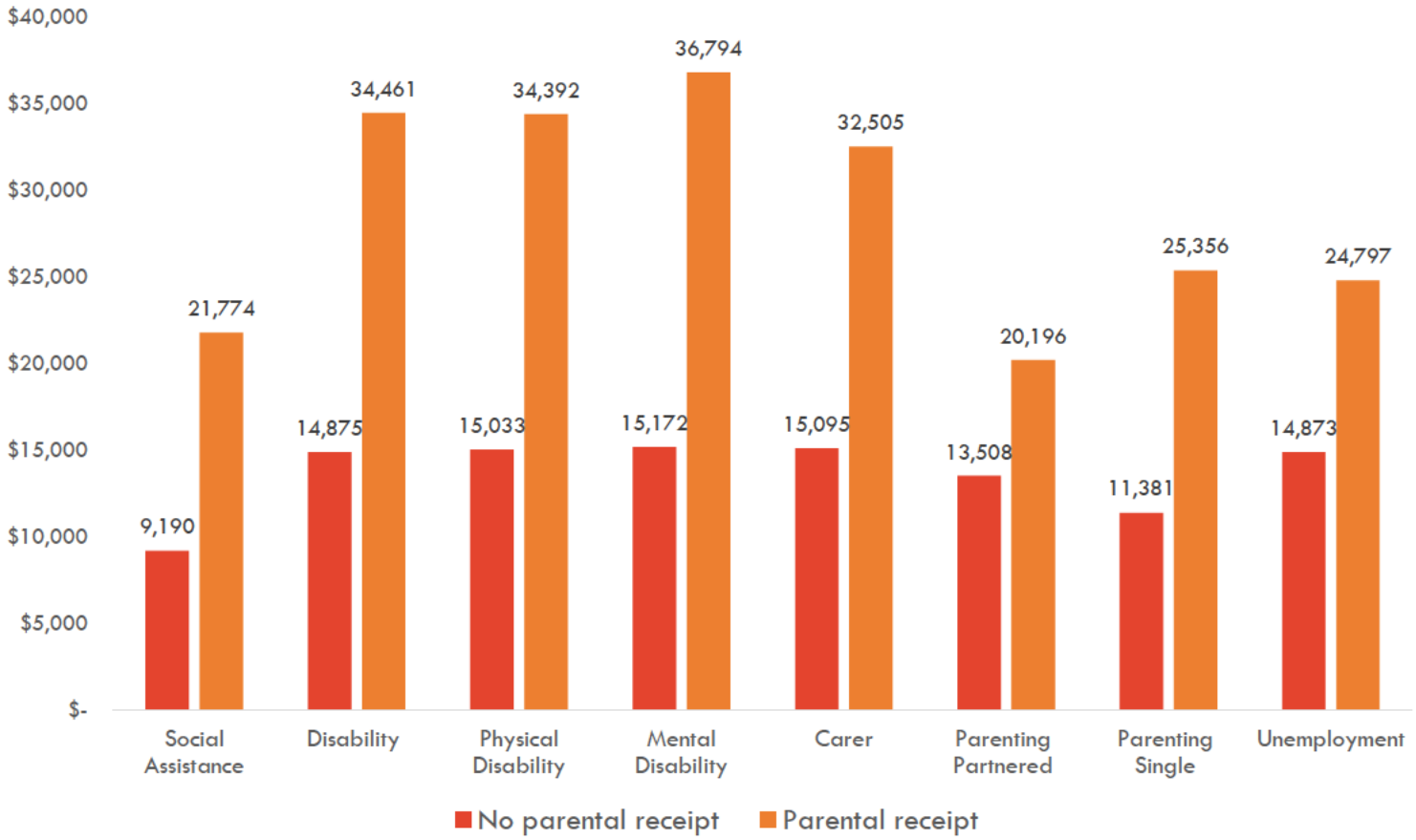
- Identify different channels by comparing disadvantage related to
  - Health
  - Parenting
  - Unemployment
- Allows to distinguish between disadvantage related more to parental circumstances (e.g. health) and to parental effort (e.g. unemployment)

Incidence of Youth Social Assistance by Parents' Benefit



TDS2, analysis sample (years 1996-2014, 124,285 observations). Bars represent conditional predicted probabilities of general social assistance receipt from OLS regressions, separately for each parental payment, and controlling for basic demographics.

Intensity of Youth Social Assistance by Parents' Benefit



TDS2, analysis sample (years 1996-2014, 124,285 observations). Bars represent conditional predicted total Australian dollar amounts in general social assistance from OLS regressions, separately for each parental payment, and controlling for basic demographics.

Method: Amount of Parental Benefits

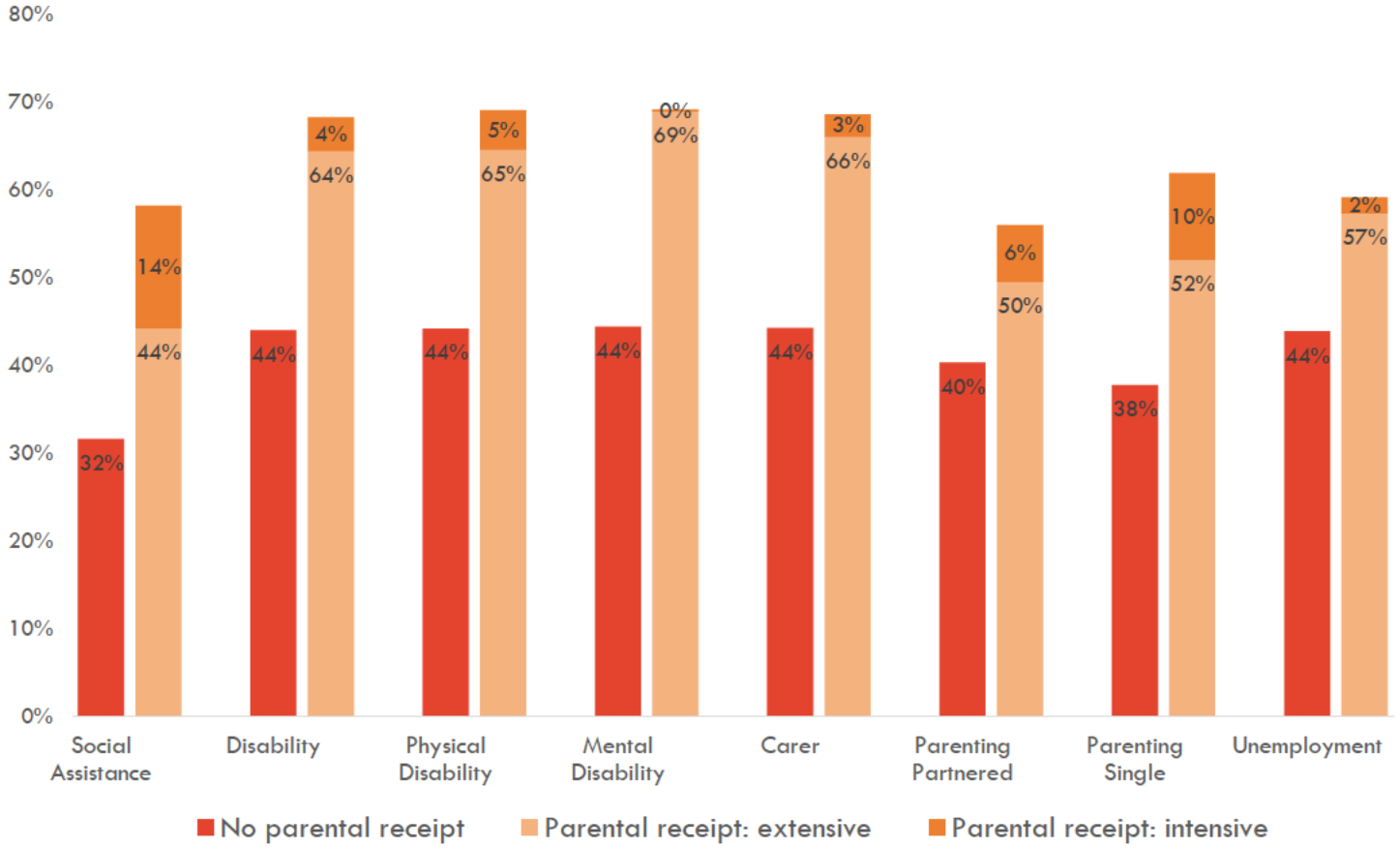
- **Decompose correlations into two components**
  - Extensive margin of parental receipt (whether parents receive any benefit)
  - Intensive margin (how much parents receive)

$$\Pr(ASSISTANCE_i^y = 1) = \beta_j^E BENEFIT_{ij}^p + \beta_j^I (BENEFIT_{ij}^p * TOTAL_{ij}^p) + \tilde{\gamma}_j' X_i + \tilde{\varepsilon}_{ij}$$

- Parental amount reflects duration and severity of disadvantage
  - We learn about additional harm of long-term exposure

FOI Request 18/19-073
Document 1

Incidence of Youth Social Assistance by Amount of Parents' Benefit



TDS2, analysis sample (years 1996-2014, 124,285 observations). Bars represent conditional predicted probabilities of general social assistance receipt from OLS regressions, separately for each parental payment, and controlling for basic demographics. Extensive margin is probability evaluated at zero-dollar receipt of the parents; intensive margin is estimated increase in probability for every additional AUD in parental receipt multiplied by average amount among recipient parents.

FOI Request 18/19-073
Document 1

The Pathways Linking Parental and Youth Social Assistance

- Which are the most important pathways linking parental and youth social assistance?

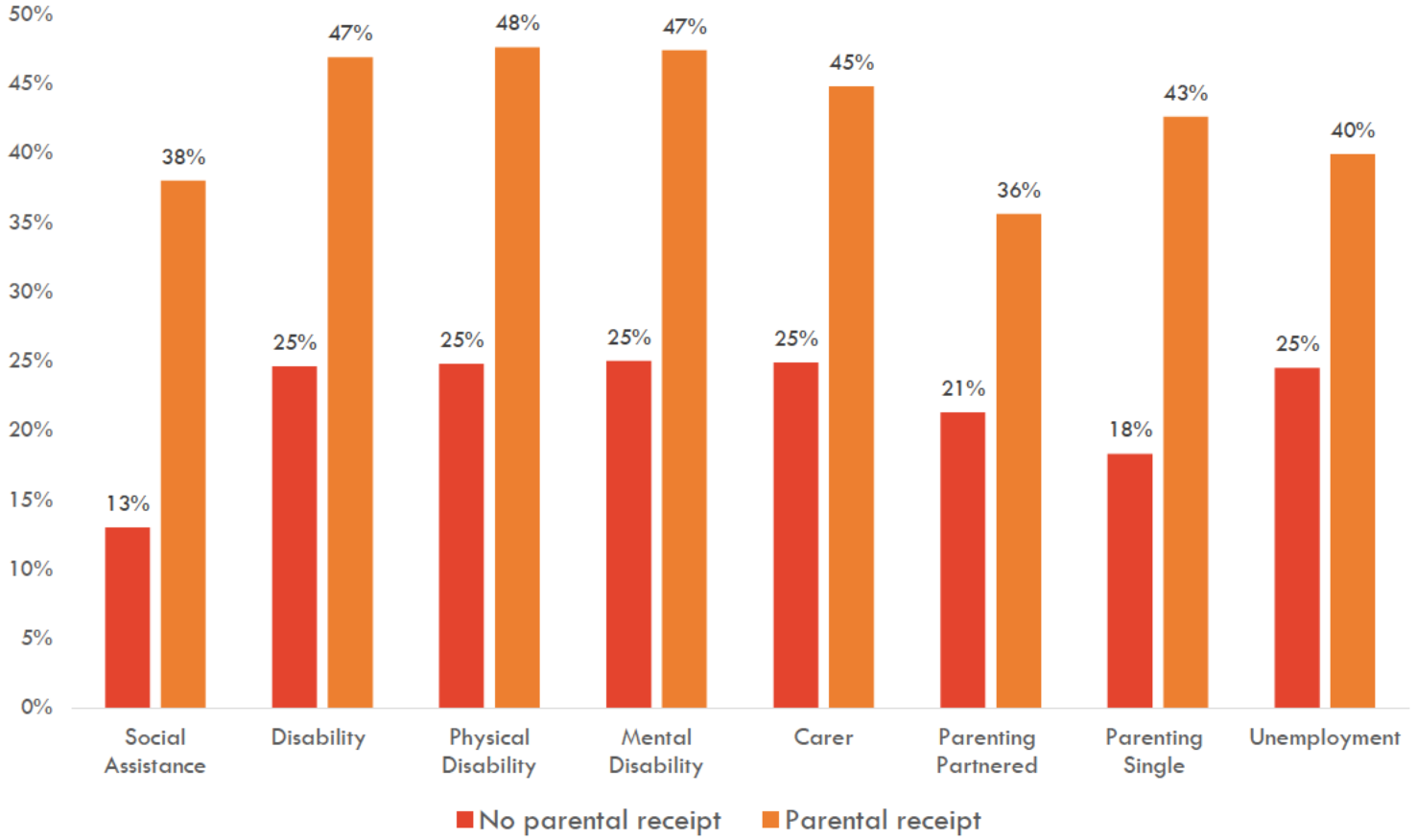
- Estimate intergenerational correlations across types of social assistance
  - Youth payment *k*
  - Parent payment *j*

$$BENEFIT_{ik}^{y} = \check{\beta}_{kj} BENEFIT_{ij}^{p} + \check{\gamma}'_{kj} X_i + \check{\varepsilon}_{ikj}$$

All benefit combinations are considered in the paper. We'll focus here on an example.

Page 13

Example: Incidence of Youth Allowance Job Seeker



TDS2, analysis sample (years 1996-2014, 124,285 observations). Bars represent conditional predicted probabilities of young unemployment receipt from OLS regressions, separately for each parental payment, and controlling for basic demographics.

Main Findings

- If their parents have a history of social assistance, young people
  - are 1.8 times more likely to need social assistance
  - need more intensive support: additional $12,000 over an 8-year period

- Long-term exposure does not have severe compounding effect

- Substantial cross-program correlations
  - Parental disadvantage has broad ranging consequences
  - Studies focusing on correlation in a single benefit likely understate the extent of intergenerational disadvantage

Pathways

- Parental disability (esp. mental), caring responsibility, and single parenthood are linked to broad spectrum of adult disadvantage
- Other forms, e.g. parental unemployment, are easier to overcome

➡ Parental disadvantage may be more harmful to children's later life outcomes if it is more strongly driven by circumstances rather than personal choice.

Thank you

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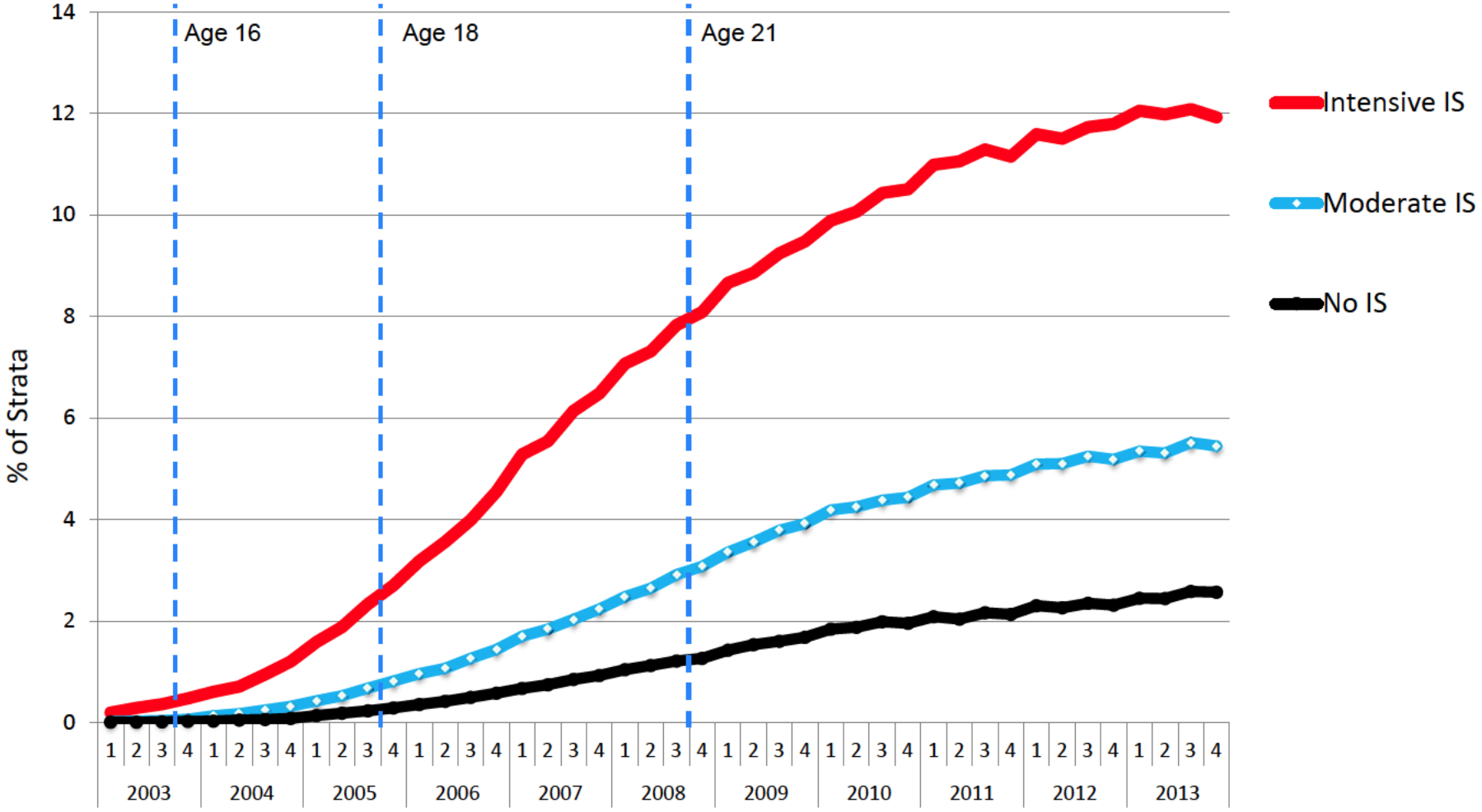
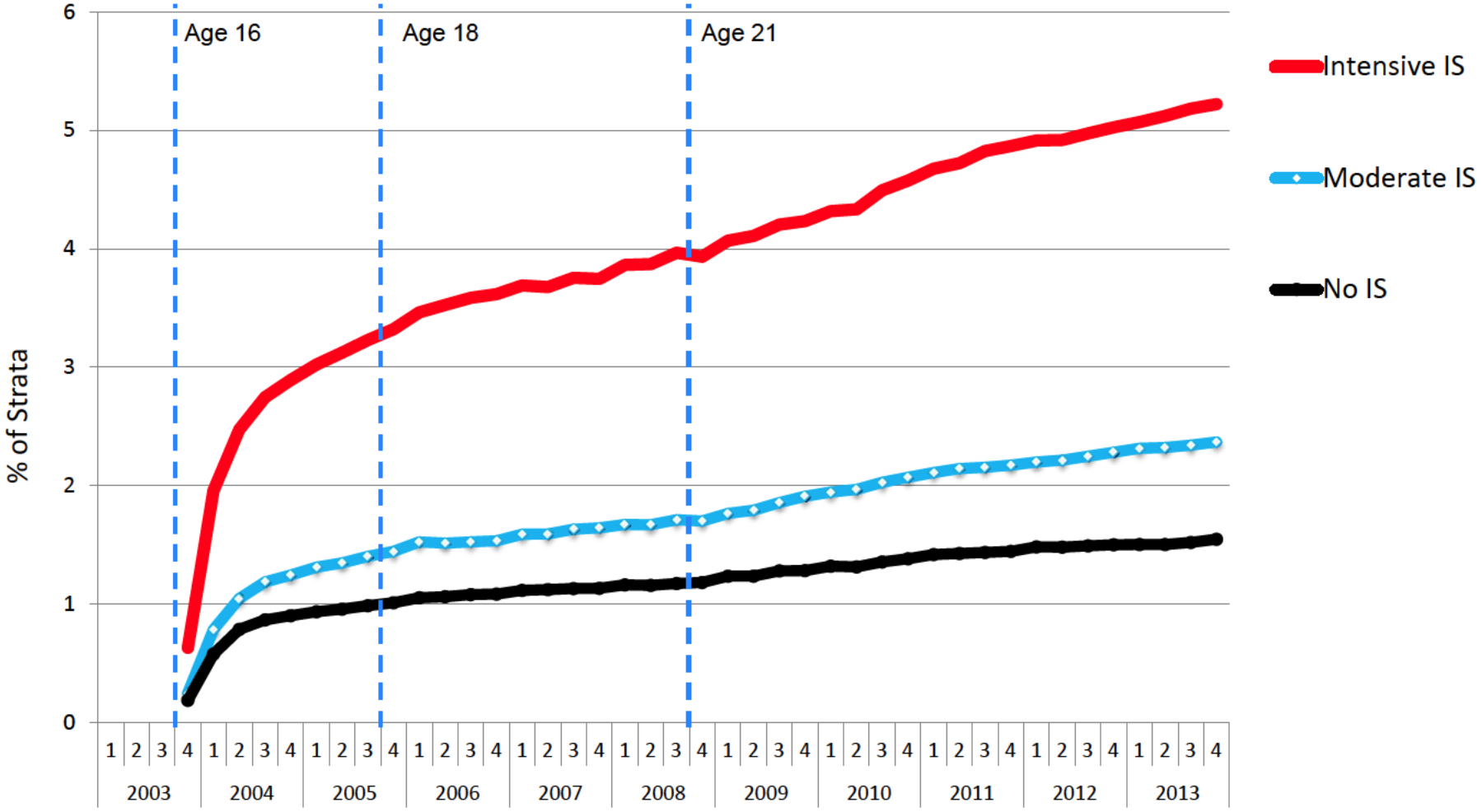
Parenting Payment (partnered & single)



Source: Youth in Focus Project -- Transgenerational Data Set (TDS2)

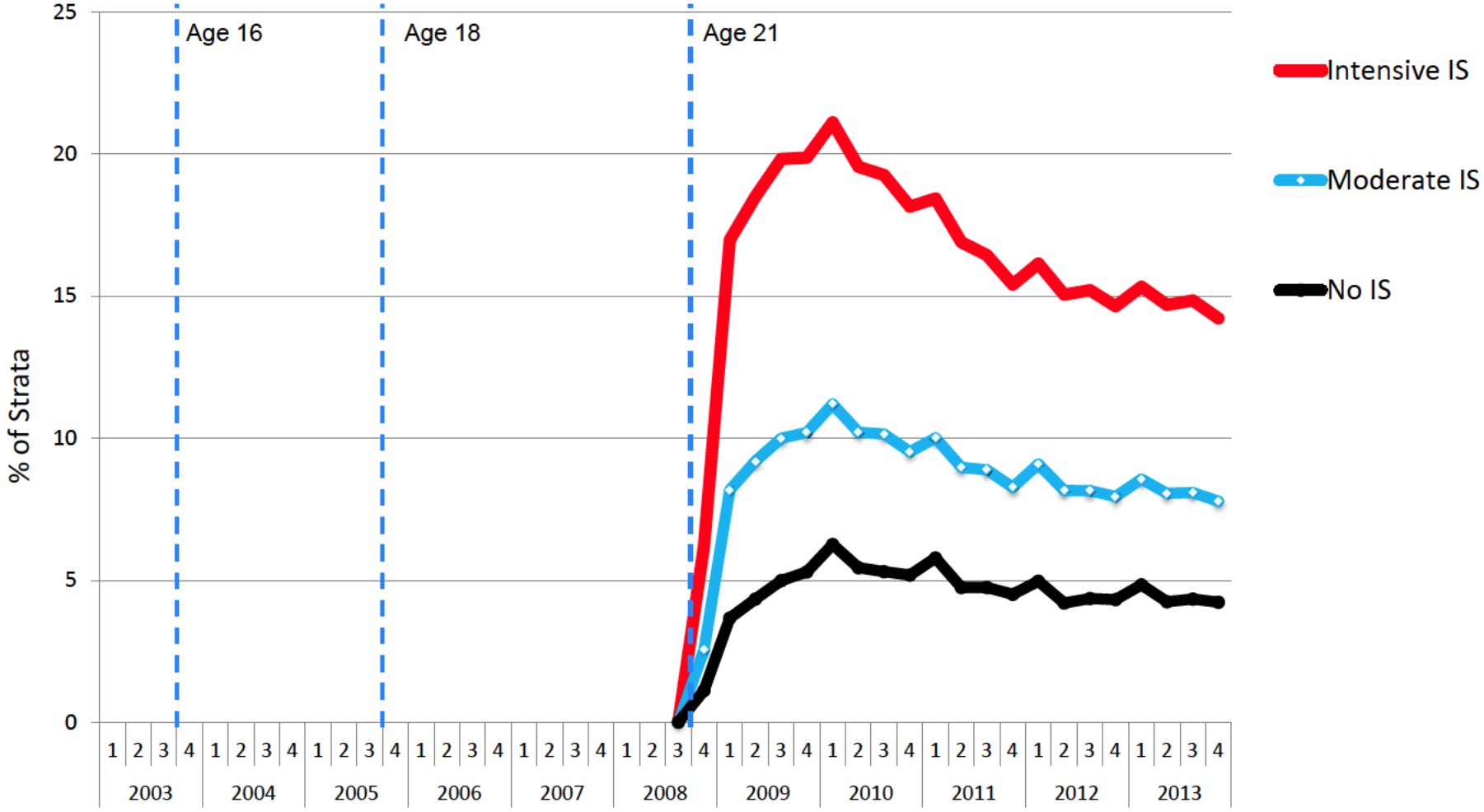
Page 19

Disability Support Pension



Source: Youth in Focus Project -- Transgenerational Data Set (TDS2)

Newstart Allowance



Source: Youth in Focus Project -- Transgenerational Data Set (TDS2)

Select Committee on Intergenerational Welfare Dependence

Opening Statement

- Thank you for the opportunity to address this public hearing today.
- Intergenerational welfare dependency and broader disadvantage are core issues for the Department. We note the growing volume of research which shows that children growing up in jobless households are at greater risk of poorer outcomes at school and subsequent welfare dependence themselves.
- The Department has been investing in building its capacity and the capacity of researchers to understand better these issues. This is through continuing work on the Priority Investment Approach (PIA); our ongoing funding of data sets such as the Household, Income and Labour Dynamics in Australia (HILDA) survey, the Longitudinal Survey of Australian Children (LSAC), and other longitudinal surveys; and our involvement in the Data Integration Partnership for Australia (DIPA) initiative.
- Analysis by the Department using data from the PIA shows that young people aged 22 to 24 years whose parents or guardians received income support payments for over 80 per cent of their childhood are 2.9 times more likely to be on income support payments today, compared to those with no parental income support history.
- The Department along with other government agencies has a large number of payments and innovative programs in place to support families to find pathways out of intergenerational welfare dependency and broader disadvantage. These payments and programs are designed

to support families and communities to build the opportunity, human capital, and capability to change children's and families outcome trajectories and increase their capacity for self-reliance. We would be happy to expand on these payments and programs during the course of our discussion today.

Australian Government
Department of Social Services

Select Committee on Intergenerational Welfare Dependence

TALKING POINTS

Cashless debit card and Income Management

- The Department is responsible for managing two welfare quarantining programs: Income Management and the Cashless Debit Card.
- Income Management was first introduced in 2007 in the Northern Territory and has since been expanded to multiple locations across Australia.
- Income Management aims to ensure a portion of a person's welfare payments are spent towards priority needs for themselves and their families. There are currently around 25,000 people on Income Management.
- The cashless debit card is part of an Australian Government trial designed with local leaders to help reduce welfare-fuelled social harm.
- The trial will help determine if limiting the proportion of cash available for alcohol, gambling and drugs will reduce social harm in communities with high welfare dependence.
- The trial is also working to remove barriers to employment, and helping people move from welfare to employment. The cashless debit card is currently operating in the Goldfields region (Western Australia), the East Kimberley (Western Australia) and Ceduna (South Australia).
- In combination with the investment in support services in the three sites, the card aims to help people stabilise their lives so they can address any barriers to employment.
- In Ceduna and East Kimberley, an independent evaluation released on 1 September 2017 states the card has shown "considerable positive impact" in these first two trial sites.
- As announced in the 2017-18 Federal Budget, the cashless debit card will expand to a fourth location – the Bundaberg and Hervey Bay region, Queensland, subject to passage of legislation.
- In the Bundaberg and Hervey Bay region, 90 per cent of people aged under 25 on unemployment benefits had a parent who received income support at some time during the past 15 years (as at 30 June 2016).
- When the card is implemented in the Bundaberg and Hervey Bay region, it is intended to help reduce social harms from alcohol, drugs and gambling, as well as

issues identified during consultation, including high youth unemployment in the area.

Background

Cashless Debit Card

- The CDC trial was announced in response to recommendations in Creating Parity, the final report of Andrew Forrest's 2014 review of Indigenous jobs and training programs.
- Under the CDC, generally 80 per cent of a participant's welfare payment is placed on a Visa debit card that can be used at any merchant that accepts EFTPOS. The card cannot be used for the purchase of alcohol or gambling products, or to withdraw cash.
- The CDC currently operates in three sites:
    - Ceduna and the surrounding region in South Australia, since 15 March 2016
    - East Kimberley in Western Australia, since 26 April 2016
    - Goldfields region in Western Australia, since 26 March 2016
- The rollout of the CDC in these sites occurred in close consultation with community and Indigenous leaders in the regions.
- There are also several local partner arrangements with community organisations that employ local people to provide ongoing face-to-face support to participants. This has added to the success of the program.
- On 30 May 2018, the Government introduced the *Social Services Legislation Amendment (Cashless Debit Card Trial Expansion) Bill 2018* to Parliament. This Bill adds the Bundaberg and Hervey Bay region as a cashless debit card trial area.
- There are currently around 5,300 people on the CDC in the three existing sites, with a further 6,000 anticipated to commence from early 2019 in the Bundaberg and Hervey Bay region (announced as part of the 2017-18 Budget).

Income Management

- Income Management was first introduced into a number of Northern Territory Indigenous communities in 2007 as part of the Howard Government's Northern Territory Emergency Response. It was then gradually extended to other locations across Australia.
- Income Management can be voluntary or compulsory and quarantines a proportion of welfare payments to pay for necessities such as food, clothing, housing and utilities.
- The proportion varies per individual but can range from 50 to 90 per cent. This proportion of payments is placed in a restricted account and can also be accessed through using a BasicsCard.
- There are a number of different measures of Income Management including for those who have been out of study or work for some time, vulnerable welfare

recipients, disengaged youth and those who have been referred as a result of alcohol issues or by a child protection worker.

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Select Committee on Intergenerational Welfare Dependence
Logan Together
Talking points

- Logan Together aims to close the gap in childhood development outcomes compared to the Queensland and Australian averages by 2025, guided by a community-designed Roadmap for Action.
- Logan Together was launched in August 2015 and is working with over 100 organisations through six priority projects in 2018 under the Roadmap for Action.
- Logan Together projects include intensive support for young parents, boosting pre-school attendance and transitioning children to school, a local employment strategy targeting families and jobless households, Community Maternity and Child Health Hubs and a community engagement campaign.
- Progress to date includes the launch of integrated service hubs in vulnerable suburbs, improved kindy attendance and strong community engagement to identify factors to improve social cohesion and participation.
- Logan Together is one of the ten demonstration sites for the Stronger Together initiative.

Background

- The City of Logan (Queensland) has a population of 308,681 with over 72,000 families. The City of Logan experiences entrenched social and economic disadvantage. It has high rates of child protection notifications, family violence and community disharmony.
- Logan has 45,000 children under eight and these children lag behind those in the rest of the state in developmental vulnerability measures.
- Escalating racial tensions during 2013 resulted in a summit of over 1,000 local people, convened by the Mayor of Logan and the then Queensland Premier. The Logan: City of Choice Action Plan was developed, with a focus on safety, housing, social infrastructure, education and employment improvement goals. The Logan Together initiative was established to support these goals.
- The Department has provided funding of $400,000 a year for the 2016-17, 2017-18 and 2018-19 years to support Logan Together. The Queensland State Government has matched this amount.
- Under the Stronger Together initiative, the Department will continue to provide support to Logan Together including both funding and support from the National Strategic Partner (NSP). The package of support from the NSP is still to be finalised, but may include support for community engagement and assistance in the collection and analysis of data.

Evaluation

- Logan Together is showing signs of small but promising success:
    - Better integration of child and family services especially with early childhood and primary school environments, which has resulted in increased Indigenous enrolment in a school preparatory year.
    - Improved civic engagement between cultural groups, three tiers of government and local social service sectors.
- The Department recently finalised a Place-based Evaluation Framework jointly developed with the Queensland Government to better understand the impact of place-based approaches on disadvantage.
- Logan Together has been evaluated using the framework with the findings expected to be finalised in the coming months. Early findings include:
    - Logan Together has clearly contributed to systemic changes and early instances of impact on families, kids, and parents that align with the Logan Together's Roadmap and theory of change.
    - Logan Together's progress is sufficient and adequate given the resources and time invested.
    - Strong progress has been made in the domain of social and service innovation, and Logan Together is on track with its efforts to create the enabling conditions for collaboration for delivering its Roadmap for Action.

Select Committee on Intergenerational Welfare Dependence
Financial Wellbeing and Capability Activity

Talking points

- The Government invests approximately $100 million per year under the Financial Wellbeing and Capability (FWC) Activity to support the improvement of the financial capability and financial security of individuals and families, including those on low-incomes and/or welfare.
- Services funded through the Financial Wellbeing and Capability Activity provide support services to help people address basic needs at times of crisis, manage serious debts, build basic budgeting and financial literacy skills, and access savings and credit options.

Background

The Government invests approximately $100 million per year under the FWC Activity to provide support services to help people address basic needs at times of crisis, manage serious debts, build basic budgeting and financial literacy skills, and access savings and credit options.

Services available through FWC are **free and available to welfare recipients**. A list of organisations providing FWC services can be found at https://serviceproviders.dss.gov.au/.

In 2017-18, FWC services supported 669,804 people, through 1,669,375 instances of service, delivered by around 412 service providers nationally.

Services provided under FWC include:

Emergency Relief services help people address immediate basic needs in times of financial crisis. These services can act as a safety net for people experiencing financial distress or hardship, and who have limited means or resources to help them alleviate their financial crisis.

Commonwealth Financial Counselling services help people in personal financial difficulty address their financial issues, manage debt and make informed choices about their money in the future. Services may include direct case work, advocacy, community education and referrals to other services.

Financial Capability services help people to build longer-term capability to budget and manage their money and to make informed choices and their money in the future. Services may include financial literacy education, information and coaching. The focus on changing financial behaviour in the long term can assist in reducing the need for intergenerational welfare and help break the cycle of disadvantage.

No Interest Loans (NILs), provides access of no-interest loans of up to $1,500 to people on low incomes, or up to $2,000 for women experiencing domestic or family violence, for household items including whitegoods and furniture.

StepUP, provides access to low-interest loans of up to $3,000 for people on low incomes for household goods and vehicles.

Saver Plus provides a matched savings program for people on low incomes who can access up to $500 in matched savings when they save $500, following completion of a financial literacy course.

Community Development Financial Institutions (CDFI) - facilitate access to low interest loans for people on low incomes to start a small business, additionally providing support to execute a business model.

The Commonwealth is not the only source of FWC funding. Services may also receive funding from states/territories, local governments, philanthropy and corporate investment.

Additional Information about FWC

Current FWC funding agreements expire on 31 December 2018. The Department is conducting a grants round of $328 million to fund FWC services over the next four and a half years, from 1 January 2019. The grants round was conducted in two tranches: an open round for ongoing measures and a restricted round for terminating specialist measures.

An open grants round was held for Emergency Relief, Food Relief, Commonwealth Financial Counselling and Financial Capability and Financial Counselling Helpline services. Funding of up to $278 million for these services is available from 1 January 2019 to 30 June 2023. Applicants for the open rounds are expected to be notified of outcomes from late October 2018.

A restricted grants round was held for Financial Counselling for Problem Gambling, Money Support Hubs and Microfinance. Funding of up to $50 million for these services is available from 1 January 2019 to 30 June 2020.

An additional restricted grants round was held for Commonwealth Financial Counselling and Financial Capability – Capability Building (from 1 January 2019 to 30 June 2023).

Applicants for the restricted rounds are expected to be notified of outcomes from late September 2018.

Select Committee on Intergenerational Welfare Dependence

Priority Investment Approach – Analysis of Intergenerational welfare use

Talking points

- One of the objectives of the Priority Investment Approach (PIA) is to address intergenerational welfare dependence by using the best available evidence to inform government policies that aim to help Australians live independently of welfare and have more positive outcomes.
- Using actuarial modelling, PIA has identified a number of cohorts of interest, particularly those people at high risk of long-term welfare dependency, and where there is potential to reduce costs and improve lifetime outcomes.
- The analysis has informed the priority groups for the Try, Test and Learn Fund, which is an innovative approach to developing and trialling evidence-based interventions to help people live independently of welfare.
- One of the enhancements introduced in the 2017 valuation was to identify the links between children and their parents across the childhood years to support intergenerational analysis.
- Findings from the 2017 valuation show that where parents had received income support payments for a significant portion of a child's life, the more likely that child was to receive income support payments themselves.
- Departmental analysis has found that young people aged 22 to 24 who spent more than 80% of their childhood with parents or guardians receiving income support are nearly three times more likely to be on welfare today than children whose parents did not receive income support.

Background

Findings on intergenerational welfare use (2017 PIA Valuation Report)

There were 374,006 children, aged 10 to 16 years, with parents or guardians who received income support payments for 50% or more of their childhood.

Young people aged 16 to 20 whose parents or guardians were reliant on an income support payment for over 80% of their childhood are 5.8 times more likely to be on income support payments today, compared to those with no parental income support history.

For a 15 year old with a very high level of parental welfare dependence, the model indicates an average lifetime cost of $240,000. This is $69,000 more than the average lifetime cost of children with no parental welfare use.

These comparisons must be read in the context of the parental income test, which prevents many young people relying on income support from higher-income families, where their similarly unemployed peers from lower-income families can access income support.

For this reason, the Department undertook analysis of the PIA model results for an older group to produce a comparison that is not affected by the parental income test. It shows that young people aged 22 to 24 whose parents or guardians received income support payments for over 80 percent of their childhood are 2.9 times more likely to be on income support payments today, compared to those with no parental income support history.

Note about family composition

The 2016 model captured information about family circumstances by projecting a person's partner status and their associated children. As a step towards understanding how family units as a whole interact and evolve over time, for the 2017 valuation, historic welfare payments data was used to analyse the composition of current family units and combined this with information available from the census for the rest of the model population.

The analysis has revealed the considerably complex and dynamic nature of family units, which is further complicated by gaps and inconsistencies in the information collated across the various data sources. The report notes while the work done is a valuable first step, better data would be needed to undertake a more comprehensive analysis of households and family units.

Try, Test and Learn Fund priority groups

- The first tranche of priority groups focused on:
  - young parents;
  - young carers; and
  - young students at risk of unemployment.
- The tranche two priority groups are:
  - Newstart Allowance recipients aged 50 and over;
  - migrants and refugees aged 16-64 receiving income support;
  - carers aged 16-64 receiving Carer Payment; and
  - 'at risk' young people aged 16-21 receiving income support.

Australian Priority Investment Approach: Q&A

Q. Why does the 2017 valuation report show that children whose parents had a very high level of welfare dependency were 5.8 times more likely to use income support but the Government is saying these people are 3 times more likely to use income support?

The report shows that young people aged 16 – 20 years old whose parents or guardians received income support payments for over 80 per cent of their childhood are 5.8 times more likely to be on income support payments today, compared to those with no parental income support history.

These results must be read in the context of the eligibility rules for young people accessing income support payments.

The parental income test ensures middle to high-income families continue to support their children up to 22 years of age, while providing income support to the young adult children of low-income families and other situations where young people are considered independent.

For example, a young unemployed 20 year old whose parents receive income support payments would be eligible for Youth Allowance, while her equally unemployed friend with higher-income parents would not be eligible.

Q. Where did the figure that young people aged 22 to 24 are nearly three times more likely to be on welfare if their parents were welfare dependent come from?

To supplement the Report's analysis, the Department conducted further intergenerational analysis of young people who are over 21 and are, therefore, not subject to the parental income test.

This analysis found that there remains a higher likelihood of intergenerational income support use even when the parental income test does not apply.

Departmental analysis shows that young people aged 22 to 24 whose parents or guardians received income support payments for over 80 per cent of their childhood are 2.9 times more likely to be on income support payments today, compared to those with no parental income support history.

Q. Why is there a 3.7 per cent increase in the total future lifetime welfare cost from last year?

The total future lifetime welfare cost is estimated to be around $4.7 trillion as at 30 June 2017, up 3.7 per cent ($167 billion) from $4.5 trillion last year.

This change is mainly due to the combined effect of:

- population growth and inflation which increased the total future lifetime welfare cost by $210 billion (an increase of 4.7 per cent)
- other changes including a reduction in the number of people accessing welfare payments which have contributed a decrease of $43 billion (down 1.0 per cent).

Q. What's the difference between total future lifetime welfare cost and average future lifetime welfare cost?

Within the valuation reports, the total lifetime cost refers to the value of future payments made to everyone in the model population over their natural lifetime. The total lifetime cost can be assessed for groups of people within the model population.

The average lifetime cost refers to the per person future lifetime cost for a group of people.

Q. How does the 2017 Valuation Report differ from the 2016 Valuation Report?

The 2017 Valuation Report reflects improvements to the model to provide greater understanding of the welfare population and their expected outcomes.

The model now explicitly considers the intergenerational effects of welfare, a person's current level of study and the impact of barriers to work for job seekers.

This extension of the model has allowed new insights.

People with higher parental welfare dependence tend to enter into the welfare system earlier, utilise more income support, and have a higher average lifetime cost.

The new education sector variable captures a person's current level of study: secondary school, higher education or Vocational Education and Training (VET), and shows how this correlates with their projected welfare dependency.

The barriers to work variable provides information about job seekers' ability to work based upon the status of their exemption from mutual obligation requirements, reported psychological/psychiatric condition, and whether they have had a partial capacity to work assessment and its outcome.

Q. Do you envisage further changes to the modelling for future valuations?

The model will continue to evolve, becoming more detailed and improving its capacity to differentiate the future lifetime costs of groups within the Australian population.

Future annual valuations will allow us to continue tracking how policy changes contribute to improving the effectiveness and efficiency of the welfare system.

Q. Has the Report been independently validated, and by whom?

As with previous reports, the 2017 valuation will be independently validated by a third party. Taylor Fry, an Actuarial consulting firm, will validate the 2017 valuation.

Q. What is the Government doing to reduce the $4.7 trillion figure?

The Government is embarking on a comprehensive reform of Australia's welfare system following the passage of the Social Services Legislation Amendment (Welfare Reform) Act 2018.

A new JobSeeker payment will progressively replace seven existing payments from March 2020, providing a simpler system for people receiving working age payments.

The Government is also focused on the $96.1 million Try, Test and Learn Fund which is trialling innovative initiatives that support people who can work to find a stable job, with the aim of putting a halt to unsustainable welfare expenditure.

Q. What effects will the new Child Care Subsidy have on the projected future lifetime costs?

The implementation of the new Child Care Subsidy, which replaces the Child Care Benefit and Child Care Rebate to help working families, has led to an increase in future lifetime cost of $26.9 billion across the system.

Q. The report identifies policy changes that have led to an overall reduction of the total future lifetime cost. What are these?

There was an overall reduction of $4 billion to future lifetime costs associated with policy changes over the past financial year ending 30 June 2017. While the implementation of the new Child Care Subsidy led to an increase in future lifetime cost of $26.9 billion, this has been more than offset by a reduction of $27.6 billion associated with other policy changes. These changes include:

- introduction of the $80,000 income limit for Family Tax Benefit Part A Supplement
- freeze of current Family Tax Benefit rates, income free area and primary earner income limit
- closure of Carbon Tax Compensation for new Family Tax Benefit recipients and concession card holders.

Q. Can we expect any more of these reports?

Following the expiry of the contract with PricewaterhouseCoopers (PwC) in 2018, the Department of Social Services will assume responsibility for reporting on the future lifetime cost of the welfare system.
The Department of Social Services is currently considering the arrangements for valuations post 2018.

Q. What areas will the 2018 valuation focus on?

Subsequent valuations will continue to increase the evidence base and provide greater capacity to track the effectiveness of different Government initiatives in reducing long-term welfare dependency. These initiatives may include existing and new measures to be introduced in the future.

Q. Do you expect that future lifetime welfare costs will continue to reduce for future reports?

As we continue to develop and refine the model used to assess the future cost of Australia's welfare system, we will develop a clearer picture of how Australians interact with the welfare system over their lives and will likely see changes in the future lifetime welfare cost prediction.

And, as we put into place programs and policies to help those at risk of long-term welfare dependency, this will likely have a positive impact on Australia's overall future welfare bill.

Q. How much did the Government pay PricewaterhouseCoopers to do this work?

The 2015-16 Budget included $33.7 million towards the implementation of the Priority Investment Approach.

This included $20.7 million in funding for the actuarial services, ICT capital, verification of the actuarial model and departmental resources necessary to implement this Approach. The Government announced a further $13.1 million in funding to maintain four longitudinal studies.

The current value of the contract with PricewaterhouseCoopers is $10.4 million.

Background

The Australian Priority Investment Approach to Welfare (PIA) uses actuarial modelling to give us a national picture of the entire welfare system. It provides insights into how the system is working and uses those insights to find innovative ways of helping more Australians live independently of welfare.

One of the objectives of PIA is to address intergenerational welfare dependence through using the best available evidence to inform government policies that aim to help Australians live independently of welfare and achieve more positive life outcomes.

The Department of Social Services is leading this initiative, working closely with the Australian Government Actuary, the Department of Jobs and Small Business and other portfolios to provide whole-of-government oversight.

So far, three annual Valuation reports have estimated the total lifetime costs for the Australian population:

- $4.8 trillion as at 30 June 2015
- $4.5 trillion as at 30 June 2016
- $4.7 trillion as at 30 June 2017.

Future annual valuations will allow us to further track how policy changes contribute to improving the effectiveness and efficiency of the welfare system.

Select Committee on Intergenerational Welfare Dependence
Defining and measuring welfare and dependency

Talking points

- The Australian welfare system includes income support payments that aim to provide a basic acceptable standard of living. Supplementary payments such as Family Tax Benefit and Commonwealth Rent Assistance can also provide assistance to address specific costs (for example, children, or the costs of renting privately).
- Receiving income support does not necessarily imply that an individual or family is reliant or dependent on income support. Income support receipt may be short term, supporting individuals and families though difficult transitions, or be an investment in future self-reliance (such as payment of income support to full-time students).
- Since 1980, changes to the income test for income support payments have made it possible for more working-aged income support recipients to mix the receipt of income support with levels of part-time and more recently, full-time work.
- For some people, income support receipt may be supplementing other income such as part-time earnings from work, and, therefore they qualify for part-payment of income support.
- There is no one particular way to define or measure welfare dependence.
    - Analysis using the Priority Investment Approach data set uses a time-based measure of welfare dependency (the proportion of a recipients childhood spent in the care of a parent receiving income support).
    - The Australian Bureau of Statistics publishes data showing the contribution of welfare to gross household income, including the number of households whose largest income source is government pensions and allowances, and the number of households that receive 90 per cent or more of their income from welfare.
    - Another approach is the proportion of working age Australians receiving income support on a headcount measure. However, this would include a large number of people who would not normally be considered to be welfare dependent as they may only attract a part-rate of payment or be on payment for a short period of time (for example, students).

> However, the proportion of working age Australians receiving income support on this measure is now 15.1 per cent – the lowest level in over 25 years.

Background

Welfare

- The discussion paper notes that welfare can be broadly interpreted to include all spending on social assistance, which is useful for projecting costs to government but is significantly broader than the focus of this inquiry. This broad definition of welfare, which includes more than income support payments, is captured by the Social Security and Welfare (SSW) function used in the Budget. This broadly includes: (1) payments (such as the Age Pension, Disability Support Pension and Newstart Allowance); (2) subsidised services (such as aged care, NDIS and child care); and (3) concessions.
- In the PIA the total future lifetime cost refers to the value of future payments (including the age pension) made to everyone in the model population over their natural lifetime.
- The proportion of working age Australians receiving income support is now 15.1 per cent, the lowest level in over 25 years.

Dependence

- The Select Committee's discussion paper notes 'receipt of welfare payments does not in itself constitute welfare dependence. However at some point the amount of welfare received, the proportion of family income derived from welfare and the duration of time spent become sufficient to be classified as dependence." (page 5).
- The Australian Bureau of Statistics publishes measures of the contribution of government pensions and allowances (including the age pension) to gross household income, including the number of households whose largest income source is from payments, and the number of households that receive 90 per cent or more of their income from welfare.
- Recent HILDA findings show welfare reliance, as defined as when more than 50 per cent of household income comes from welfare, declined between 2004 and 2008 and remained relatively constant until 2012, at approximately 10 per cent.

Intergenerational Dependence

- The most recent analysis from the PIA includes a time based 'intergenerational welfare' variable, which identifies the proportion of a recipients childhood spent in the care of a parent on an income support payment.

Select Committee on Intergenerational Welfare Dependence
Defining and measuring welfare and dependency

- The Life Course Centre Working Paper: 2014-09 *Intergenerational welfare dependency in Australia: a review of the literature* (partially funded by DSS) describes intergenerational welfare dependency as the disadvantage that accrues to children due to parental or familial receipt of income support. In this description "intergenerational welfare dependency entails the impaired acquisition, poor accumulation, incomplete transfer or loss of human capital and human capability across the life course."
- Recent studies by Goldfeld et al, by Warren, and by Baxter Gray Hand and Hayes, using the *Growing Up in Australia: The Longitudinal Study of Australian Child* (LSAC) data suggest childhood disadvantage or the circumstances in which children live, learn and develop drives differential developmental outcomes. Children experience poorer health and developmental outcomes with successively higher levels of disadvantage.
- Joblessness (and the associated long-term receipt of welfare by parents) is highly correlated with poorer outcomes for children. Research using LSAC shows children living in a jobless family had poorer cognitive and social–emotional outcomes compared to children in families working full-time/long part-time hours. Outcomes in each of the specific domains of development (learning/cognitive, social/emotional and physical) worsened as family joblessness intervals increase.
- Some effects of joblessness on poorer outcomes operated via financial wellbeing, parental mental health, the nature of the neighbourhood the family is living in and parenting style.
- Children in jobless families have, on average, mothers with much lower levels of educational attainment, and they live in more disadvantaged neighbourhoods (less access to basic services and safety of the neighbourhood) – factors associated with lower levels of child wellbeing and development.
- The Department partly funded and provided the data for a major study on the transmission of intergenerational disadvantage by the Life course Centre released in October 2017. (See briefing on "Intergenerational Disadvantage: Learning about Equal Opportunity from Social Assistance Receipt")
- From this research we know having a parent with a disability, especially when related to mental illness, appears to play a substantial role in limiting young adults' life chances (p.22). Childhood disadvantage stemming from parental disability is strongly linked to a broad spectrum of adult disadvantage.

Poverty

- There is no official poverty measure in Australia and no single, agreed, objective indicator of poverty or financial stress.
- OECD statistics on Australian poverty in 2013-14 determined that the Australian poverty rate was over 26 per cent before taxes and transfers but fell to just under 13 per cent after taxes and transfers.

Select Committee on Intergenerational Welfare Dependence
Defining and measuring welfare and dependency

- The 13 per cent poverty rate is determined by calculating the proportion of households with an income less than half-median equivalised disposable household income.
- When calculating poverty rates, household incomes are often equivalised (through the use of equivalence scales) to facilitate putting households of different size and composition on a level playing field. In addition, disposable (after tax and transfer) incomes are generally used as they provide the best measure of a households economic welfare.

- Basing poverty measures on income alone does not take into account the broad range of supports offered to Australians under our tax transfer system, and through our universal access to health and education. Income based measures also do not take into account other supports that Australians may have, such as their wealth holdings.

Additional briefing for Intergenerational Welfare public hearing

Defining welfare dependency

- Receiving income support does not necessarily imply that an individual or family is reliant or dependent on income support. Income support receipt may be short term, supporting individuals and families though difficult transitions, or be an investment in future self-reliance (such as payment of income support to full-time students).
- Since 1980, changes to the income test for income support payments have made it possible for more working-aged income support recipients to mix the receipt of income support with levels of part-time and more recently, full-time work.
- For some people, income support receipt may be supplementing other income such as part-time earnings from work, and, therefore they qualify for part-payment of income support.
- There is no one particular way to define or measure welfare dependence.
    - Analysis using the Priority Investment Approach data set uses a time-based measure of welfare dependency (the proportion of a recipients childhood spent in the care of a parent receiving income support).
    - The Australian Bureau of Statistics publishes data showing the contribution of welfare to gross household income, including the number of households whose largest income source is government pensions and allowances, and the number of households that receive 90 per cent or more of their income from welfare.
    - Another approach is the proportion of working age Australians receiving income support on a headcount measure. However, this would include a large number of people who would not normally be considered to be welfare dependent as they may only attract a part-rate of payment or be on payment for a short period of time (for example, students). However, the proportion of working age Australians receiving income support on this measure is now 15.1 per cent – the lowest level in over 25 years.

PIA intergenerational analysis

Analysis by the Department shows young people aged 22 to 24 years whose parents or guardians received income support payments for over 80 per cent of their childhood are 2.9 times more likely to be on income support payments today, compared to those with no parental income support history. The below table shows the proportions and actual numbers of people receiving income support. The 2.9 per cent figure is derived by dividing the proportion of people with a level of 81%+ by the proportion of people with a level of 0% (ie. 54.9% divided by 19.2%).

Welfare receipt in 2017 for 22 to 24 year olds, by level of parental welfare utilisation (impact of the parental income test removed)

Level of parental welfare utilisation	Proportion receiving pre-retirement income support (including studying)	Number receiving pre-retirement income support (including studying)	Number not receiving any payments	All 22-24 year olds
0%	19.2%	122,769	505,133	640,573
1%-30%	33.7%	50,899	95,472	150,966
31%-80%	44.9%	61,689	71,391	137,300
81%+	54.9%	61,492	47,446	112,098

Recipients of welfare payments

As of June 2017, there were 2,400,436 people aged 16 to 64 years on income support, equivalent to 15.1 per cent of the estimated residential population aged 16-64 years.

- Note that this analysis excludes DVA payment recipients.
- The number of people aged 16-64 years receiving income support has not yet been publicly released for June 2018.
-

Income, consumption and wealth definition

- Income represents a flow of recourse either over a period, received cash or in kind.
    - The ABS income surveys measure gross cash income, which includes income from wages and salaries, self-employment, government cash benefits, investments and other categories such as workers compensation, superannuation and royalties.
- Consumption expenditure reflect not only the goods and services that a household can command based on its current income, but also household can access credit markets or household savings at times when current income is low.
    - Income is only received intermittently, whereas consumption is 'smoothed' over time. Consequently, it is reasonable to expect that consumption is more directly related to current living standards than current income, at least for short reference periods.
- Wealth describe the ownership of assets valued at a particular point in time.
    - Asset, defined as the ownership of things such as cars, houses and computers) that have an economic value- they can be sold for money, in other words.

Poverty

- The most common measure of poverty in developed countries is the proportion of households with an income less than half-median equivalised disposable household income – this is a relative poverty measure.
- There is a wide range of methods that can be used to measure poverty. Income poverty can be expressed as an absolute measure or a relative measure; in developed countries relative poverty is usually considered the more meaningful.
- Material deprivation, hardship indicators and levels of consumption can also be used to measure poverty.
- Analysis of HILDA data indicates that the poverty rate was 13.2 per cent in 2007 and 9.7 per cent in 2015.

- Measures of poverty are varied. The Department puts little weight on any particular measure in isolation; experience shows you need a range of approaches.

Inequality

- Inequality is concerned with distribution across the whole society, in contrast to poverty, which is more concerned with those that are relatively poor.

- The Gini coefficient is the most widely used measure of income and wealth inequality (although there are others, such as ratios of high income to low income deciles).

- A Gini coefficient of zero indicates that incomes are perfectly evenly divided. A Gini coefficient of one indicates that all income is held by a single household.

- Income inequality: is the most common subject of inequality studies. Income is used as a proximate measure of welfare because income provides current access to resources. While there are many different kinds of income, a good proximate measure of welfare is given by 'Final equivalised household income', which factors in the effects of household formation, taxes and transfer payments.

- Wealth inequality: wealth is distributed between households somewhat differently to income. Wealth is often accumulated during a person's working life and then used in retirement.

- The latest SIH released on 13 September 2017 found a Gini coefficient of 0.323 for 2015-16, which is marginally lower than the Gini coefficient of 0.333 recorded for 2013-14 (a change that is not statistically significant). In addition, the SIH has shown very little change in the Gini coefficient for household incomes between 2007-08 and 2015-16.

- The latest HILDA Statistical Report shows that inequality of household incomes has been stable from 2001 to 2015 (the most recent year for which data is published).

- The Gini coefficient for wealth is higher than for income, reflecting greater inequality in the distribution of wealth. In large part, this reflects the fact that people accumulate wealth over their lifetime. Using SIH data, the Gini coefficient for wealth in 2015–16 was 0.605.

Deborah Cobb-Clark, Sarah Dahmann, Nicolás Salamanca and Anna Zhu

The Melbourne Institute working paper No. 28/17 October 2017

Talking points

N/A

Background

Summary and main Findings

- The working paper by Cobb-Clark, Dahmann, Salamanca and Zhu on Intergenerational Disadvantage is a study of patterns of intergenerational disadvantage not intergenerational welfare dependency, although it uses welfare data.
- The paper examines correlations between the likelihood of young people receiving welfare support and relative disadvantage in their childhoods. It finds
    - young people are 1.8 times more likely to need social assistance if their parents have a history of receiving social assistance themselves.
    - Having a parent with a disability, especially when related to mental illness or substance abuse, appears to play a substantial role in limiting young adults' life chances.
    - Young adults are much more likely to experience social and economic disadvantage if they grow up in single- rather than couple headed families receiving parenting benefits.
    - Young people are only minimally more likely to experience social and economic disadvantage if they grow up in families receiving unemployment (NA) or partnered-parent (PPP) payments than if their families received no social assistance at all.
- The analysis uses longitudinal DSS administrative data (including family payments made to working families) linked over time and within families. These give detailed social assistance trajectories for a birth cohort of young adults and their families over an 18-year period.

Policy Recommendations in the report

- The paper argues that, given the tight linkage of disadvantage between generations, it is important that we look beyond traditional tax-and-transfer programs to find new approaches to supporting disadvantaged families.
- It notes that the Australian Government is already reforming its welfare support systems to make greater investments in people who have the highest chances of experiencing lifelong disadvantage and commends this strategy.

- At the same time, the report argues against measures aimed simply at removing welfare payments from families with children, saying such measures cause greater hardship to the children in these families and thus worsens their future opportunities, drawing on studies of welfare reform in some US States for support.
- Professor Cobb-Clark noted to the media "The benefits are a marker for something that's happened. It is important that people don't jump to the conclusion that we can fix all this by taking them away."

Data and Method

- The data the paper uses is a new dataset of DSS administrative data created for the wider-ranging Youth In Focus research project – a collaboration between several universities, the Australian Research Council and several Australian Government agencies, including DSS.
- The paper also compares and contrasts the results with previous Australian and overseas studies, mainly using survey rather than administrative data (including HILDA.)
- Although the paper does not look at causality, it does reference overseas research which broadly suggests the causal direction runs from intergenerational disadvantage to welfare receipt rather than the reverse.
- The paper also points to further directions for studies of transmission of intergenerational disadvantage that could overcome some of the limitations of the current study – in particular, shedding light on the complex and multidirectional relations between intergenerational disadvantage and welfare.

Department of Social Services – Programs and Projects overview for the Select Committee on Intergenerational Welfare Dependence
Department of Social Services programs and projects to support families experiencing disadvantage

Settlement

Activity Name	Outline	Aims of the program?	Who receives it?	How do we know it works?	Independent evaluations
Strong and Resilient Communities (SARC) **- Community Resilience** **- Inclusive Communities**	SARC provides grants funding over three and a quarter years to build strong and resilient communities by supporting local community organisations in their efforts to overcome disadvantage and solve complex social problems.	SARC aims to build strong, resilient, cohesive and harmonious communities to ensure that individuals, families and communities have the opportunity to thrive, be free from intolerance and discrimination, and have the capacity to respond to emerging needs and challenges.	SARC Community Resilience grants target communities that show potential for or early signs of low social cohesion, and/or racial, religious or cultural intolerance as well as disadvantaged and vulnerable individuals and families. SARC Inclusive Communities grants are targeted at improving the social and economic participation of vulnerable and disadvantaged individuals.	Funded organisations report on service delivery through the Data Exchange (number of clients, number of events/ service instances, percentage of participants from priority target groups, percentage of clients achieving individual goals related to independence, participation and well-being, and percentage of clients achieving improved independence, participation and well-being. Funded organisations also report on any performance measures set out in the Activity Work Plan agreed with the department.	A post-implementation review is planned for early 2019 and an outcomes evaluation is planned for 2020.
Free Interpreting Service	The following groups can access the Free Interpreting Service to provide services to anyone in Australia who has a Medicare card: - Private medical practitioners; - Pharmacies; - Non-government organisations; - Real estate agencies; - Local government authorities; - Trade unions; and - Parliamentarians.	Provides free access to an interpreter when interacting with eligible services: The service aims to provide equitable access to key services, that are not government funded, for people with limited or no English language proficiency.	Anyone in Australia who is eligible for Medicare can access the service.	The Free Interpreting Service is a demand driven program. 244,100 interpreting services were provided in 2017-18.	nil
Free Translating Service	The Free Translating Service allows people settling permanently in Australia to have up to 10 personal documents translated into English.	Allows holders of certain types of visas to get key personal documents translated for free. The service aims to support participation in employment, education and community engagement.	Permanent residents and select temporary or provisional visa holders can access the service within the first two years of their eligible visa grant date.	The Free Translating service is a demand driven program. 6,970 translations were provided in 2017-18.	nil

FOI Request 18/19-073
Document 2

Activity Name	Outline	Aims of the program?	Who receives it?	How do we know it works?	Independent evaluations
Humanitarian Settlement Program (HSP)	The HSP provides practical support to humanitarian entrants to build the skills and knowledge they need to become self-reliant and active members of Australian society.	The HSP provides individualised needs-based support to assist humanitarian entrants integrate into Australian life. HSP service providers deliver early practical support to entrants following their arrival in Australia and help them to achieve key settlement outcomes in areas such as health, housing, English language proficiency, education employment and community participation. The HSP is designed to work in combination with other settlement and mainstream services. Services are tailored to the individual needs of each client.	HSP services are targeted at humanitarian entrants (individuals, families and children). Eligible humanitarian entrants are referred to the HSP directly through the Humanitarian Program (administered by the Department of Home Affairs). Eligible humanitarian entrants will hold the following visas • Refugee (subclass 200, 201, 203, 204); and • Global Special Humanitarian (subclass 202) Subject to the department's approval, HSP Specialised and Intensive Services are available to the following visa holders: • Protection (subclass 866); and • Temporary protection (subclass 785), Temporary Humanitarian Stay (subclass 449), Temporary Humanitarian Concern (subclass 786) and Safe Haven Enterprise (subclass 790).	Since commencement of the HSP, DSS staff have undertaken various monitoring activities to clarify how well the program is running. These activities have focused on successful transition to the HSP, quality service delivery, and service provider compliance through desktop reviews, client interviews, observations of on-arrival, transit, and orientation services and accommodation provided to the clients. As well, the department has consistently analysed HSP data to monitor service provider compliance, correct implementation of the HSP, and KPI achievement. Information obtained has, in general, demonstrated that the program is working. For example, between 30 October 2017 and the end of June 2018, • over 90% of eligible clients were supported to register for English language lessons, enrol in higher education and training, and/or attend their first employment services appointment, and • 2,079 eligible clients were supported to access family support services. Other means of gaining information about the program include: • Service Providers reporting on KPI achievements in their 6-monthly reports and annual business plans; • HSP clients being provided, in their own language, with departmental contact details to make complaints about privacy issues; • HSP clients being provided with contact details and information about how to make a complaint to their service provider; and • Service Providers report all critical incidents to the department. All of these mechanisms ensure the department remains up-to-date with the degree of success of the HSP and can respond to issues in a timely and efficient manner. Issues that have been identified have been used to better the program through further education of service providers and better clarification of policy and process. Currently, the department is undertaking a post implementation review (PIR) which will shed more light on the degree of success of the program and provide opportunities to implement improvements as required.	In June 2018, the department engaged Ernst & Young for a period of three months to support risk management and optimisation of the HSP. This project identified and quantified opportunities to better the department's management of the HSP. Recommendations from this project are currently being considered by the department and it is anticipated that, as a result, an improved suite of compliance and assurance monitoring activities will be implemented.
Settlement Grants program	Settlement Grants is an early intervention national program that contributes to humanitarian entrants and other eligible vulnerable migrants and communities achieving full participation as soon as possible.	Clients are provided with settlement-related information, advice, advocacy, and assistance to access mainstream and other relevant services. Services may include group-based activities such as workshops, information sessions and social groups that address life skills. The program is not specifically targeted to families with children, however the needs of this cohort are addressed through the program. Funded services and activities for this cohort could include: • Advice on and referral to mainstream and specialist services relevant to families with children. Youth settlement services that provide targeted services that engage young refugees and migrants in activities that build capabilities, leadership, self-reliance and activities to engage and participate in the community.	The following clients in their first five years of life in Australia: • humanitarian entrants; • family stream migrants with low English language proficiency; • dependants of skilled migrants in rural and regional areas with low English language proficiency; and • selected temporary residents (Prospective Marriage and Provisional Partner visa holders and their dependants) in rural and regional areas with low English. Communities, community leaders and emerging community representatives. Eligible clients are referred by other providers or self referred.	The barriers faced by humanitarian entrants and vulnerable migrants and the needs of individuals vary considerably. The program has a focus on social and employment participation, personal and economic well-being, independence and community connectedness.	The Settlement Grants Final Evaluation Report, by the UNSW Social Policy Research Centre in 2016-17, indicated that the program is broadly working well. The report is available on the DSS website at https://www.dss.gov.au/settlement-services/programs-policy/settlement-services/settlement-grants/settlement-grants-evaluation

Department of Social Services – Programs and Projects overview for the Select Committee on Intergenerational Welfare Dependence
Department of Social Services programs and projects to support families experiencing disadvantage

Financial Wellbeing and Capability

Activity Name	Outline	Aims of the program?	Who receives it?	How do we know it works?	Independent evaluations
The Financial Wellbeing and Capability (FWC) Activity	Under the Financial Wellbeing and Capability (FWC) Activity, the Government provides support to individuals and families to navigate financial crises and build financial wellbeing, financial capability, and resilience.	The FWC consists of: • Emergency Relief and Food Relief – helps people to address immediate basic needs in times of financial crisis by providing immediate financial or material aid. Food Relief provides food items to emergency relief organisations increasing their access to cost effective supply of food items; • Commonwealth Financial Counselling (CFC) and Financial Capability (FC) Services (including the National Debt Helpline and Financial Counselling for Problem Gambling) – assists people in personal financial difficulty address their financial issues, manage debt and make informed choices about their money in the future; and • Financial Resilience (Microfinance) programs - including the No Interest Loans Scheme (NILS); StepUP, a low interest loan product; SaverPlus, a matched savings scheme; and microenterprise development programs. Services funded through the FWC benefit both individuals and families in meeting immediate needs in times of crisis and teaching financial management skills for the long-term.	The FWC is targeted to those most at risk of financial and social exclusion and disadvantage. From 1 January 2019, eligibility will apply to FWC services: • ER, Food Relief and CFC – people who are not able to pay a bill or are at imminent risk of not being able to pay a bill; • FC services – people in receipt of a Commonwealth social security benefit, allowance or payment; newly arrived migrants/non-citizens (priority to be given to newly arrived refugees), and women experiencing family violence for the purpose of assisting these women to become financially independent; • NILS – people and couples with income/s at or below the single or partnered pension rate, where the person or couple is otherwise unable to meet their immediate and basic needs and has no other capacity to obtain financial support to satisfy their basic needs; women experiencing family violence for the purpose of assisting these women to become financially independent; parents and guardians on a low income with dependent children to ensure an adequate standard of living for their children; and persons with a disability or their family members who are on a low income to support them with disability related expenses; • Saver Plus – people in receipt of a Commonwealth social security benefit, allowance or payment; and • Microenterprise development – Saver Plus – people in receipt of a Commonwealth social security benefit, allowance or payment.	• People make informed financial decisions; • Vulnerable individuals have a more stable financial situation; • People can access affordable, safe and appropriate credit; • People no longer require assistance from welfare / community organisations; • People that were previously at risk of financial disadvantage can meet daily needs and plan for the future; • Structural barriers to financial wellbeing are reduced; and • Job creation for self and others.	*Consumer Action Law Centre – Telephone financial counselling service – evaluation of service quality and outcomes* (2016): found improvements in financial situations of those who contacted the service and took action based on the advice provided. *The Australian Workplace Innovation and Social Research Centre – Paying it forward: cost benefit analysis of The Wyatt Trust funded financial counselling services* (2014) – found the benefit of financial counselling, with a social return on investment of five dollars for every dollar of funding. Half the clients reported multiple financial crises led to them seeking financial counselling services, with credit card, store card and utility debts by far the most common issues. *Brotherhood of St Laurence – Saver Plus: a decade of savings* (2015) found a social return on investment of nearly four dollars for every dollar of Government funding. Forty eight per cent of participants also reduced reliance on Government benefits. Many participants (87%) continue to save the same amount or more 12 months after program completion. *Good Shepherd Microfinance – Life changing loans at no interest—NILS evaluation* (2014): found that NILS loans have a positive impact, in that they reach vulnerable Australians and directly improve their lives. There is a social return on investment of $3.02 for every dollar of Government funding. *Good Shepherd Microfinance – Life changing chats* (2015): Sixty six per cent of StepUP loan recipients reported a general increase in confidence in dealing with their own money. Forty seven per cent of applicants who did not receive a loan also reported a general increase in confidence in dealing with their own money after a financial conversation with a NILS worker.

Department of Social Services – Programs and Projects overview for the Select Committee on Intergenerational Welfare Dependence
Department of Social Services programs and projects to support families experiencing disadvantage

Try, Test and Learn Fund projects

Activity Name	Outline	Aims of the program?	Who receives it?	How do we know it works?	Independent evaluations
Data-driven Job Opportunities for young carers	An online platform will use data analytics and augmented intelligence to match guaranteed job opportunities and training with young carers. Young carers will also receive six months of post job placement support, such as help with settling in and mentoring and mediation.	We are trying to better match young carers with job and training opportunities. The better the match; the better their prospects of long-term employment. https://www.dss.gov.au/review-of-australias-welfare-system-australian-priority-investment-approach-to-welfare-try-test-and-learn-fund/data-driven-job-opportunities-for-young-carers	Up to 65 young carers in Perth	The objective of the Try, Test and Learn Fund is to generate new insights and empirical evidence into what works to reduce long-term welfare dependence. Project selection is based, in part, on the value of the evidence that they will generate. Projects will be evaluated to produce high-quality policy evidence about the effectiveness of interventions, for whom, and under what circumstances. In this way, the fund will allow the Government to identify approaches that work, and use this evidence to transform our investment in existing programs or make the case for new investments.	This initiative will be tracked using a range of evaluation methods, such as surveys, participant interviews and actuarial analysis
Carer Achievement Pathway	A carer coordinator will be appointed to work with young carers to help them identify and pursue career aspirations and develop an action plan for the future. The coordinator will help carers identify the support services they need, such as counselling or respite care and help them access those services An individually-tailored online portal will facilitate access to services. The development phase of the project will work with carers to identify the sorts of services they need and how to best access them.	We are trying to harness the expertise of others to help young carers develop their careers, and access the support they need along the way. https://www.dss.gov.au/review-of-australias-welfare-system-australian-priority-investment-approach-to-welfare-try-test-and-learn-fund/carer-achievement-pathway	Up to 360 young carers in Western Sydney	As above	As above
Skills for micro-enterprise	Young carers will learn skills and be matched with support to enhance their ability to create and run small businesses, such as developing a business plan and marketing strategies. The initiative will be flexible enough to work around care duties, and those young carers who cannot attend the course face-to-face will have access to an online delivery platform.	We are trying to better utilise the existing skills of carers, and build on them. This is an opportunity for young carers to create and run small businesses that can fit in with their lives. https://www.dss.gov.au/review-of-australias-welfare-system-australian-priority-investment-approach-to-welfare-try-test-and-learn-fund/skills-for-micro-enterprise	Up to 90 young carers in Melbourne	As above	As above
Y4Y Youth Force	A digital platform will connect unemployed former students with short-term employment opportunities in the task-based (gig) economy. Jobs could include gardening, driving and delivery, catering and hospitality and child minding. These jobs will help participants build work experience and give them the confidence to take the next step into long-term employment.	Development of the capacity of participants to engage with the emerging task-based economy. This will also facilitate the development of work skills and real experience and portfolio development; the result of which is longer-term employment opportunities. It may also stimulate interest in further education. https://www.dss.gov.au/review-of-australias-welfare-system-australian-priority-investment-approach-to-welfare-try-test-and-learn-fund/y4y-youth-force	Up to 80 unemployed former students in Melbourne	As above	As above

Department of Social Services – Programs and Projects overview for the Select Committee on Intergenerational Welfare Dependence
Department of Social Services programs and projects to support families experiencing disadvantage

Activity Name	Outline	Aims of the program?	Who receives it?	How do we know it works?	Independent evaluations
Mentoring to Work	Participants will be paired with a mature volunteer mentor with strong business and workplace connections. The mentoring will take place through both group sessions and one-on-one mentoring over a six-month period. Each week will focus on different activities to prepare participants for employment. Mentors will guide and support participants through the employment process.	Improvement in participants' job readiness and their chances of accessing and sustaining employment. https://www.dss.gov.au/review-of-australias-welfare-system-australian-priority-investment-approach-to-welfare-try-test-and-learn-fund/mentoring-2-work	Up to 240 unemployed former students in Perth	As above	As above
My Maintenance Crew	This initiative will develop a new social enterprise that offers work in event clean-up and maintenance services to unemployed former students. Such a service will address unmet demand in the greater Geelong region. Participants will be offered skills training, personal development opportunities, mentoring and counselling. With a particular focus on 'hands-on' vocations, participants will be directly matched with available jobs and will develop the skills and knowledge required to provide event clean-up and maintenance services via the social enterprise, or on completion of the program, as independent contractors in these markets.	Participants will gain employment, income, experience and connections in a part of the economy that is expected to provide ongoing employment prospects. This experience will improve participants' employability and, potentially ongoing employment in the mainstream economy. https://www.dss.gov.au/review-of-australias-welfare-system-australian-priority-investment-approach-to-welfare-try-test-and-learn-fund/my-maintenance-crew	Up to 125 Unemployed former students in Geelong	As above	As above
Build and Grow	An eight-week practical training course delivered in a simulated worksite. Training focuses on practical skills relevant to the construction industry, or potentially other industries such as landscaping. This hands-on training will help participants move into employment at the conclusion of the program. In addition to intensive training, students will be paired with a Youth Development Worker who will help address individual barriers to work through referrals to service providers. This initiative exposes participants to the realities of the workplace, allowing them to be better prepared for the transition to work.	Support participants to develop the skills and attitudes they need to become successful employees through a combination of practical training and improved emotional wellbeing. https://www.dss.gov.au/review-of-australias-welfare-system-australian-priority-investment-approach-to-welfare-try-test-and-learn-fund/build-and-grow	Up to 480 unemployed former students in Western Sydney	As above	As above
Rewire the Brain	Face-to-face and computer-based training will assist participants improve their cognitive functioning and social and emotional skills. This includes improvements to their memory, the processing speed of their brains, their social interaction and resilience, and general life skills. Students will also be linked to external help to ensure they learn specific skills required by employers that will enable them to gain long-term employment.	Increased attendance and reduced drop-out rates amongst participants, by equipping them with the skills to complete their studies. The goal is to improve lives through improving students' employability. https://www.dss.gov.au/review-of-australias-welfare-system-australian-priority-investment-approach-to-welfare-try-test-and-learn-fund/rewire-the-brain	Up to 240 young students in Western Sydney and Brisbane	As above	As above
Strengthening Student's Resilience	A mobile app and website will encourage students to set individualised short and long term goals, build study support networks and connect with on-site advisers. Once their goals are set, a messaging service will provide "nudge" text messages to assist students to achieve their set goals. The content of the text messages will be based on behavioural insights and will be designed to help the students stay motivated.	Increased attendance and reduced drop-out rates amongst participants, by equipping them with the skills to complete their studies. The goal is to improve lives through improving students' employability. https://www.dss.gov.au/review-of-australias-welfare-system-australian-priority-investment-approach-to-welfare-try-test-and-learn-fund/strengthening-students-resilience	10,000 young students in Sydney and regional NSW	As above	As above

FOI Request 18/19-073
Document 2

Activity Name	Outline	Aims of the program?	Who receives it?	How do we know it works?	Independent evaluations
Support for VET students	A caseworker will work with students one-on-one and link them to appropriate support services that range from low-intensity to high-intensity, such as support to improve mental health, or to increase motivation to continue studying. The support will be tailored to the student depending on the level of need.	Increase participants' engagement with, attendance at, and completion of their studies. This will improve wellbeing, increase the rate of transition to employment, and reduce reliance on unemployment payments. https://www.dss.gov.au/review-of-australias-welfare-system-australian-priority-investment-approach-to-welfare-try-test-and-learn-fund/support-for-vet-students	400 young students in Adelaide, Brisbane, regional QLD and NSW	As above	As above
Train and Care	Young parents will be offered 7 to 8 weeks of practical training to equip them with the skills expected in entry-level positions in a range of industries. The trainers will offer flexible hours to accommodate family commitments. The young parents will also be offered a permanent child care placement, in a convenient location (depending on availability of child care places) as close as possible to home or the training location. Once training is complete, the young parents will be offered entry-level work placements that could lead to a job. During the training and work placement period, financial assistance will be available to cover all out-of-pocket child care costs.	Help young parents transition to work by combining training and child care support. A smoother transition to work is more likely to result in positive, long-term outcomes. https://www.dss.gov.au/review-of-australias-welfare-system-australian-priority-investment-approach-to-welfare-try-test-and-learn-fund/train-and-care	135 young parents in Western Sydney and regional NSW	As above	As above
Supporting Expecting and Parenting Teens	Trusted mentors will work intensively with expectant or teenage parents to link them to support they need to achieve their goals. Young parents will have access to a flexible funding package that they can use prior to the birth of the baby and during the early stages of parenthood. The funding will go towards supports that help to address their individual barriers, and that better prepares them to return to education or search for a job. A national online platform will also provide information and links to local support services.	This initiative aims to support successful adjustment to the responsibility of being a new parent by reducing isolation and supporting development of self-confidence and resilience. By helping young parents adjust to the responsibility of parenting in a healthy, safe environment, we aim to have young parents in a better position to engage with education and the workforce in a positive, ongoing way, thereby also reducing intergenerational welfare dependency. https://www.dss.gov.au/review-of-australias-welfare-system-australian-priority-investment-approach-to-welfare-try-test-and-learn-fund/supporting-expecting-and-parenting-teens	350 young parents in Melbourne, Geelong VIC, Brighton, Clarence and Derwent Valley TAS, Darwin NT, Wyong and Newcastle NSW, Ipswich, Caboolture and Logan QLD, and national online services	As above	As above
Career Readiness for Young Parents	Young parents will be paired with a case manager to support them to improve their job readiness. The case manager will provide young parents with advice and assistance on the development of a career path, and work with each young parent to increase their understanding of expectations within a work environment. Young parents will also be provided with work experience opportunities, and will be assisted in finding local child care places.	Empower young parents to address barriers to their employment and gain critical skills for future work. Achieving this will make the young parents more likely to achieve long-term employment and financial independence, which will in turn help their children have better life outcomes. https://www.dss.gov.au/review-of-australias-welfare-system-australian-priority-investment-approach-to-welfare-try-test-and-learn-fund/career-readiness-for-young-parents	60 young parents in Mandurah and Rockingham WA	As above	As above

Department of Social Services – Programs and Projects overview for the Select Committee on Intergenerational Welfare Dependence
Department of Social Services programs and projects to support families experiencing disadvantage

Activity Name	Outline	Aims of the program?	Who receives it?	How do we know it works?	Independent evaluations
In-school Parent Employment Service	An employment service specifically for young parents will be incorporated into two primary schools in the Armadale region of Perth. The in-school service will welcome parents from the school community to drop in and discuss their work and study pathways. The service will offer tailored services such as career coaching and referrals to jobactive and ParentsNext. An on-site business development officer will identify available jobs with a range of employers. They will then work with the young parents to assist them in gaining the relevant training to prepare for available jobs.	Improve young parents' job readiness and increase their engagement with training and applying for work. Success in getting a job will improve the wellbeing of the young parent, and their child, and will help reduce the risk of long-term welfare dependency. https://www.dss.gov.au/review-of-australias-welfare-system-australian-priority-investment-approach-to-welfare-try-test-and-learn-fund/in-school-parent-employment-service	60-70 young parents in Armadale WA	As above	As above

Department of Social Services – Programs and Projects overview for the Select Committee on Intergenerational Welfare Dependence
Department of Social Services programs and projects to support families experiencing disadvantage

Families

Activity Name	Outline	Aims of the program?	Who receives it?	How do we know it works?	Independent evaluations	How we think our payments and programs contribute to breaking cycles of disadvantage	How do our payment and programs support families and communities to increase their capacity for self-reliance and build the opportunity for better outcomes
The Home Interaction Program for Parents and Youngsters (HIPPY)	HIPPY is a two year home based structured early learning and parenting program that supports parents and carers to be their child's first teacher. While preparing children for school, HIPPY also provides employment and training opportunities for parents.	Parents and their children enrol in the program in the year before the child commences formal schooling, and participate for two years. Each family participates in a series of structured learning experiences that are designed to be integrated into the daily life of the family. The first year of the program provides children with 30 activity packs delivered weekly which support literacy, numeracy and motor skills. The second year provides 15 packs delivered fortnightly plus information for parents about children's learning and development.	HIPPY has been rolled out through a phased approach to 100 communities across Australia, including 50 Indigenous-focused communities, and has a target of around 4,000 children each year. A range of factors are considered when identifying HIPPY communities such as Census information, Australian Early Development Index results, Socio-Economic Indexes for Areas data and the Australian Standard Geographical Classification.	The program objectives are to provide children with a structured education-focused early learning program at home, improve children's preparedness for school and strengthen school participation, and build the confidence and skills of parents and carers to create a positive home learning environment. Further, as part of the delivery of HIPPY, BSL conducts in-house research projects to inform program delivery and build the evidence base for HIPPY, for example, by examining effective recruitment and retention strategies and factors affecting participation by HIPPY families.	ACIL Allen Consulting was engaged by the department in 2017 to independently evaluate the appropriateness, effectiveness and efficiency of the HIPPY program. https://www.dss.gov.au/families-and-children/programs-services/parenting/families-and-children-activity/children-and-parenting/evaluation-of-the-home-interaction-program-for-parents-and-youngsters. The evaluation concluded that HIPPY is based on a sound theoretical framework and is likely to be achieving its intended outcomes for the majority of children and families that complete the program. However, little data is available on the appropriateness of the program for Aboriginal and Torres Strait Islander families, and the evaluation found challenges with delivery in remote and very remote areas. In November 2011, an evaluation of the national rollout of HIPPY was commissioned - Investing in Our Future, undertaken by the Monash University. Investing in our future HIPPY National Rollout Evaluation Final Report 2011.pdf	HIPPY is delivered in 100 sites across Australia including in regional and remote sites. Many of the sites are located in communities with high numbers of Aboriginal and Torres Strait Islander families and a number of sites are in very remote communities where access to employment, education and training can present significant challenges.	An objective of HIPPY is to improve children's preparedness for school and to strengthen school participation, which supports improved employment opportunities as a longer-term outcome.

FOI Request 18/19-073
Document 2

Activity Name	Outline	Aims of the program?	Who receives it?	How do we know it works?	Independent evaluations	How we think our payments and programs contribute to breaking cycles of disadvantage	How do our payment and programs support families and communities to increase their capacity for self-reliance and build the opportunity for better outcomes
Communities For Children Facilitating Partners (CfC FP)	The CfC FP place-based model operates in 52 disadvantaged communities across Australia focussed on improving early childhood development and wellbeing. CfC FPs facilitate a whole of community approach to support and enhance early childhood development and wellbeing. CfC FPs build on local strengths to meet local community needs and create capability within local service systems, using strong evidence of what works in early intervention and prevention. They collaborate with other organisations to provide a holistic service system for children and families. CfC FPs fund other organisations (known as Community Partners) to provide services including parenting support, group peer support, case management, home visiting services and other supports to promote child wellbeing.	The objectives of the CfC FPs are: 1. To improve the health and well-being of families and the development of young children, from before birth through to age 12 years (may include children up to age 18 years if appropriate), paying special attention to: • Healthy young families — supporting parents to care for their children before and after birth and throughout the early years; • Supporting families and parents — support for parents to provide children with secure attachment, consistent discipline and quality environments that are stable, positive, stimulating, safe and secure; • Early learning — provide access to high quality early learning opportunities in the years before school; provide early identification and support for children at risk of developmental and behavioural problems; assist parents with ways they can stimulate and promote child development and learning from birth; and • School transition and engagement - support children and families to make a smooth transition to school and work with local schools to assist children and families with their ongoing engagement with school. 2. To create strong child-friendly communities that understand the importance of children and apply this capacity to maximise the health, well-being and early development of young children at the local level.	The primary focus of CfC FPs is on children aged 0-12 years and their families, but may include children up to age 18 years if appropriate. CfC FPs fund services that are designed to assist vulnerable children and families in disadvantaged communities, with a particular focus on children at risk of poor outcomes or at risk of abuse and neglect.	All 52 CfC FP sites are now required to use 50 per cent of the funding they allocate to service delivery to purchase evidence-based programs. The department works closely with CfC FPs and the Australian Institute of Family Studies (AIFS) to ensure CfC FPs are able to meet the evidence-based program requirements. AIFS is providing ongoing guidance to CfC FPs about which programs are evidence-based through its Child Family Community Australia (CFCA) Information Exchange. CfC FPs can meet the requirement by choosing to implement a program from the Guidebook created by CFCA that includes relatively rigorously evaluated programs. Alternatively, CfC FPs can submit other programs to CFCA to assess whether they meet minimum standards of a quality program and can be included in the 50 per cent requirement.	The department engaged ACIL Allen Consulting in April 2016 to undertake a Post Implementation Review (PIR) of the reforms to CfC FPs that were implemented as part of five year grant agreements that commenced in July 2014. The PIR found that Facilitating Partners (FPs) and their Community Partners (CPs) are working toward meeting the reform requirements. The PIR concluded in November 2016. ACIL Allen Consulting used surveys and interviews with key stakeholders to develop their findings. This included the opportunity for all FPs, and the CPs they subcontract, to provide feedback through the survey.	CfC FP is delivered across 52 disadvantaged communities across Australia. The sites were selected based on research and analysis regarding the level of socioeconomic disadvantage and the proportion of children in the location.	Grant agreements for CfC FPs require at least 50 per cent of funding for direct service delivery to be used to purchase high quality evidence-based programs. These programs have been identified as high quality by an expert panel and CfC FPs must use the 'evidence based program profile' guidebook provided by the panel to determine appropriate evidence standards and programs that have been shown to improve outcomes. The other 50 per cent of direct service delivery funding can be used on other activities identified by the FPs and their Committees as being relevant to address the needs of the community within their CfC FP site.

FOI Request 18/19-073
Document 2

Activity Name	Outline	Aims of the program?	Who receives it?	How do we know it works?	Independent evaluations	How we think our payments and programs contribute to breaking cycles of disadvantage	How do our payment and programs support families and communities to increase their capacity for self-reliance and build the opportunity for better outcomes
Intensive Family Support Service	The Intensive Family Support Service (IFSS) is an intensive home and community based family support service offered to highly vulnerable families living in selected communities in the Northern Territory and the Anangu Pitjantjatjara Yankunytjatjara (APY) Lands in South Australia. It focuses on providing practical parenting education and support to parents and caregivers in their homes and communities, for up to 12 months, to help them improve the health, safety, education and wellbeing of their children.	IFSS is an evidence-informed early intervention and prevention program that aims to reduce child neglect by working intensively with vulnerable families. The program works to improve parenting capability and in turn keep children safe, at home with their families, in their communities and out of the child protection system.	The service is available to Indigenous and non-Indigenous families with children aged 0-12 years of age where child neglect has been identified. Families are referred to IFSS if there are child neglect concerns or if the family is being case-managed by the child protection agency. Families referred to the Child Protection measure of Income Management have priority access to IFSS.	Early evaluations of IFSS conducted in 2014 found that IFSS contributed to decreases in overall child neglect in the area of physical care and emotional development, as well as improvements to parental supervision and the provision of health care to the child. IFSS was also found to contribute to increases in school attendance and better communication and respect between parents, caregivers and children. Since 2014, IFSS has expanded and is now delivered by eight providers in 26 sites across the Northern Territory and the APY Lands in South Australia. Both the Northern Territory and South Australian Government child protection agencies are responding to the findings of their respective Royal Commissions and are in the process of undertaking significant reforms. An evaluation of IFSS to assess the impact of the program in its current form, and in the current environment, is scheduled to commence in October 2018.	An impact evaluation is scheduled to commence in October 2018 with the final report due in October 2019	IFSS works to build parenting capacity and improve family functioning, while keeping children safe and families together. Service Providers report all critical incidents to the department.	IFSS works with families to identify their needs and develop a culturally-appropriate family support plan that articulates the families goals. IFSS further supports families by providing the following services: • Information, advice and referral; • parenting education and skills training; • advocacy/support; • outreach; and • family and community capacity building.

FOI Request 18/19-073
Document 2

Activity Name	Outline	Aims of the program?	Who receives it?	How do we know it works?	Independent evaluations	How we think our payments and programs contribute to breaking cycles of disadvantage	How do our payment and programs support families and communities to increase their capacity for self-reliance and build the opportunity for better outcomes
Children and Parenting Support	Children and Parenting Support (CaPS) services provide support to children and their families based on an early intervention and prevention approach. Services are outcome focused and committed to the use of evidence-based practice and programs.	These services aim to improve children's outcomes by providing a range of supports such as community and supported playgroups, school readiness programs, parenting skills courses, home visiting, peer support groups and web-based services or resources that provide information about children's development and parenting. Services actively seek to identify issues that impact on child or family outcomes and provide interventions or appropriate referrals before these issues escalate.	CaPS services have a primary focus on children aged 0-12 years (but can include children up to 18 years) and their families. Services may be targeted towards a specific group of vulnerable and disadvantaged children and families who are at risk of poor outcomes.	The Department of Social Services uses the Data Exchange Framework to report on program performance in client facing grant agreements. DSS progressively introduced standardised, prioritised, and collaborative reporting processes across grants programs from 1 July 2014. The data requirements are split into two parts: a small set of mandatory Priority Requirements that all service providers report, and a voluntary extended data. The extended data set includes information about a client's presenting needs and circumstances, such as the reason for seeking assistance, referrals (in and out), household composition and income status. Services use research and evaluation to continuously improve service quality. They are committed to initial and ongoing training, supervision and support for their staff to ensure the delivery of high quality services. Service Providers report on KPI achievements in their 6-monthly reports and annual business plans.	N/A	CaPS services are delivered in identified areas of need across Australia. Service areas were selected based on a combination of factors, including population of children, Socio Economic Indexes for Areas (SEIFA) score, high proportions of children who are developmentally vulnerable (as identified through the Australian Early Development Census) and known service gaps as informed by the Department's state and territory network offices.	CaPS services aim to improve children's development and wellbeing and build the capacity of those in a parenting role.

FOI Request 18/19-073
Document 2

Activity Name	Outline	Aims of the program?	Who receives it?	How do we know it works?	Independent evaluations	How we think our payments and programs contribute to breaking cycles of disadvantage	How do our payment and programs support families and communities to increase their capacity for self-reliance and build the opportunity for better outcomes
Family and Relationship Services	Family and Relationship Services (FaRS) provide primarily early intervention and prevention services through the provision of broad-based counselling and education to families of different forms and sizes	FaRS aim to strengthen family relationships, prevent breakdown and ensure the wellbeing and safety of children.	FaRS support family members with intact relationships, separated families, extended family members, individuals, children and young people, couples and significant others such as grandparents and kinship carers who have caring or other relationship responsibilities. Services are also aimed at supporting families at risk of or experiencing family and domestic violence.	The Department of Social Services uses the Data Exchange Framework to report on program performance in client facing grant agreements. DSS progressively introduced standardised, prioritised, and collaborative reporting processes across grants programs from 1 July 2014. The data requirements are split into two parts: a small set of mandatory Priority Requirements that all service providers report, and a voluntary extended data. The extended data set includes information about a client's presenting needs and circumstances, such as the reason for seeking assistance, referrals (in and out), household composition and income status.	**Family and Relationship Services workforce survey** The Australian Institute of Family Studies conducted a national survey of FaRS as well as Specialised Family Violence Services (SFVS) providers to increase the understanding of the nature and type of FaRS and SFVS providers, their referral pathways, approaches to managing risk, the degree and type of linkage between services, and the challenges of meeting client needs. Results of the survey include: • FaRS and SFVS deliver a similar range of services. • Self-referrals were the largest source of referral for all FaRS and SFVS. • FaRS and SFVS work collaboratively and are mostly co-located. • There is often limited opportunity for FaRS and SFVS providers to work with families before a crisis or violence has occurred. Consequently, 'early intervention' in practice usually entails dealing with clients who disclosed issues, such as domestic and family violence, at the initial referral and intake stage.	FaRS are targeted to vulnerable families and children who are experiencing critical family transition points including formation, extension and separation.	The service aims to provide increased knowledge about family relationships and the wellbeing and safety of children by providing broad-based counselling and education.

Department of Social Services – Programs and Projects overview for the Select Committee on Intergenerational Welfare Dependence
Department of Social Services programs and projects to support families experiencing disadvantage

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Reconnect	In response to youth homelessness, the Australian Government is providing up to $117 million over five years for 103 Reconnect services to be delivered across Australia by 71 providers.	Reconnect is a community-based early intervention and prevention program. Reconnect helps young people stabilise and improve their housing situation, achieve family reconciliation (wherever practicable) and improve their level of engagement with education, training, employment and the community. Reconnect aims to break the cycle of homelessness by providing counselling, group work, mediation and practical support to the whole family.	Reconnect assists young people aged 12 to 18 years (or young people aged 12 to 21 for newly arrived youth) and their families.	• In 2017-18 Reconnect provided support to more than 7,700 young people with 88.3 per cent of young people reporting improved housing and/or family functioning circumstances. • 95.4 per cent of clients reported an overall positive outcome after engagement with Reconnect providers	*Reconnect Evaluation 2016*, by Mission Australia shows that following support from Reconnect young people were more likely to regularly attend class, be employed and have stable living arrangements. A review of Reconnect by independent consultants (ThinkPlace) in 2017 found that the program is working well and there would be benefits in refocusing the early intervention and prevention aspects of the program and this is necessary to achieve the greater economic and social benefits of early homelessness prevention.	Reconnect aims to break the cycle of homelessness by providing counselling, group work, mediation and practical support to the whole family.	Reconnect helps young people stabilise and improve their housing situation, achieve family reconciliation (wherever practicable) and improve their level of engagement with education, training, employment and the community.
Logan Together	Logan Together was launched in August 2015 and is working with over 100 organisations through six priority projects in 2018 under the community designed Roadmap for Action. Logan Together projects include intensive support for young parents, boosting pre-school attendance and transitioning children to school, a local employment strategy targeting families and jobless households, Community Maternity and Child Health Hubs and a community engagement campaign. Logan Together is one of the ten demonstration sites for the Stronger Together initiative.	Logan Together aims to close the gap in childhood development outcomes compared to the Queensland and Australian averages by 2025, guided by a community-designed Roadmap for Action. Six priority projects: 1. Community maternity and child health hubs strategy 2. Engagement and early development strategies for kids 0-4 3. High quality early education networks with health and social supports 4. A community education and mobilisation campaign 5. Employment projects for families 6. Social investment and service integration reforms.	Logan Together is for every child, from birth through to age 8.	Logan Together is showing signs of small but promising success: • Better integration of child and family services especially with early childhood and primary school environments, which has resulted in increased Indigenous enrolment in a school preparatory year. • Improved civic engagement between cultural groups, three tiers of government and local social service sectors.	The Department of Social Services recently finalised a Place-based Evaluation Framework jointly developed with the Queensland Government to better understand the impact of place-based approaches on disadvantage. Logan Together has been evaluated using the framework with findings to be finalised in the coming months.	Progress to date includes the launch of integrated service hubs in vulnerable suburbs, improved kindergarten attendance and strong community engagement to identify factors to improve social cohesion and participation.	An objective of Logan Together is to build a local employment strategy targeting families and jobless households, which supports improved employment outcomes, and over time will build greater self-reliance.

Department of Social Services – Programs and Projects overview for the Select Committee on Intergenerational Welfare Dependence
Department of Social Services programs and projects to support families experiencing disadvantage

Activity Name	Outline	Aims of the program?	Who receives it?	How do we know it works?	Independent evaluations	How we think our payments and programs contribute to breaking cycles of disadvantage	How do our payment and programs support families and communities to increase their capacity for self-reliance and build the opportunity for better outcomes
Doveton College (DET funded)	Doveton college, located in the south east of Melbourne, is a government school designed to meet the holistic needs of children from birth to Year 9 and their families. The College is focused on creating a significant change environment for children and families by engaging the children, their parents and the entire Doveton neighbourhood. Doveton College is a place-based approach to supporting the health, development and learning for all children and their families utilising the universal platform of a school. Health, family and community services are co-located, in purpose-built facilities. Services provided at the school include: parent support; supported playgroups; child and family health; immunisation programs; Maternal and Child Health sessions; home visiting; family drop in; Adult education – entry to work; and community leadership training.	The Doveton College project is the first to specifically target a community with the aim of dramatically boosting educational standards and whole-life opportunities for the children and young people of the community through early intervention, family support and community integration.	There are currently 900 children enrolled in the school and 140 children enrolled in the Early Learning Centre. Some 140 parents are currently studying through the Adult Education program – from basic language and literacy right up to Certificate III. More than 70 parents are volunteering at the school.	Doveton College has developed and applied an outcomes-based evaluation framework to determine the immediate and long-term impacts of this initiative. Key achievements include: • From 2012 to 2017 an average of 30 per cent less absent days in prep to Year 6 • From 2012 to 2017 in the top 50 most improved schools for years 7-9 Naplan • 23 per cent reduction in the number of 2015 prep students at Doveton College defined by Australian Early Development Census AEDC as developmentally vulnerable on one or more domains since 2012 (from 55% to 42%) • More than 85 parents have transitioned into paid employment from 2013 to 2017 as a result of support and training offered at Doveton College.	Refer to Department of Education and Training for advice.	The Department of Social Services (DSS) is not a direct funding partner of Doveton College. DSS fund services under the Children and Parenting Support activity that include Doveton College as a service outlet. These services include activities such as Playgroups.	Some of the impacts being reported through the outcomes-based evaluation have already shown an improved attendance rate for prep to Year 6 and significant improvement in Naplan results for years 7 to 9 indicating improved employment opportunities are likely to result over time. Involved parents are transitioning to paid employment, which also suggests this model is increasing employment opportunities and will help to build greater self-reliance over time.

TALKING POINTS / Q&A

Subject	Australian Priority Investment Approach to Welfare 2017 Valuation Report
Date	1 July 2018
Intended	Minister Tehan
Media Officer	
Brief Number	**MS18-000453**

ISSUE:
The Australian Priority Investment Approach to Welfare 2017 Valuation Report is expected to be released on 1 July 2018

KEY MESSAGES:

Overarching

- Today marks the release of the Australian Priority Investment Approach to Welfare 2017 Valuation Report.
- This signature piece involves advanced data analytics and rigorous evaluation to improve our welfare system's sustainability and effectiveness.
- Importantly, the evidence provided in this report will inform government policies that aim to help Australians live independently of welfare and achieve more positive life outcomes.
- The national future lifetime welfare bill, as of June 2017, stands at around $4.7 trillion, which is in line with previous years' valuations.
- While future lifetime costs have increased since 2016, they remain slightly less than the 2015 baseline valuation.
- The consistency of these results demonstrates that the actuarial valuations are providing a robust estimate of overall future lifetime costs.
- It will take time for overall future lifetime costs to show significant change, however we can see that policy changes are making a difference, with an overall $4 billion reduction in estimated future lifetime costs since the 2016 valuation.
- As the Investment Approach has continued to be developed and further refined, greater detail on the impact of welfare dependency on future generations has been gleaned from the evidence.
- The findings of the 2017 Report demonstrate that persistent dependence on income support not only impacts the recipient, but also has the potential to influence the outcomes of children in their care.
- We need concrete steps to improve people's lifetime wellbeing, reduce the amount of time they spend on welfare and break the intergenerational cycle of welfare dependency.
- The Government has already taken action to invest early in people's lives across generations, to improve their lifetime wellbeing and build capacity for sustained independence.
- For example, the Government is implementing the new Child Care Subsidy, which replaces the Child Care Benefit and Child Care Rebate, to help working families and their children access early learning opportunities.

- This is a substantial policy change that will increase the total future lifetime cost across the system by $26.9 billion, but will help to ensure a better future for children at risk of future dependency.

- The 2017 Report analyses the intergenerational effects of welfare and changes associated with the Government's policies.

- The Report also outlines in detail the differences in likely future welfare dependence for people who are studying and the impact of barriers to work for job seekers.

- Evidence is our best ally in designing effective policies and programs that have long-lasting benefits for the wellbeing of all Australians.

- Without evidence, all we really have is speculation.

- The overall stability of lifetime costs across the years underscores the Government's agenda to support people from welfare to work.

- That's why we are investing in initiatives such as the $96.1 million Try, Test and Learn Fund, to create innovative trials targeted at critical transition points in people's lives.

Intergenerational Welfare

- Intergenerational effects of welfare dependence remain a top concern for Government.

- Analysis of Priority Investment Approach data by my Department shows that if young people aged 22 to 24 spent more than 80 of their childhood with parents or guardians receiving income support, today they are nearly three times more likely to be on welfare than children whose parents did not receive income support.

- We know that people with higher parental welfare dependence tend to enter into the welfare system earlier, rely more on income support and this results in a higher average lifetime cost.

- More needs to be done to ensure the most vulnerable among us have better life chances to help avoid being trapped in the welfare cycle.

Barriers to Work

- The 2017 Report has been enhanced to show the impact of barriers to work for job seekers.

- People who have reported barriers to work have higher welfare dependency and higher lifetime costs compared to people without barriers to work.

- This time, the Report looked at an individual's ability to work based on the status of their exemption from mutual obligations, reported psychological/psychiatric conditions, and assessed work capacity.

- Evidence shows that the number of job seekers with reported psychological or psychiatric conditions has grown steadily over the last five years.

- In 2017, around 45 per cent of job seekers either received an exemption, were assessed with little capacity to work, or had a reported psychological or psychiatric condition.

- The estimated average lifetime cost for people with an active exemption from mutual obligations is $376,000.

- To be eligible for Disability Support Pension, a person must have a permanent physical, intellectual or psychiatric impairment assessed at 20 points or more under the Impairment Tables for the assessment of work-related impairment for Disability Support Pension.

- The person must also be unable to participate in 15 or more hours of work per week at or above the relevant minimum wage, or be re-skilled for any work for at least the next two years.

- The number of Disability Support Pension recipients whose primary medical condition was psychological or psychiatric as at September 2017 was 256,439 or 33.8 per cent of all Disability Support Pension recipients.

Education sector

- The 2017 Report includes a new education sector variable to take into account the current level of study for those on student income support.

- That's secondary school, higher education or Vocational Education and Training (VET).

- VET students, aged 16 to 17, are expected to spend 2.5 less years on income support over their future lifetime compared to secondary school students.

- For students aged 19 and older, higher education students are more likely to exit the welfare system after finishing study, compared to VET students.

- The estimated average lifetime cost for higher education students is $203,000.

- This compares to the $241,000 average lifetime cost for VET students and $273,000 average lifetime cost for secondary school students.

Q&A:
Q. Why does the report show that children whose parents had a very high level of welfare dependency were 5.8 times more likely to use income support but the Government is saying these people are 3 times more likely to use income support?
The report shows that young people aged 16 – 20 years old whose parents or guardians received income support payments for over 80 per cent of their childhood are 5.8 times more likely to be on income support payments today, compared to those with no parental income support history.

These results must be read in the context of the eligibility rules for young people accessing income support payments.

The parental income test ensures middle to high-income families continue to support their children up to 22 years of age, while providing income support to the young adult children of low-income families and other situations where young people are considered independent.

For example, a young unemployed 20 year old whose parents receive income support payments would be eligible for Youth Allowance, while her equally unemployed friend with higher-income parents would not be eligible.

Q. Where did the figure that young people aged 22 to 24 are nearly three times more likely to be on welfare if their parents were welfare dependent come from?
To supplement the Report's analysis, the Department conducted further intergenerational analysis of young people who are over 21 and are, therefore, not subject to the parental income test.

This analysis found that there remains a higher likelihood of intergenerational income support use even when the parental income test does not apply.

Departmental analysis shows that young people aged 22 to 24 whose parents or guardians received income support payments for over 80 per cent of their childhood are 2.9 times more likely to be on income support payments today, compared to those with no parental income support history.

Q. Why is there a 3.7 per cent increase in the total future lifetime welfare cost from last year?
The total future lifetime welfare cost is estimated to be around $4.7 trillion as at 30 June 2017, up 3.7 per cent ($167 billion) from $4.5 trillion last year.

This change is due to the combined effect of:

- population growth and inflation which increased the total future lifetime welfare cost by $210 billion (an increase of 4.7 per cent)
- other changes including a reduction in the number of people accessing welfare payments which have contributed a decrease of $43 billion (down 1.0 per cent).

Q. What's the difference between total future lifetime welfare cost and average future lifetime welfare cost?
Within the valuation reports, the total lifetime cost refers to the value of future payments made to everyone in the model population over their natural lifetime. The total lifetime cost can be assessed for groups of people within the model population.

The average lifetime cost refers to the **per person** future lifetime cost for a group of people.

Q. How does the 2017 Valuation Report differ from the 2016 Valuation Report?
The 2017 Valuation Report reflects improvements to the model to provide greater understanding of the welfare population and their expected outcomes.

The model now explicitly considers the intergenerational effects of welfare, a person's current level of study and the impact of barriers to work for job seekers.

This extension of the model has allowed new insights.

People with higher parental welfare dependence tend to enter into the welfare system earlier, utilise more income support, and have a higher average lifetime cost.

The new education sector variable captures a person's current level of study: secondary school, higher education or Vocational Education and Training (VET), and shows how this correlates with their projected welfare dependency.

The barriers to work variable provides information about job seekers' ability to work based upon the status of their exemption from mutual obligation requirements, reported psychological/psychiatric condition, and whether they have had a partial capacity to work assessment and its outcome.

Q. Do you envisage further changes to the modelling for future valuations?
The model will continue to evolve, becoming more detailed and improving its capacity to differentiate the future lifetime costs of groups within the Australian population.

Future annual valuations will allow us to continue tracking how policy changes contribute to improving the effectiveness and efficiency of the welfare system.

Q. Has the R
eport been independently validated, and by whom?
As with previous reports, the 2017 valuation will be independently validated by a third party. Taylor Fry, an Actuarial consulting firm, will validate the 2017 valuation.

Q. What is the Government doing to reduce the $4.7 trillion figure?
The Government is embarking on a comprehensive reform of Australia's welfare system following the passage of the *Social Services Legislation Amendment (Welfare Reform) Act 2018.*

A new JobSeeker payment will progressively replace seven existing payments from March 2020, providing a simpler system for people receiving working age payments.

The Government is also focused on the $96.1 million Try, Test and Learn Fund which is trialling innovative initiatives that support people who can work to find a stable job, with the aim of putting a halt to unsustainable welfare expenditure.

Q. What effects will the new Child Care Subsidy have on the projected future lifetime costs?
The implementation of the new Child Care Subsidy, which replaces the Child Care Benefit and Child Care Rebate to help working families, has led to an increase in future lifetime cost of $26.9 billion across the system.

Q. The report identifies policy changes that have led to an overall reduction of the total future lifetime cost. What are these?
There was an overall reduction of $4 billion to future lifetime costs associated with policy changes over the past financial year ending 30 June 2017. While the implementation of the new Child Care Subsidy led to an increase in future lifetime cost of $26.9 billion, this has been more than offset by a reduction of $27.6 billion associated with other policy changes. These changes include:

- introduction of the $80,000 income limit for Family Tax Benefit Part A Supplement
- freeze of current Family Tax Benefit rates, income free area and primary earner income limit
- closure of Carbon Tax Compensation for new Family Tax Benefit recipients and concession card holders.

Q. Can we expect any more of these reports?
Following the expiry of the contract with PricewaterhouseCoopers (PwC) in 2018, the Department of Social Services will assume full responsibility for the report.
The Department of Social Services is currently considering the arrangements for valuations post 2018.

Q. What areas will the 2018 valuation focus on?
Subsequent valuations will continue to increase the evidence base and provide greater capacity to track the effectiveness of different Government initiatives in reducing long-term welfare dependency. These initiatives may include existing and new measures to be introduced in the future.

Q. Do you expect that future lifetime welfare costs will continue to reduce for future reports?
As we continue to develop and refine the model used to assess the future cost of Australia's welfare system, we will develop a clearer picture of how Australians interact with the welfare system over their lives and will likely see changes in the future lifetime welfare cost prediction.

And, as we put into place programs and policies to help those at risk of long-term welfare dependency, this will likely have a positive impact on Australia's overall future welfare bill.

Q. How much did the Government pay PricewaterhouseCoopers to do this work?
The 2015-16 Budget included $33.7 million towards the implementation of the Priority Investment Approach.

This included $20.7 million in funding for the actuarial services, ICT capital, verification of the actuarial model and departmental resources necessary to implement this Approach. The Government announced a further $13.1 million in funding to maintain four longitudinal studies.

The current value of the contract with PricewaterhouseCoopers is $10.4 million.

Background

- The Australian Priority Investment Approach to Welfare (PIA) uses actuarial modelling to give us a national picture of the entire welfare system.

- It provides insights into how the system is working and uses those insights to find innovative ways of helping more Australians live independently of welfare.

- One of the objectives of PIA is to address intergenerational welfare dependence through using the best available evidence to inform government policies that aim to help Australians live independently of welfare and achieve more positive life outcomes.

- The Department of Social Services is leading this initiative, working closely with the Australian Government Actuary, the Department of Jobs and Small Business and other portfolios to provide whole-of-government oversight.

- So far, three annual Valuation reports have estimated the total lifetime costs for the Australian population:
    - $4.8 trillion as at 30 June 2015
    - $4.5 trillion as at 30 June 2016
    - $4.7 trillion as at 30 June 2017.

- Future annual valuations will allow us to further track how policy changes contribute to improving the effectiveness and efficiency of the welfare system.

- The Department has contracted PricewaterhouseCoopers (PwC) to conduct these annual valuation reports up to 2018.

- The Australian Priority Investment Approach to Welfare 2017 Valuation Report is available on the Department of Social Services website.

Australian Government
Department of Social Services

RECEIVED
19 APR 2018
Office of the Minister for Social Services

Brief
MS18-000453

To: Minister for Social Services, the Hon Dan Tehan MP (for decision)

Subject: Priority Investment Approach 2017 Valuation Report

Date Sent to MO: 19 APR 2018

Recommendations for Minister Tehan: That you

1. Note the key findings from the Priority Investment Approach 2017 Valuation Report at **Attachment A**.	Noted / Please Discuss
2. Agree to the public release of the 2017 Valuation Report on the Department's website. s22	Agreed/ Not Agreed s47E

Minister's signatur

Date: 23 / 4 / 2018

Minister's Comments

Purpose:

1. To brief you on the key findings in the Priority Investment Approach (PIA) to Welfare 2017 Valuation Report (the report), and to seek your views on the public release of the report.

Key Points:

2. PricewaterhouseCoopers (PwC) has delivered the latest draft of the 2017 Valuation Report following feedback from the Department of Social Services (the Department) and the PIA Interdepartmental Committee (IDC). The IDC includes representatives across the Commonwealth such as the Treasury, and the Departments of Finance, Jobs and Small Business, Prime Minister and Cabinet, and Education and Training.

3. The 2017 Valuation Report finds the total future lifetime cost of the social security system for the Australian population, as at 30 June 2017 is $4,681 billion (p.2 and p.59). This is an increase of $167 billion (or 3.7 per cent) from the 2016 total future lifetime cost of $4,514 billion (p.59), but is lower than the 2015 (baseline) total future lifetime cost of $4,764 billion. The headline figures have been largely consistent across valuations.

4. The report highlights a number of key factors that have led to the change in future lifetime cost (p.11), including population growth and inflation, which contributed to an increase of $210 billion (4.7 per cent) to the total lifetime cost. There were also fewer people accessing welfare payments which contributed to a decrease of $28 billion in the total lifetime cost, this in turn alters the assumptions about future utilisation of the welfare system, contributing to a further decrease of $49 billion (**Attachment B** includes further information on the variation in costs between 2016 and 2017).

5. The report also identifies policy changes that have led to an overall reduction of the total future lifetime cost (p.65). While the replacement of the Child Care Benefit and Child Care Rebate with the Child Care Subsidy led to an increase in future lifetime cost of $26.9 billion, this has been more than offset by other policy changes ($27.6 billion). These changes include:

i) introduction of the $80,000 income limit for Family Tax Benefit Part A Supplement;
ii) freeze of current Family Tax Benefit rates, higher income free area and primary earner income limit; and
iii) closure of Carbon Tax Compensation for new Family Tax Benefit recipients and concession card holders.

6. The 'drivers of lifetime cost' section (pp.39 – 43) shows the demographic and payment characteristics that are most predictive of higher future lifetime costs. For example, for people receiving working age payments such as Newstart Allowance,

those who moved onto working age payments from either Parenting Payment or Carer Payment are more likely to have higher future lifetime costs than those who moved from studying payments (p.40, Class 2 Working Age table). Additionally, working age payment recipients in their mid to late 40s are likely to have a higher future lifetime cost than young adult recipients (p.40).

7. The report also provides analysis (pp.23 – 27) that shows a high degree of correlation between a parent's income support history and their child's later use of income support (see **Attachment B** for additional information). However, these results must be read in the context of the eligibility rules for young people accessing income support payments. The parental income test ensures middle to high-income families continue to support their children up to 22 years of age, while providing income support to the young adult children of low-income families and other situations where young people are considered independent. While this is the intention of the parental income test, it skews the comparison outlined in the report.

- For example, a young unemployed 20 year old whose parents receive income support payments would be eligible for Youth Allowance, while her equally unemployed friend with higher-income parents would not be eligible.

8. To supplement the report's analysis, the Department conducted further intergenerational analysis of young people who are over 21 and are therefore not subject to the parental income test, and found that there remains a higher likelihood of intergenerational income support use even when the comparison is not skewed by the parental income test. Departmental analysis shows:

- Young people aged 22 to 24 whose parents or guardians received income support payments for over 80 per cent of their childhood are 2.9 times more likely to be on income support payments today, compared to those with no parental income support history.

9. The report also provides analysis on barriers to work (pp.30 – 35) and analysis using a new education sector variable (pp.27-29) to capture a person's current level of study (also covered in additional information at **Attachment B**).

10. Note the PIA valuation is highly sensitive to some assumptions, such as inflation and discounting assumptions. Many of the payments are concentrated in the latter part of people's lives, so changes in the indexation and discount significantly affect the future lifetime cost. Future valuations findings will be sensitive to any changes in the underlying assumptions.

11. The Department commissioned the University of Queensland's Institute for Social Science Research, in partnership with Deloitte, to validate the baseline (2015) and 2016 valuations. The 2017 valuation takes into account recommendations from these validations. A procurement process is currently underway to engage a supplier to validate the 2017 and 2018 valuations.

12. The Department has received a copy of the 2017 actuarial model and will continue to use the model to support policy development such as the Try, Test and Learn Fund. However, until the 2017 Valuation Report is released, the Department will not use the 2017 results or findings in products that are likely to become public. Until then, the Department uses 2016 figures when asked for information from the Priority Investment Approach. Further information on the uses of the model are at **Attachment C**.

s47E(d)

Media:
A media release, talking points and defensive Q&As can be supplied through the Communication Services Branch in consultation with your Media Advisor, if required.

s47E(d)

Attachments:
Attachment A: 2017 Priority Investment Approach Valuation Report
Attachment B: Additional information on the 2017 Valuation Report

s22

Attachment B: Additional information on the 2017 Valuation Report

- Intergenerational welfare dependence
  The report shows (pp.23 – 28):
  i) young people aged 16 to 20 whose parents or guardians were reliant on an income support payment for over 80 per cent of their childhood are 5.8 times more likely to be on income support payments today, compared to those with no parental income support history;
  ii) 26 per cent of young people aged 16 to 20 whose parents or guardians were reliant on an income support payment for over 80 per cent of their childhood are currently receiving working age payments, compared to 2 per cent for those with no parental income support history; and
  iii) by the age of 25, around 90 per cent of children whose parents or guardians were reliant on an income support payment for over 80 per cent of their childhood will have interacted with the welfare system (income support and non income support), compared to around 45 per cent of those with no such parental income support dependence.
- Note that these results must be read in the context of the eligibility rules for young people aged up to 21 years accessing income support payments. The parental income test that applies for dependent children in this age range ensures that the children of higher income families are ineligible for income support, whereas the children of lower income families may be eligible.

- To complement the analysis in the report, departmental analysis shows young people who are over 21 (and who are therefore not subject to the parental income test):
  iv) young people aged 22 to 24 whose parents or guardians received income support payments for over 80 per cent of their childhood are 2.9 times more likely to be on income support payments today, compared to those with no parental income support history.
  v) 27 per cent of young people aged 22 to 24 whose parents or guardians were reliant on an income support payment for over 80 per cent of their childhood are currently receiving working age payments, compared to 6 per cent for those with no parental income support history; and
  vi) by the age of 25, the actuarial projection reveals that around 71 per cent of children aged 15 as at 30 June 2017 whose parents or guardians were reliant on an income support payment for over 80 per cent of their childhood will have interacted with the welfare system (income support and non income support) between the age of 22 and 25, compared to around 36 per cent of those with no such parental income support dependence.
  vii) further analysis reveals that after excluding non-income support and student payments, by the age of 25, the actuarial projection reveals that around 53 per cent of children aged 15 as at 30 June 2017 whose parents or guardians were reliant on an income support payment for over 80 per cent of their childhood will have interacted with the income support payments other than student payments between the age of 22 and 25, compared to around 16 per cent of those with no such parental income support dependence.

- Barriers to Work
  The report shows (pp.30 – 35):
  i) the number of people with reported psychological or psychiatric conditions has grown steadily over the last five years, potentially due to increased awareness of mental health and the recent tightening of the DSP eligibility criteria, with more people with these conditions staying in the Working Age class rather than transitioning into DSP.

ii) the number of individuals assessed with less than 15 hours of work capacity a week has increased over the last five years for people with and without a reported psychological or psychiatric condition (p.34).

- Education sector
  The report shows (pp.27 – 29):
  i) young studying payment recipients (aged 16 to 17) in VET, are projected to have lower future welfare dependency than secondary school students and are expected to spend two and a half years less on income support payments; and
  ii) for students aged 19 and older, higher education students are more likely to exit the welfare system after finishing study, compared to VET students.

Attachment B (continued):

- Explanation of change in overall lifetime cost
  The assessment of total lifetime cost has increased from **4,514 billion** at 30 June 2016 to **$4,681 billion** at 30 June 2017. This is an increase of **$167 billion** reflecting the impact of growth in population, inflation, and updated assumptions and model refinements to account for policy changes and observed changes in experience over the latest year.

  The following chart provides a detailed break-down of the movement in the total lifetime cost.

Source: *30 June 2017 Valuation Report*, Figure 4, p.11

From: MOSES, Jillian
To: CANTWELL, Kai
Cc: PATTRICK, Selena; s22 REDDEL, Tim; TALONI, Bruce; SocialSecurityExecutive; Secretarys Office; WILLIAMSON, Nathan; DLOs; s22 ; DSS Media s22

Subject: RE: Investment Approach data [SEC=UNOFFICIAL]
Date: Friday, 8 February 2019 12:03:36 PM
Attachments: 1.0 Cashless Debit Card Trial analysis - Under 21 cohort.docx
1.0 Cashless Debit Card Trial analysis - Fraser Coast Bundaberg - 35 and under cohort.docx

Dear Kai

Attached are two analysis papers using the 2017 Priority Investment Approach:

a. A report on national recipients of Youth Allowance (Other), Parenting Payment (Single), Parenting Payment (Partnered) , Carer payment and Special Benefit who are under 20.
b. A report on recipients of Newstart Allowance, Youth Allowance (Other), Parenting Payment (Single), Parenting Payment (Partnered), 35 and under living in Bundaberg/Hervey Bay and a national cohort for comparison.

The analyses use longitudinal administrative data developed for the Australian Priority Investment Approach to Welfare to identify populations of interest; the actuarial model to produce future lifetime cost and duration results, and to estimate future welfare trajectories; and the Intergenerational Variable Dataset with the longitudinal administrative data to examine intergenerational welfare dependency.

Regards

Jillian

Jillian Moses

Branch Manager
Policy Analysis and Reporting
Policy Office
Department of Social Services
s22

The Department of Social Services acknowledges the traditional owners of country throughout Australia, and their continuing connection to land, water and community. We pay our respects to them and their cultures, and to Elders both past and present.

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Australian Government
Department of Social Services

Australian Priority Investment Approach

Analysis for Cashless Debit Card (CDC)

The Policy Analysis and Reporting Branch prepared this analysis in February 2019 in response to a request from Minister's Office.

The analysis uses longitudinal administrative data developed for the Australian Priority Investment Approach to Welfare to identify the population of interest; the actuarial model to produce future lifetime cost and duration results, and to estimate future welfare trajectories; and the Intergenerational Variable Dataset with the longitudinal administrative data to examine intergenerational welfare dependency.

The following analysis concerns all Carer Payment, Parenting Payment, Special Benefit, and Youth Allowance (Other) recipients aged 20 or less as at 30 June 2017; this group of recipients will be referred to as the 'population of interest' for the purpose of this analysis. This analysis compares the future lifetime costs, future duration in Income Support, and welfare trajectories of the population of interest to a reference group containing previous Working Age payment, Parenting Payment and Carer Payment recipients who are aged 20 or less and are now receiving either a Student payment or no welfare payments as at 30 June 2017. In addition, intergenerational welfare dependency is also examined for the population of interest.

The first part of the analysis looks at future lifetime costs and duration results; the second part explores future projections of welfare pathways; and the third part examines intergenerational welfare dependency.

Please refer to Attachment 1 for a full description of welfare classes.

Part 1 – Future lifetime costs and duration in an Income Support class

1.1 Future lifetime costs

Table 1 below shows the estimated average future lifetime costs including and excluding the Age Pension. The average future lifetime cost including the Age Pension for the population of interest of $335,000 is 1.56 times higher than the Reference Group ($215,000), In contrast, this changes to 1.90 times higher when the Age Pension is excluded with the population of interest at $247,000, and the Reference Group at $130,000.

Drilling down, the estimated average future lifetime cost including the Age Pension for the population of interest in the short-term (within 5 years) is $47,000; this is 2.94 times higher than the Reference Group at $16,000. Likewise, the average future lifetime cost for the population of interest is also higher in both the medium- (between 5 and 10 years) and long-term (beyond 10 years) compared to the reference group (see Table 1).

1.2 Duration in an Income Support class

Table 1 also shows the average future duration in an Income Support class including and excluding the Age Pension. On average, the population of interest is expected to access income support payments including the Age Pension in 35 years of their future lives compared to 28 years for the Reference Group; this represents 50% and 40% of their future lifetime in an Income Support class respectively. On average the population of interest is expected to access income support payments excluding the Age Pension in 19 years of their future lives compared to 12 years for the Reference Group which represents 26% and 16% of their future lifetime in an Income Support class respectively.

Table 1: Projected Future Lifetime Costs and Duration in an Income Support class as at 30 June 2017

Cohort	Average future lifetime cost	Average future lifetime cost **not including Age Pension**	Average future welfare payments			Future duration in Income Support (years)	Proportion of future lifetime in Income Support	Future duration in Income Support **not including Age Pension** (years)	Proportion of future lifetime in Income Support **not including Age Pension**
			Short- term (within 5 years)	Medium-term (Between 5 and 10 years)	Long-term (beyond 10 years)				
Carer Payment, Parenting Payment, Special Benefit and Youth Allowance(Other) recipients aged 20 or less as at 30 June 2017	$335,000	$247,000	$47,000	$44,000	$243,000	35	50%	19	26%
Reference Group: Previous Working Age payment, Parenting Payment or Carer Payment recipients aged 20 or less, currently receiving either Student payments or no welfare payments as at 30 June 2017	**$215,000**	**$130,000**	**$16,000**	**$19,000**	**$180,000**	**28**	**40%**	**12**	**16%**

Notes:

1. For this analysis Working Age payment recipients are defined as those receiving Newstart, You h Allowance (Other), Partner Allowance, Sickness Allowance, Special Benefit, Widow Allowance, Youth Allowance (Apprentice), Abstudy (Apprentice), or Austudy (Apprentice) during the 2016-17 financial year.
2. Student payment recipients are defined as those receiving Abstudy, Austudy or Youth Allowance (Student) during the the 2016-17 financial year.
3. Parenting Payment recipients are defined as those receiving either Paren ing Payment Single or Parenting Payment Partnered
4. Future duration in an Income Support class is not a measure of actual duration on income support. A recipient may receive income support for a full year or part of a year which in both instances is recorded as being in he income support class for that year.
5. Future duration in an Income Support class is also not a measure of continuous receipt of income support. For example over the projected period a recipient may transition in and out of income support classes multiple times.
6. Short-term, medium-term and long-term average future welfare payments may not add up to average future lifetime cost due to rounding.

Part 2 – Projected welfare pathways

2.1 Projected welfare pathways

Figure 1a shows the projected welfare pathways of the population of interest. In 2027 it is expected that around 17% will be receiving a Working Age payment[1], around 17% will be receiving a Parenting Payment[2], around 11% will be receiving a Non-Income Support (IS) Family payment[3], and approximately 44% will no longer be receiving welfare payments. Figure 1b shows the projected welfare pathways of the same population but at a less granular level.

Figure 1a: Projected welfare pathways: Population of interest - Carer Payment, Parenting Payment, Special Benefit, and Youth Allowance (Other) recipients aged 20 or less as at 30 June 2017

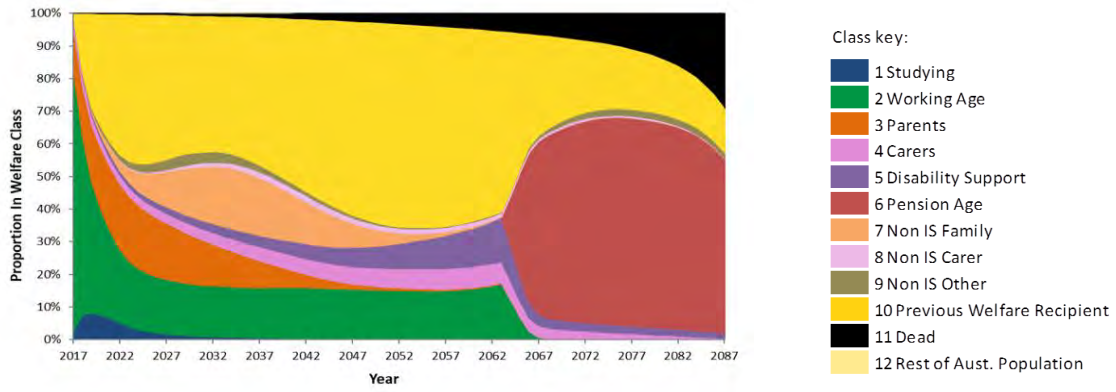
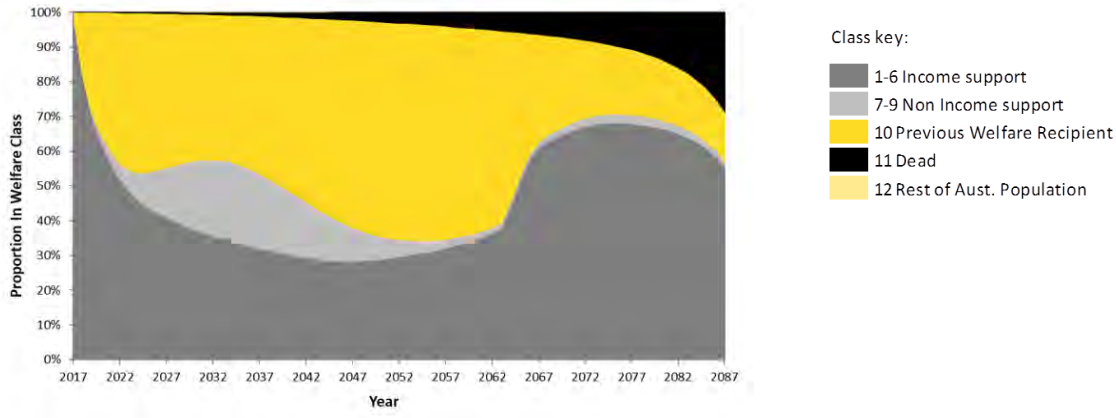


Figure 1b: Projected welfare pathways: Population of interest - Carer Payment, Parenting Payment, Special Benefit, and Youth Allowance (Other) recipients aged 20 or less as at 30 June 2017



[1] 'Working Age' payments are defined for the purposes of the actuarial valuations as: Newstart Allowance, Youth Allowance (Other), Partner Allowance, Sickness Allowance, Special Benefit, Widow Allowance, Abstudy (Apprentice), and Austudy (Apprentice).

[2] 'Parenting' payments are defined for he purposes of the actuarial valuations as: Parenting Payment (Partnered) and Parenting Payment (Single).

[3] People receiving 'Non IS Family' payments are defined for the purposes of the actuarial valuations as those not receiving any income support payments or carer payments but receiving one or more of the following payment categories in the previous year: Other FTB (Family Tax Benefit A, Family Tax Benefit A Supplement, Family Tax Benefit B, Family Tax Benefit B Supplement, Family Tax Benefit – old, Multiple Birth Allowance, Large Family Supplement), Other Family (Child Care Benefit, Child Care Rebate, Child Care Payments, Double Orphan Pension, Schoolkids Bonus, Single Income Family Supplement), and Other New Parent (Dad and Partner Pay, Maternity Payments, Newborn Payment, Parental Leave Pay, Stillborn Baby Payment, Baby Bonus).

Figure 2a shows the projected welfare pathways of the Reference Group. In 2027 it is expected that around 10% will be receiving a Working Age payment, around 8% will be receiving a Parenting Payment, around 12% will be receiving a Non-Income Support (IS) Family payment and approximately 61% will not be receiving welfare payments. Figure 2b shows the projected welfare pathways of the same population but at a less granular level.

Figure 2a: Projected welfare pathways: Reference Group – All previous Working Age payment, Parenting Payment and Carer Payment recipients aged 20 or less and are now receiving either a Student payment or no welfare payments as at 30 June 2017

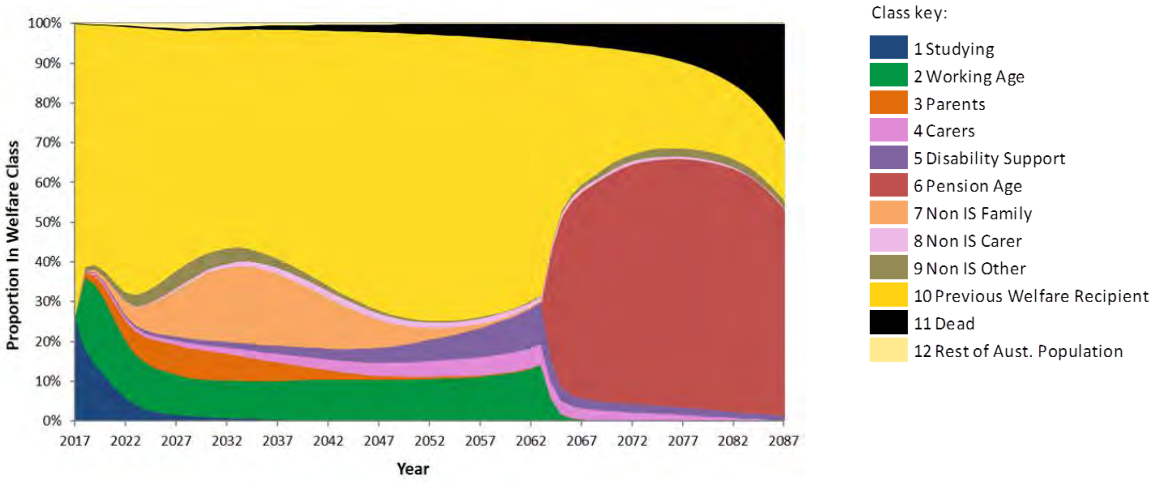
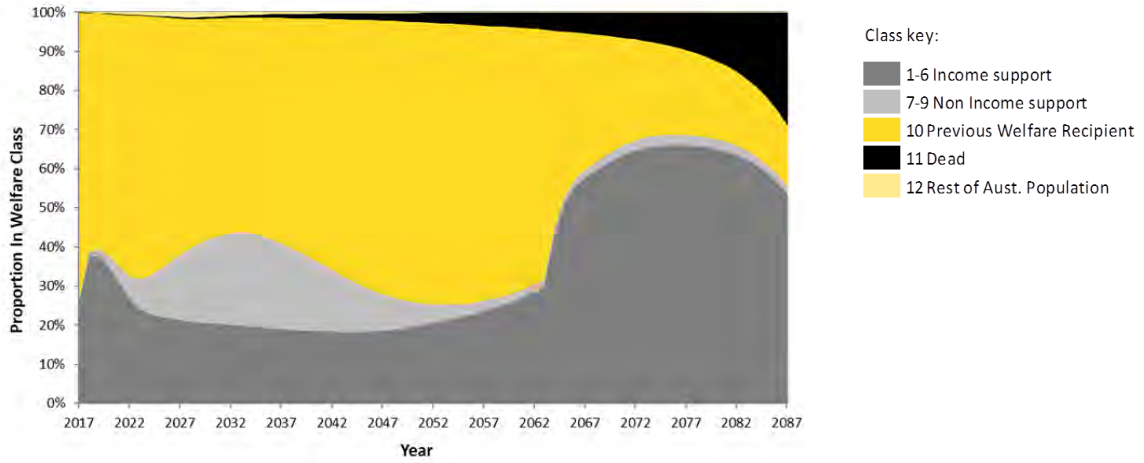


Figure 2b: Projected welfare pathways: Reference Group – All previous Working Age payment, Parenting Payment and Carer Payment who are aged 20 or less and are now receiving either a Student payment or no welfare payments as at 30 June 2017



Part 3 – Intergenerational welfare dependency

2.1 Intergenerational welfare dependency

Table 2a below shows that 92% of the subset of the population of interest had a parent/ guardian who received income support at some point in the past 15 years to 30 June 2017.

Table 2a: Intergenerational welfare dependency: proportion of people whose parent/ guardian received income support at any time in the past 15 years to 30 June 2017

	Percent
Parent/ guardian received income support	92%
Parent/ guardian did not receive income support	8%

Table 2b below shows that 36% of the subset of the population of interest had a parent/ guardian who received Disability Support Pension (DSP) in the past 15 years to 30 June 2017. Receipt of DSP has been examined separately because it is considered that children of DSP recipients may have a predisposition to dependency on income support in that they may have inherited the condition of the parent or that they may take on a carer role for the parent/ guardian

Table 2b: Intergenerational welfare dependency: Proportion of people whose parent/ guardian received Disability Support Pension (DSP) at any time in the past 15 years to 30 June 2017

	Percent
Parent/ guardian received DSP	36%
Parent/ guardian did not received DSP	64%

Table 3 and Figure 3 below show that 22% of the population of interest had a parent/ guardian who received income support at some point in each of the past 15 years to 30 June 2017, 5% received income support at some point in 10 of the past 15 years, and 3% in 5 of the past 15 years.

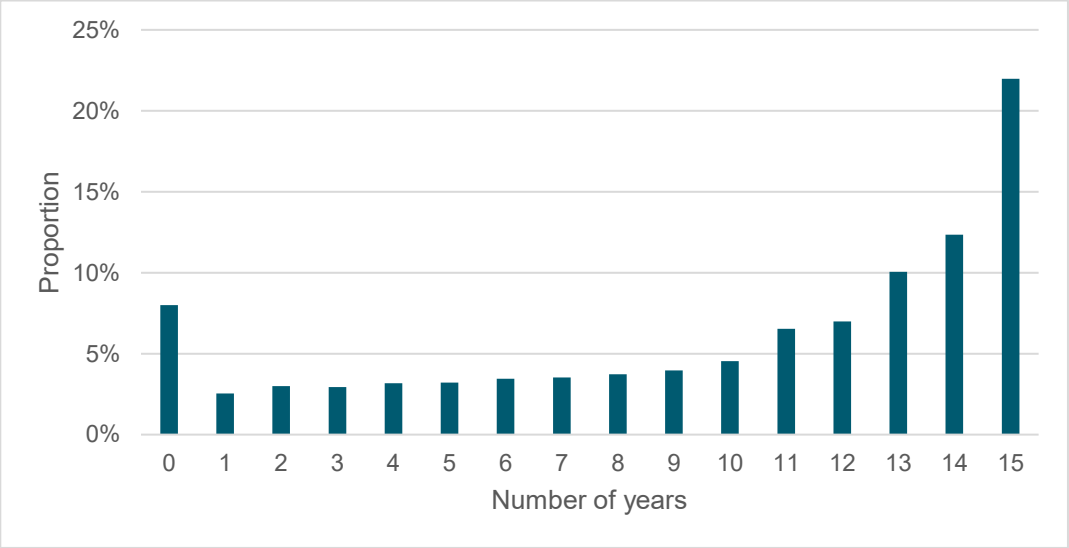
Table 3: Intergenerational welfare dependency: Number of years the parent/ guardian received Income Support in the past 15 years to 30 June 2017

Number of years	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Percent	8%	3%	3%	3%	3%	3%	3%	4%	4%	4%	5%	7%	7%	10%	12%	22%

Notes:

1. The number of years a parent/ guardian received income support is not a measure of duration. A parent/ guardian may receive income support for a full year or part of a year which in both instances is recorded as 1 year.
2. The number of years is also not a measure of continuous receipt of income support, for example over the 15 year period, a parent/ guardian may transition in and out of income support multiple times.
3. Percentages may not add up to 100% due to rounding.

Figure 3: Intergenerational welfare dependency: Number of years the parent/ guardian received Income Support in the past 15 years to 30 June 2017



Note:

1. Refer to Table 3 notes.

Table 4 and Figure 4 below show that 10% of the population of interest had a single parent family on record in childhood up to age 18 at some point in each of the past 15 years to 30 June 2017, 5% had a single parent family on record at some point in 10 of the past 15 years, and 4% in 5 of the past 15 years.

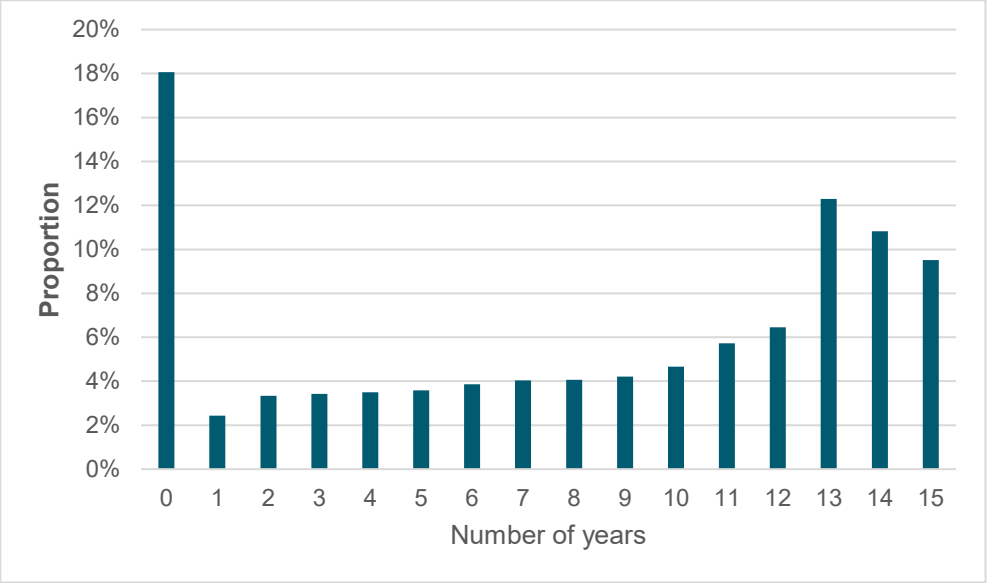
Table 4: Intergenerational welfare dependency: Number of years in which a single parent family is on record in childhood up to age 18 in the past 15 years to 30 June 2017

Number of years	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Percent	18%	2%	3%	3%	4%	4%	4%	4%	4%	4%	5%	6%	6%	12%	11%	10%

Notes:

1. A child is classified as having a single parent family in any year where a single parent is recorded on the Centrelink system as having care responsibilities for that child at any time during that year.
2. The number of years of having a single parent family on record is not a measure of duration. A child may have a single parent family for a full year or part of a year. The number of years is also not a measure of a continuous single parent family as the status of a family may change over ime. For example over a three year period, a family may experience a period as a single parent family, transition to a partnered family, then transition back to a single parent family.
3. Percentages may not add up to 100% due to rounding.

Figure 4: Intergenerational welfare dependency: Number of years in which a single parent family is on record in childhood up to age 18 in the past 15 years to 30 June 2017



Note:

1. Refer to Table 4 notes.

Attachment 1

Welfare classes and mapping of payment types to them

Active – income support (IS)	Active – non income support (Non IS)	Inactive classes
1 Studying People receiving any Studying income support payments (payment category A) as their most recent income support payment.	**7 Non IS Family** People not receiving any carer payments but receiving one or more of the following payment categories in the previous year: • Other FTB • Other Family • Other New Parent	**10 Previous welfare recipient** People who were previously in one of classes 1 to 9 but are not for the latest year.
2 Working Age People receiving any Working Age income support payment or Dependant income support payment (payment category B or G).	**8 Non IS Carer** People receiving any Other Carers payments	**11 Dead** People who have died during the previous year or in prior years.
3 Parenting People receiving Parenting Payment (Partnered or Single) as their most recent income support payment (payment category C).	**9 Non IS Other** People receiving payments but not in any other welfare recipient class.	**12 Rest of Aust. population** Rest of modelled population.
4 Carers People receiving Carer Payment (payment category D) as their most recent income support payment.		
5 Disability support People receiving Disability Support Pension (payment category E) as their most recent income support payment.		
6 Pension Age People receiving any Age income support payments (payment category F) as their most recent income support payment.		

Australian Government
Department of Social Services

Australian Priority Investment Approach

Analysis for Cashless Debit Card (CDC) Trial
Trial sites: Fraser Coast/ Bundaberg

The Policy Analysis and Reporting Branch prepared this analysis in February 2019 in response to a request from Minister's Office.

The analysis uses longitudinal administrative data developed for the Australian Priority Investment Approach to Welfare to identify the population of interest; the actuarial model to produce future lifetime cost and duration results, and to estimate future welfare trajectories; and the Intergenerational Variable Dataset with the longitudinal administrative data to examine intergenerational welfare dependency.

The following analysis concerns Newstart Allowance, Parenting Payment and Youth Allowance (other) recipients aged 35 or less residing in the trial sites – Fraser Coast and Bundaberg - as at 30 June 2017; this group of recipients will be referred to as the 'population of interest' for the purpose of this analysis. This analysis compares the future lifetime costs, future duration in Income Support, and welfare trajectories of the population of interest to a reference group containing all Newstart Allowance, Parenting Payment and Youth Allowance (other) recipients aged 35 or less as at 30 June 2017.

In addition, intergenerational welfare dependency is also examined for a subset of the population of interest consisting of Newstart Allowance, Parenting Payment and Youth Allowance (Other) recipients aged 25 or less residing in the CDC trial sites. This intergenerational welfare dependency analysis has been restricted to this group of Newstart Allowance, Parenting Payment and Youth Allowance (Other) recipients due to data limitations in terms of the availability of longitudinal data. With the introduction of Family Tax Benefit and Child Care Benefit in 2000 and 2001 respectively, the underlying data source provides limited information on customers who ceased caring for their children prior to 2000.

The first part of the analysis looks at future lifetime costs and duration results; the second part explores future projections of welfare pathways; and the third part examines intergenerational welfare dependency.

Please refer to Attachment 1 for a full description of welfare classes.

Part 1 – Future lifetime costs and duration in an Income Support class

1.1 Future lifetime costs

Table 1 below shows the estimated average future lifetime costs including and excluding the Age Pension. The average future lifetime cost including the Age Pension for the population of interest of $407,000 is only 1.01 times higher than the Reference Group ($401,000). In contrast, this changes to 1.02 times higher when the Age Pension is excluded with the population of interest at $301,000 and the Reference Group at $294,000.

Drilling down, the estimated average future lifetime cost including the Age Pension for the population of interest in the short-term (within 5 years) is $84,000; this is only slightly higher than the Reference Group at $82,000. Likewise, the average future lifetime cost for the population of interest is also slightly higher in both the medium- (between 5 and 10 years) and long-term (beyond 10 years) compared to the reference groups (see Table 1).

1.2 Duration in an Income Support class

Table 1 also shows the average future duration in an Income Support class including and excluding the Age Pension. On average, both the population of interest and Reference Group are expected to access income support payments including the Age Pension in 36 years of their future lives. This represents 58% of their future lifetime in an Income Support class. On average, both the population of interest and Reference Group are expected to access income support payments excluding the Age Pension in 19 years of their future lives. This represents 31% of future lifetime for the population of interest and 30% for the Reference Group in an Income support class; this difference is due to rounding and a slight difference in average age between the two groups.

Table 1: Projected Future Lifetime Costs and Duration in an Income Support class as at 30 June 2017

Cohort	Average future lifetime cost	Average future lifetime cost **not including Age Pension**	Average future welfare payments			Future duration in Income Support (years)	Proportion of future lifetime in Income Support	Future duration in Income Support **not including Age Pension** (years)	Proportion of future lifetime in Income Support **not including Age Pension**
			Short- term (within 5 years)	Medium-term (Between 5 and 10 years)	Long-term (beyond 10 years)				
Newstart Allowance, Youth Allowance (Other) and Parenting Payment recipients aged 35 or less and living in Bundaberg/Hervey Bay	$407,000	$301,000	$84,000	$62,000	$262,000	36	58%	19	31%
Reference Group: All Newstart Allowance, Youth Allowance (Other) and Parenting Payment recipients aged 35 or less	**$401,000**	**$294,000**	**$82,000**	**$61,000**	**$258,000**	**36**	**58%**	**19**	**30%**

Notes:

1. Future duration in an Income Support class is not a measure of actual duration on income support. A recipient may receive income support for a full year or part of a year which in both instances is recorded as being in he income support class for that year.
2. Future duration in an Income Support class is also not a measure of continuous receipt of income support. For example over the projected period a recipient may transition in and out of income support classes multiple times.
3. Short-term, medium-term and long-term average future welfare payments may not add up to average future lifetime cost due to rounding.
4. Location was not used as a modelling variable in the 2017 Priority Investment Approach actuarial model, as such the negligible difference in lifetime cost projections is due to the population of interest having similar characteristics which are used in he model to the Reference Group.

Part 2 – Projected welfare pathways

2.1 Projected welfare pathways

Figure 1a shows the projected welfare pathways of the population of interest. In 2027 it is expected that around 26% will be receiving a Working Age payment[1], around 15% will be receiving a Parenting Payment[2], around 14% will be receiving a Non-Income Support (IS) Family payment[3], and approximately 32% will no longer be receiving welfare payments. Figure 1b shows the projected welfare pathways of the same population but at a less granular level.

Figure 1a: Projected welfare pathways: Population of interest - Newstart Allowance, Parenting Payment and Youth Allowance (Other) recipients aged 35 or less residing in the proposed trial sites as at 30 June 2017

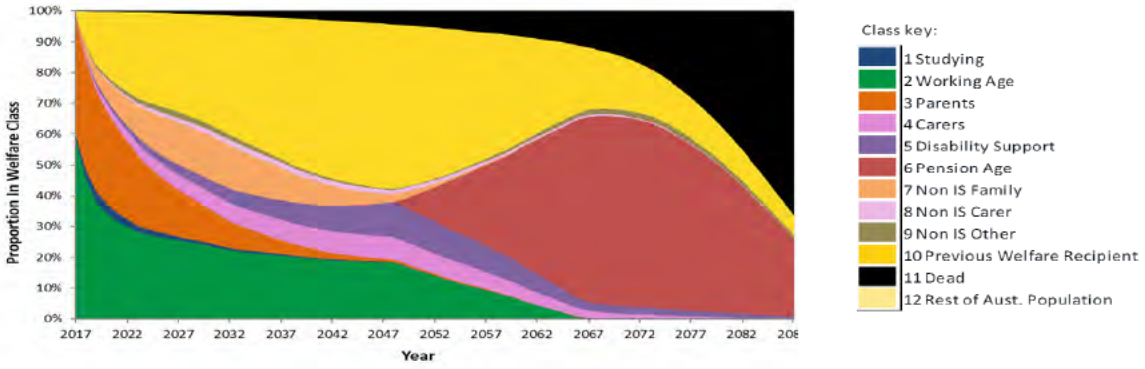
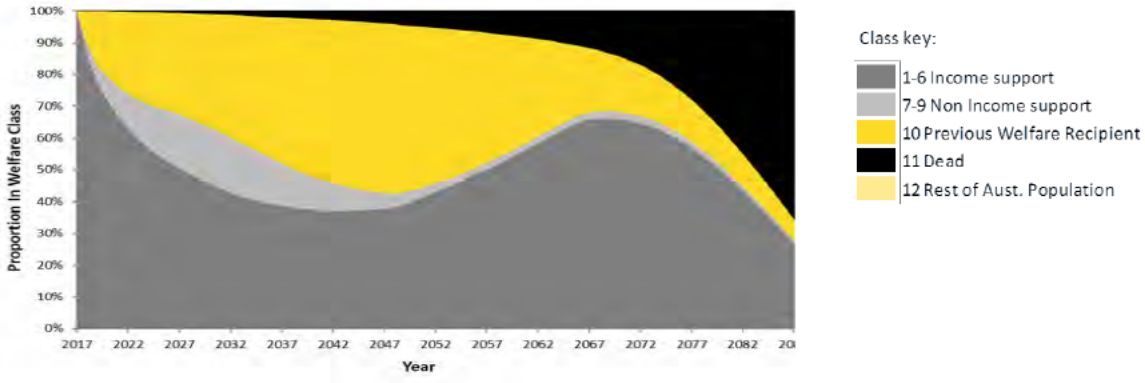


Figure 1b: Projected welfare pathways: Population of interest - Newstart Allowance, Parenting Payment and Youth Allowance (Other) recipients aged 35 or less residing in the proposed trial sites as at 30 June 2017



[1] 'Working Age' payments are defined for the purposes of the actuarial valuations as: Newstart, Youth Allowance (Other), Partner Allowance, Sickness Allowance, Special Benefit, Widow Allowance, Abstudy (Apprentice), and Austudy (Apprentice).

[2] 'Parenting' payments are defined for the purposes of the actuarial valuations as: Parenting Payment (Partnered) and Parenting Payment (Single).

[3] People receiving 'Non IS Family' payments are defined for the purposes of the actuarial valuations as those not receiving any income support payments or carer payments but receiving one or more of the following payment categories in the previous year: Other FTB (Family Tax Benefit A, Family Tax Benefit A Supplement, Family Tax Benefit B, Family Tax Benefit B Supplement, Family Tax Benefit – old, Mul iple Birth Allowance, Large Family Supplement), Other Family (Child Care Benefit, Child Care Rebate, Child Care Payments, Double Orphan Pension, Schoolkids Bonus, Single Income Family Supplement), and Other New Parent (Dad and Partner Pay, Maternity Payments, Newborn Payment, Parental Leave Pay, Stillborn Baby Payment, Baby Bonus).

Figure 2a shows the projected welfare pathways of the Reference Group. In 2027 it is expected that around 24% will be receiving a Working Age payment, around 15% will be receiving a Parenting Payment, around 15% will be receiving a Non-Income Support (IS) Family payment and approximately 32% will no longer be receiving welfare payments. Figure 2b shows the projected welfare pathways of the same population but at a less granular level.

Figure 2a: Projected welfare pathways: Reference Group 1 - All Newstart Allowance, Parenting Payment and Youth Allowance (other) recipients aged 35 or less as at 30 June 2017

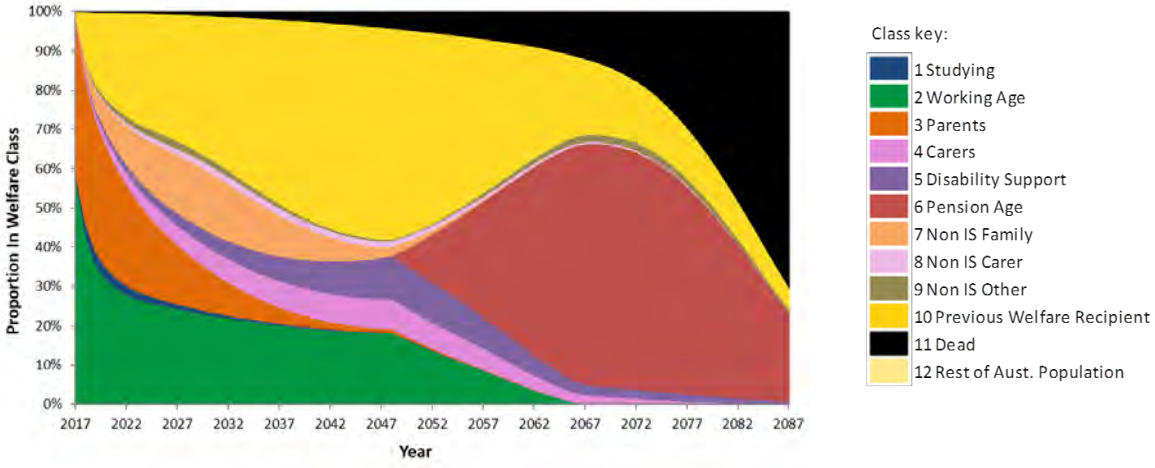
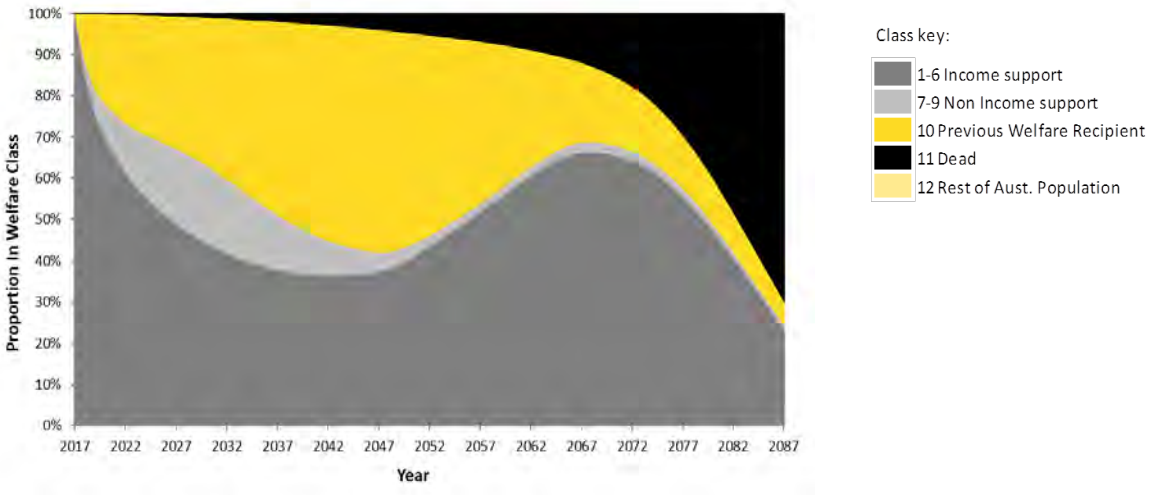


Figure 2b: Projected welfare pathways: Reference Group 1 - All Newstart Allowance, Parenting Payment and Youth Allowance (other) recipients aged 35 or less as at 30 June 2017



Part 3 – Intergenerational welfare dependency

2.1 Intergenerational welfare dependency

Due to data limitations, this intergenerational welfare dependency part of the analysis is restricted to Newstart Allowance, Parenting Payment and Youth Allowance (Other) recipients aged 25 or less residing in the proposed trial sites as at 30 June 2017.

Table 2a below shows that 90% of the subset of the population of interest had a parent/ guardian who received income support at some point in the past 15 years to 30 June 2017.

Table 2a: Intergenerational welfare dependency: proportion of people whose parent/ guardian received income support at any time in the past 15 years to 30 June 2017

	Per cent
Parent/ guardian received income support	90%
Parent/ guardian did not receive income support	10%

Table 2b below shows that 39% of the subset of the population of interest had a parent/ guardian who received Disability Support Pension (DSP) in the past 15 years to 30 June 2017. Receipt of DSP has been examined separately because it is considered that children of DSP recipients may have a predisposition to dependency on income support in that they may have inherited the condition of the parent or that they may take on a carer role for the parent/ guardian

Table 2b: Intergenerational welfare dependency: Proportion of people whose parent/ guardian received Disability Support Pension (DSP) at any time in the past 15 years to 30 June 2017

	Per cent
Parent/ guardian received DSP	39%
Parent/ guardian did not received DSP	61%

Table 3 and Figure 3 below show that 11% of the subset of the population of interest had a parent/ guardian who received income support at some point in each of the past 15 years to 30 June 2017, 6% received income support at some point in 10 of the past 15 years, and 5% in 5 of the past 15 years.

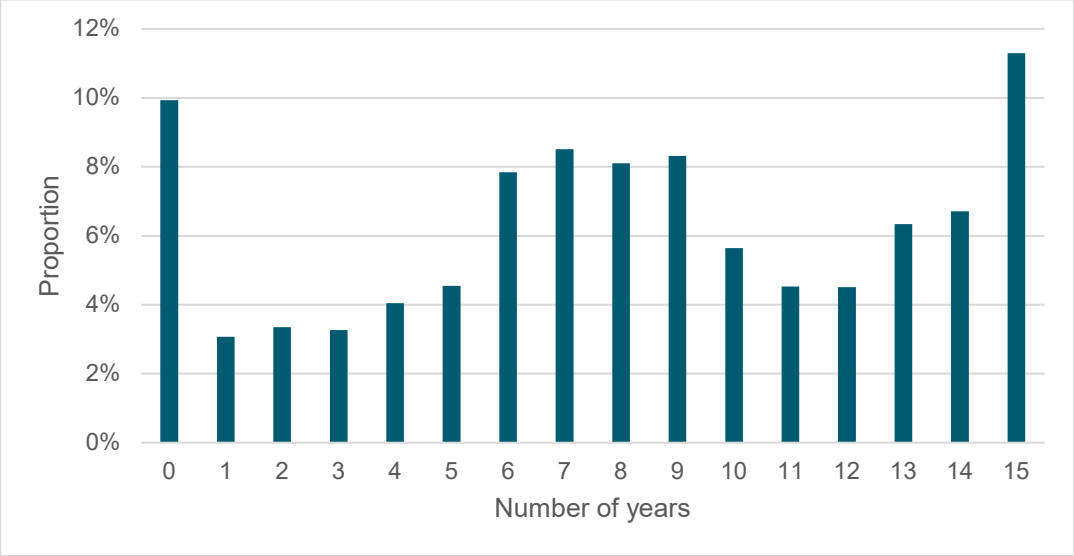
Table 3: Intergenerational welfare dependency: Number of years the parent/ guardian received Income Support in the past 15 years to 30 June 2017

Number of years	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Percent	10%	3%	3%	3%	4%	5%	8%	9%	8%	8%	6%	5%	5%	6%	7%	11%

Notes:

1. The number of years a parent/ guardian received income support is not a measure of duration. A parent/ guardian may receive income support for a full year or part of a year which in both instances is recorded as 1 year.
2. The number of years is also not a measure of continuous receipt of income support, for example over the 15 year period, a parent/ guardian may transition in and out of income support multiple times.
3. Percentages may not add up to 100% due to rounding.

Figure 3: Intergenerational welfare dependency: Number of years the parent/ guardian received Income Support in the past 15 years to 30 June 2017



Note:

1. Refer to Table 3 notes.

Table 4 and Figure 4 below show that 5% of the subset of the population of interest had a single parent family on record in childhood up to age 18 at some point in each of the past 15 years to 30 June 2017, 4% had a single parent family on record at some point in 10 of the past 15 years, and 5% in 5 of the past 15 years.

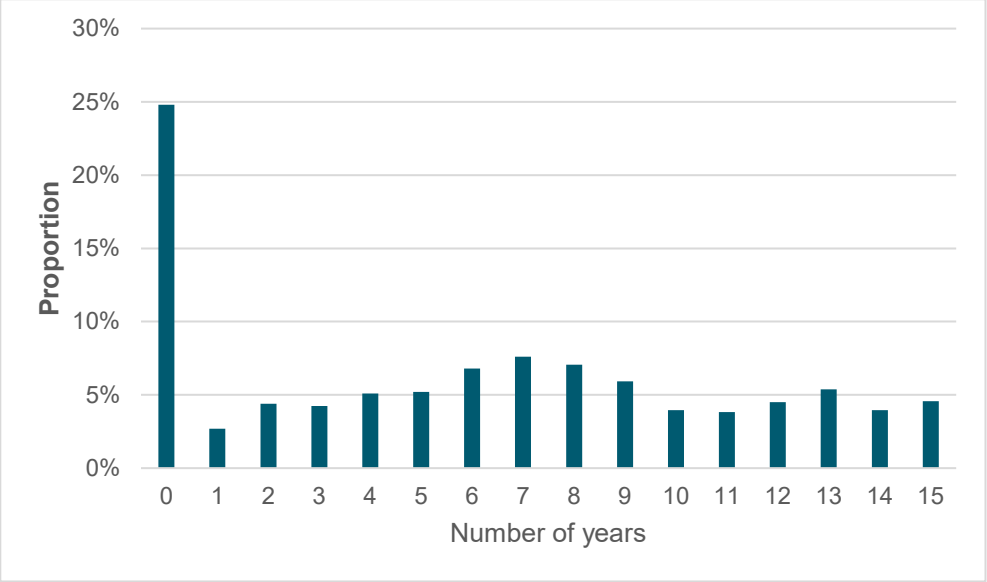
Table 4: Intergenerational welfare dependency: Number of years in which a single parent family is on record in childhood up to age 18 in the past 15 years to 30 June 2017

Number of years	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Percent	25%	3%	4%	4%	5%	5%	7%	8%	7%	6%	4%	4%	5%	5%	4%	5%

Notes:

1. A child is classified as having a single parent family in any year where a single parent is recorded on the Centrelink system as having care responsibilities for that child at any time during that year.
2. The number of years of having a single parent family on record is not a measure of duration. A child may have a single parent family for a full year or part of a year. The number of years is also not a measure of a continuous single parent family as the status of a family may change over ime. For example over a three year period, a family may experience a period as a single parent family, transition to a partnered family, then transi ion back to a single parent family.
3. Percentages may not add up to 100% due to rounding.

Figure 4: Intergenerational welfare dependency: Number of years in which a single parent family is on record in childhood up to age 18 in the past 15 years to 30 June 2017



Note:

1. Refer to Table 4 notes.

Attachment 1

Welfare classes and mapping of payment types to them

Active – income support (IS)	Active – non income support (Non IS)	Inactive classes
1 Studying People receiving any Studying income support payments (payment category A) as their most recent income support payment.	**7 Non IS Family** People not receiving any carer payments but receiving one or more of the following payment categories in the previous year: • Other FTB • Other Family • Other New Parent	**10 Previous welfare recipient** People who were previously in one of classes 1 to 9 but are not for the latest year.
2 Working Age People receiving any Working Age income support payment or Dependant income support payment (payment category B or G).	**8 Non IS Carer** People receiving any Other Carers payments	**11 Dead** People who have died during the previous year or in prior years.
3 Parenting People receiving Parenting Payment (Partnered or Single) as their most recent income support payment (payment category C).	**9 Non IS Other** People receiving payments but not in any other welfare recipient class.	**12 Rest of Aust. population** Rest of modelled population.
4 Carers People receiving Carer Payment (payment category D) as their most recent income support payment.		
5 Disability support People receiving Disability Support Pension (payment category E) as their most recent income support payment.		
6 Pension Age People receiving any Age income support payments (payment category F) as their most recent income support payment.		

Try, Test, and Learn Fund Evaluation, Quarterly Report 1

Overarching Fund – November 2018

The Try, Test and Learn (TTL) Fund was established in 2018 to design, implement and test new or innovative ideas or policy responses to improve workforce participation and/or work capacity for vulnerable groups at risk of long-term welfare dependence by creating pathways out of the welfare system.

As part of the TTL Evaluation (March 2018-June 2020), key indicators will be monitored every quarter using data from DEX, DOMINO, DEX Client survey, and AWP reporting. This report monitors the progress of the TTL Fund and is a synthesis of the findings from the TTL projects (tranche 1 and 2) across the cohorts.

Section 1: Program implementation

1.1 Changes to the way each TTL project was delivered since the last report

Source: AWP reporting – reporting periods (RP) start 15 August 2018 and subsequent reporting periods follow every 3 months

	RP1	RP2	RP3	RP4	RP5	RP6	RP7	RP8
Supporting Expecting & Parenting Teens	N							
Train and Care	Y							
In-school Parent Employment Services	N							
Career Readiness	N							
Data-driven Job Opportunities	N							
Skills for Micro-Enterprise	Y							
Carer Achievement Pathway	N							
Strengthening Students Resilience	Y							
Support for VET students	N							
Rewire the Brain	Y							
Mentoring to Work	Y							
Y4Y Youth Force	N							
My Maintenance Crew	N							
Build and grow	N							

1.2 Program uptake across all TTL projects

Source: The Data Exchange extracted: 30/11/2018

	AWP signed	Recruit-ment start date	First client enrolled	First client intake session	Last entry into DEX	Target no. of clients	No. clients in DEX
Supporting Expecting & Parenting Teens	May 2018	May 2018	Jul 2018	Jul 2018	Nov 2018	350	100
Train and Care	May 2018	May 2018	May 2018	May 2018	Aug 2018	135	4
In-school Parent Employment Services	May 2018	Jun 2018	Jun 2018	Jun 2018	Nov 2018	60	38
Career Readiness	Sep 2018	May 2018	May 2018	May 2018	Nov 2018	30	37
Data-driven Job Opportunities	May 2018	May 2018	Nov 2018	-	-	65	-
Skills for Micro-Enterprise	May 2018	Aug 2018	Sep 2018	Oct 2018	Oct 2018	90	6
Carer Achievement Pathway	May 2018	Aug 2018	Sep 2018	-	-	360	-
Strengthening Students Resilience	Oct 2018	TBC	-	-	-	10,000	-
Support for VET students	May 2018	May 2018	May 2018	May 2018	Nov 2018	400	194
Rewire the Brain	Jul 2018	TBC	-	-	-	240	-
Mentoring to Work	Jun 2018	Jun 2018	Jul 2018	Jul 2018	Nov 2018	360	22
Y4Y Youth Force	Jul 2018	Apr 2018	Apr 2018	Jun 2018	Nov 2018	80	23
My Maintenance Crew	Jun 2018	May 2018	May 2018	May 2018	Oct 2018	125	19
Build and grow	Jun 2018	May 2018	May 2018	Jul 2018	Nov 2018	480	94

1.3 Main recruitment strategies across all TTL projects

Source: AWP reporting period 15 August 2018

Only 10 of the 14 TTL service providers were recruiting at the time of reporting against their Activity Work Plan (AWP) in August 2018. The main recruitment strategies used by these TTL service providers were:

- Referrals from other organisations (n=7)
- Advertising (media, word of mouth, and information sessions) (n=6)
- Accessing existing clients within their own organisation (n=3)
- Personal visits to potential referral organisations (n=2)
- Champions within referral organisations (n=1)
- Personal invitations to referral organisations from the Government (n=1)

1.4 Good news stories

Source: AWP reporting period 15 August 2018

TTL service providers who had active participants in their programs, provided good news stories at the time of reporting against their AWP in August 2018.The quotes below illustrate some of the initial positive outcomes these TTL service providers are observing during the early stages of implementation.

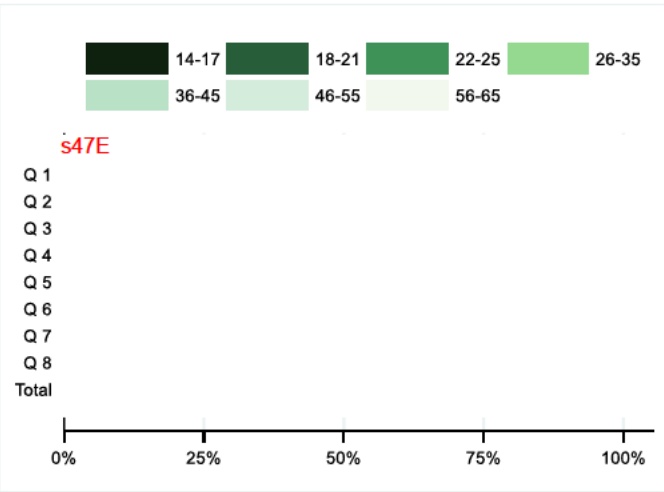
s47F

Section 2: Intake and sessions

2.1 Participant information all TTL projects Source: The Data Exchange extracted 30/11/2018 [a]/ DOMINO extracted: 15/10/2018[b]	Q1[1]	Q2	Q3	Q4	Q5	Q6	Q7	Q8	All
Number of new participants[a]	242	211	80						533
Percentage of new participants with low quality SLKs[a]	s47E								
Number of new participants with low quality SLKs[a]									
Percentage of new participants[2] linked to administrative data[b]	67	81	67						74
Number of new participants linked to administrative data[b]	113	120	s47E						
Number of new participants in DEX at the time of matching[b]	168	148	s47E						
Number of active participants[a]	242	323	145						533
Average number of individual sessions per active participant (excl. intake)[a]	2.8	3.4	3.4						4.3
Number of unidentified group sessions (excl. intake) [a]	35	62	28						125
Average number of participants in group sessions (excl. intake)[a]	173	211	76						460

Section 3: Participant characteristics at program start

3.1 Proportion of participants by age group for each project quarter for all TTL projects
Source: The Data Exchange extracted: 30/11/2018

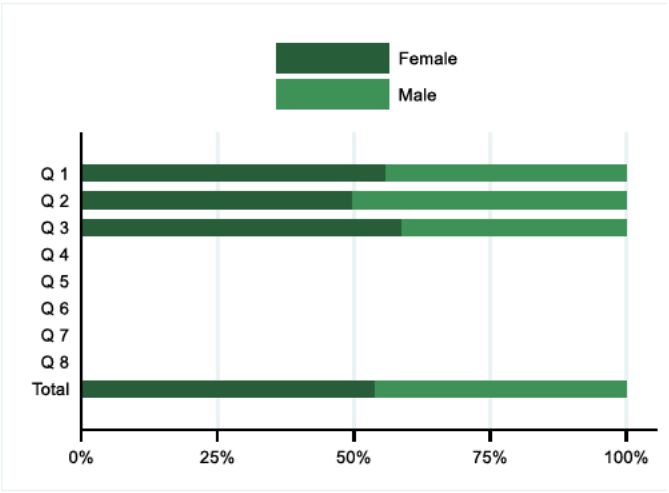


	14-17	18-21	22-25	26-35	36-45	46-55	56-54	All
Q1	93	104	42	s47E				
Q2	s47E 48	118	27	12	s47F			
Q3	s47E 14	41	17	7	s47E			
Q4	s47E							
Q5								
Q6								
Q7								
Q8								
All	155	263	86	21	s47E			

[1] Q1 – Refers to project quarter i.e. the date the first client completed a session in the program and subsequent quarters follow at 3 monthly intervals.
[2] Percentage of new participants who were in DEX as of mid-October 2018 when matching with DOMINO occurred.

3.2 Proportion of participants by gender for each project quarter for all TTL projects

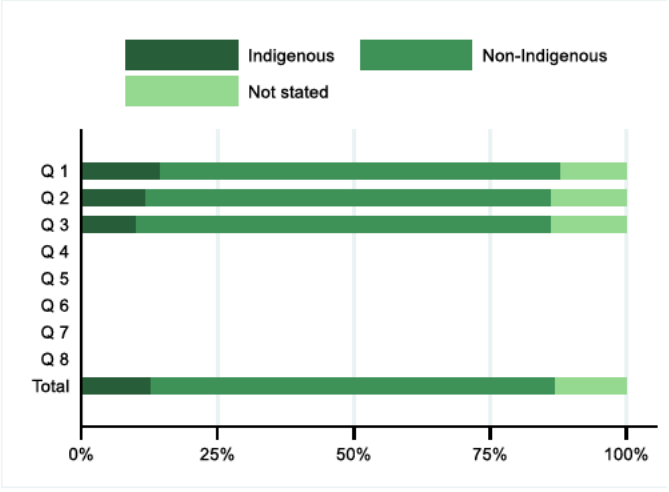
Source: The Data Exchange extracted: 30/11/2018



	Female	Male	All
Q1	135	107	242
	56%	44%	100%
Q2	105	106	211
	50%	50%	100%
Q3	47	33	80
	59%	41%	100%
Q4			
Q5			
Q6			
Q7			
Q8			
All	287	246	533
	54%	46%	100%

3.3 Proportion of participants by Indigenous status for each project quarter for all TTL projects

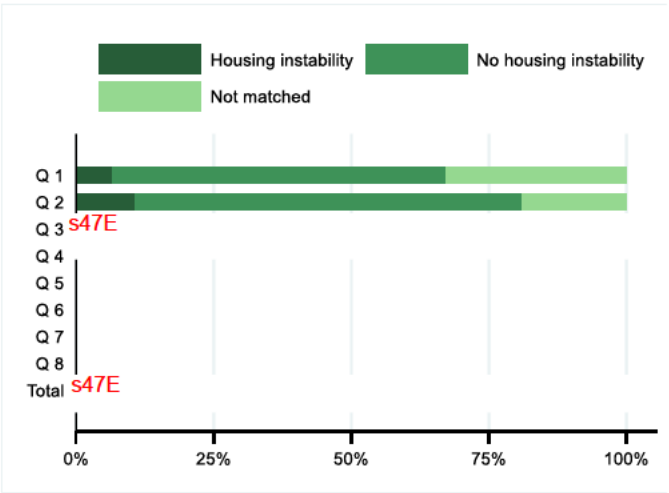
Source: The Data Exchange extracted: 30/11/2018



	Indigenous	Non-Indigenous	Not stated	All
Q1	35	178	29	242
	14%	74%	12%	100%
Q2	25	157	29	211
	12%	74%	14%	100%
Q3	8	61	11	80
	10%	76%	14%	100%
Q4				
Q5				
Q6				
Q7				
Q8				
All	68	396	69	533
	13%	74%	13%	100%

3.4 Proportion of participants who have experienced housing instability in the past 12 months for each project quarter for all TTL projects

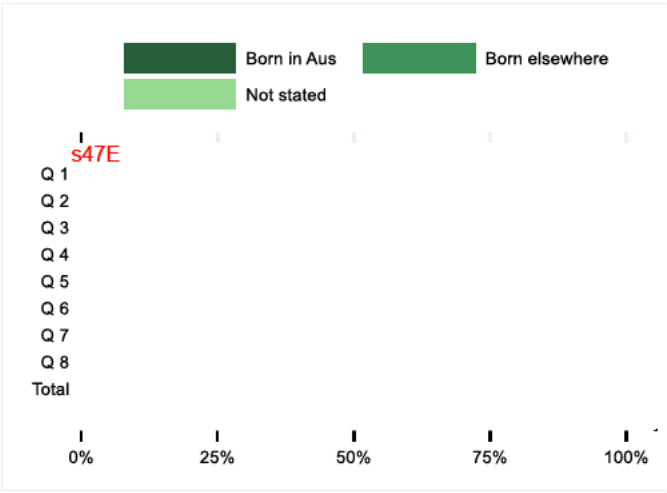
Source: DOMINO extracted: 15/10/2018



	Housing instability	No housing instability	Not matched	All
Q1	11	102	55	168
	7%	61%	33%	100%
Q2	16	104	28	148
	11%	70%	19%	100%
Q3	s47E			
Q4				
Q5				
Q6				
Q7				
Q8				
All	s47E			

3.5 Proportion of participants by country of birth for each project quarter for all TTL projects

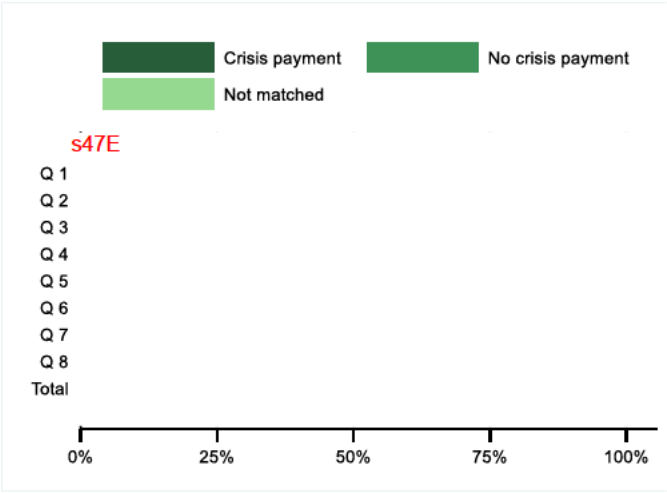
Source: The Data Exchange extracted: 30/11/2018



	Born in Australia	Born elsewhere	Not stated	All
Q1	220	21	s47E	s47E
Q2	s47E 199	12		
Q3	70	s47E 10		
Q4				
Q5				
Q6				
Q7				
Q8				
All	489 92%	43 8%	s47E	s47E

3.6 Proportion of participants who received a crisis payment (any) in the past 12 months for each project quarter for all TTL projects

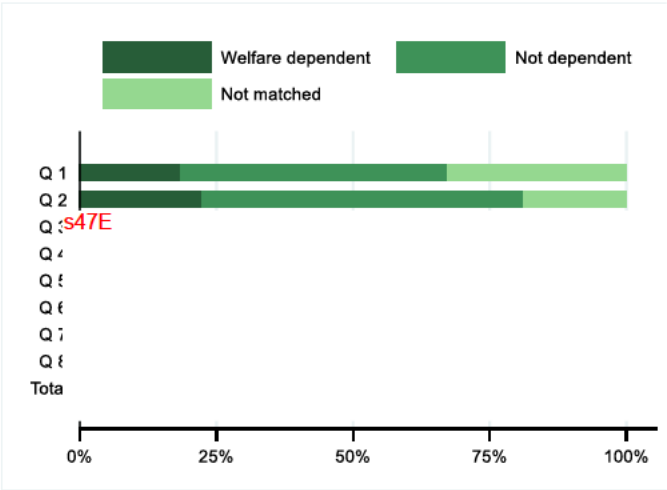
Source: DOMINO extracted: 15/10/2018



	Crisis payment	No crisis payment	Not matched	All
Q1	s47E	112	55	168
Q2	s47E s47E	119	28	148
Q3				
Q4				
Q5				
Q6				
Q7				
Q8				
All	s47E			

3.7 Proportion of participants who received income support unrelated to study for 20+ months in the 24 months prior to program commencement for each project quarter for all TTL projects

Source: The Data Exchange extracted: 30/11/2018



	Welfare dependent	Not dependent	Not matched	All
Q1	31 18%	82 49%	55 33%	168 100%
Q2	33 22%	87 59%	28 19%	148 100%
Q3	s47E			
Q4				
Q5				
Q6				
Q7				
Q8				
All	s47E			

3.8 Proportion of participants who are not in work or study for each project quarter for all TTL projects (only clients with pre post data)
Source: DEX Client Survey extracted:

Client survey data not yet available – see July prototype no. 9

3.9 Social support, self-beliefs and access to information for all TTL projects (pre data cumulative)
Source: DEX Client Survey extracted:

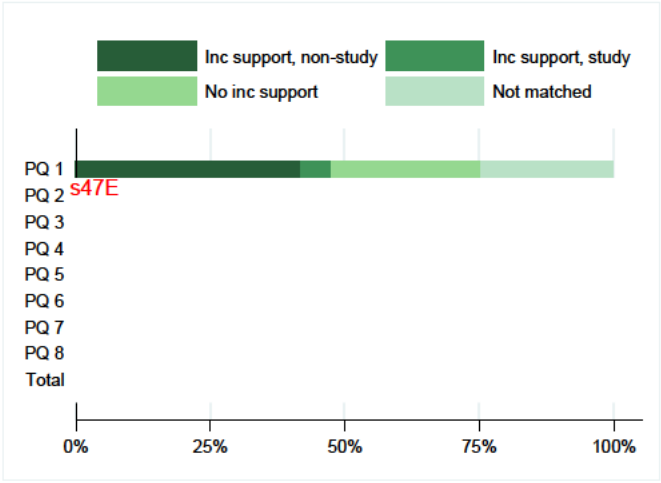
Client survey data not yet available – see July prototype no. 10

3.10 Barriers to workforce or study participation for all TTL projects (pre data cumulative)
Source: DEX Client Survey extracted:

Client survey data not yet available – see July prototype no. 11

Section 4: Progress

4.1 Proportion of participants receiving income support by person quarter (3 monthly intervals from date of each person's intake session) for all TTL projects
Source: DOMINO extracted: 15/10/2018



	Income support unrelated to study	Income support to study	No income support	Not matched	All
PQ1	142	19	94	84	339
	42%	6%	28%	25%	100%
PQ2	49	s47E	29	29	s47E
	s47E				
PQ3					
PQ4					
PQ5					
PQ6					
PQ7					
PQ8					
All	s47E				

Note: Only two person quartiles have data compared to other graphs where three project quartiles are reflected. Each person quartile is required to have data for 90 days, while project quartiles allow partial data for a quartile. As of 30 November 2018, no participant had completed the third person quartile.

4.3 Barriers to workforce or study participation for all TTL projects (only clients with pre post data)

Source: DEX Client Survey extracted:

Client survey data not yet available – see July prototype no. 13

4.4 Social support, self-beliefs, and access to information for all TTL projects (only clients with pre post data)

Source: DEX Client Survey extracted:

Client survey data not yet available – see July prototype no. 14

Glossary

Term	Definition
Active participant	A participant who completed at least one session with a Try, Test, and Learn project within the current quarter.
Age	Age is calculated using the participant's age at intake session.
Crisis payment	Received one or more crisis payments in the past 12 months. For the purposes of this report crisis payments reflect one-off payments with a payment component type code of 'crisis payment' (code CRI).
Housing instability	For the purposes of this report housing instability is defined as recording three or more separate addresses in DOMINO over the 12 month period prior to commencement.
Income support unrelated to study	Receipt of Carer Payment, Disability Support Pension, Newstart Allowance, Parenting Payment (Single), Parenting Payment (Partnered), Youth Allowance (Other), or Special Benefit.
Income support related to study	Receipt of ABSTUDY – Schooling Applicant, ABSTUDY – Secondary/Tertiary, Austudy, Youth Allowance (Apprentice), or Youth Allowance (student).
New participant	A participant who completed their first session with a Try, Test, and Learn project within the current quarter.
Person quarter	Three month periods defined relative to the date an individual participant first completed a session with a Try, Test and Learn project, with PQ1 corresponding to the period from the date of intake session to three months after the intake session.
Project quarter	Q1 commences the month in which the first participant completed an intake session in the program.
Reporting period	Reporting Period 1 for tranche 1 projects started 15 August 2018 and subsequent reporting periods follow every 3 months.
SLK	Statistical Linkage Key: a unique identifier used to link participants recorded in DEX to the DOMINO data.
Unidentified group session	Unidentified group sessions represent instances of service delivery where due to the number of participants individual details necessary for the creation of the SLK are not recorded.
Welfare dependent	Participants who received income support unrelated to study for 20+ months in the 24 months prior to program commencement

Notes

Reporting is by project quarter, Q1 commences the month in which the first participant intake session is recorded on DEX.

This report is based on data extracted from DEX on the 30th of November 2018. It therefore reflects data entered into DEX by service providers prior to this date, and may not represent a full account of services provided. It is also important to note that the third quarter of the Try, Test and Learn implementation (Q3) for some programs where this is applicable is not complete at the time of writing, and data for this period therefore reflects a shorter timeframe that Q1 and Q2.

Data items based on linked administrative data are current to the 15th of October 2018, when data was extracted from DEX for linkage to DOMINO.

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Paper trail number:

Minute

To:	Tim Reddel Policy Office
Date:	21 May 2018
Subject:	Presentation to Workshop on Intergenerational 13.30 - 13.55pm, Wednesday 23 May 2018 University of Sydney

Background

- You are giving a **20-minute presentation followed by 5 minutes Q&A** on *Achieving better outcomes: innovative and data driven approaches to addressing intergenerational disadvantage* to an audience of academics and policy makers as part of a workshop on Intergenerational Disadvantage organised by Professor Deborah Cobb-Clark. This will be followed by participation in a roundtable on the theme *What do we need to know to reduce intergenerational disadvantage? How do we translate research findings into effective policy?*

- Date and time: Wednesday 23 May 2018, Session 2, 13.30 - 13.55pm followed by roundtable at 14:50-15:50.

- Venue: Charles Perkins Centre, CPC Seminar Rooms 1.02 and 1.04, Building D17, John Hopkins Drive (off Missenden Road), University of Sydney, Camperdown NSW 2006

- Talking points for the presentation are at **Attachment A.**

- Talking points for the roundtable are at **Attachment B.**

- Latest program is at **Attachment C.**

ATTACHMENT A – Talking Points

Title – Slide 1

Departmental mission and long term priorities – Slide 2

- The mission of the Department of Social Services is to improve the lifetime wellbeing of people and families in Australia.
- We seek:
    - greater welfare independence and improved social mobility;
    - greater self-provision and intergenerational equity;
    - improved quality of family functioning;
    - strengthened social cohesion for communities at risk; and
    - better service delivery models for the future.

The common theme of our work is *effective investment in better outcomes* for individuals and families.

- This requires:
    - analysis of what drives disadvantage, including intergenerational disadvantage;
    - understanding of the key pathways out of disadvantage; and
    - identification key intervention points and outcomes *that government can influence.*
- As a policy agency we want clear information that is based on robust analyses. As part of building the evidence base for policy, DSS analyses and brings together evidence on cross-cutting and emerging social policy issues.
- Today I want to highlight a number of ways the department is working to build and effectively use this evidence base, and working to get better outcomes.
- Much starts with our stewardship of data, which we proactively make available and accessible, and in return benefit from the insights of people such as many of you in the room today.
- This data feeds into our suite of policy tools, a few of which, the Priority Investment Approach to Welfare, the Access to Opportunity Analytical Framework and the Family Functioning Policy Approach, I will highlight today.

- The challenge, as always, remains translating all this into good programs. The department is actively working on an innovative approach to getting better outcomes: with a greater focus on innovation and design thinking for policy interventions and service delivery; clearer evidence about which interventions produce better outcomes and value; and enhanced relationships and coordination.

- The Try Test and Learn fund is a great example of this approach, trialling new and innovative approaches to help people live independently of welfare, incorporating constant evaluation and codesign principles.

The department's data landscape – Slide 3

- The department supports a number of valuable data assets.

- Longitudinal data is especially powerful for looking at the life course of individuals and groups. We can explore, not only the incidence of receiving an income support payment for example, but the occurrence of long-term individual dependency on income support, and the factors which may predispose dependency.

- The department supports four significant longitudinal studies:

    - The Household, Income and Labour Dynamics in Australia Survey (HILDA);

    - The Longitudinal Study of Australian Children (LSAC);

    - The Longitudinal Study of Indigenous Children (LSIC); and

    - Building a New Life in Australia, the Longitudinal Study of Humanitarian Migrants (BNLA).

- The perspective that longitudinal data gives to policy makers can show how policy levers, services and settings affect outcomes over time.

- Additionally as part of our core business, we produce and hold data as a result of our administrative responsibilities, policy development activities and interactions with the Australian public. We hold data on a person's:

    - personal data, including their date of birth, where they live, their country of birth, relationship status, number of children;

    - income and assets;

    - different payments received; and

    - social and economic participation.

- The administrative data also covers broader macro information, including total program expenditure, and total number of customers in each program.

- Administrative data and longitudinal studies both offer insights into the life course and events of individuals and groups.

- The department is also involved in the multi-agency data integration project (MADIP) that links tax, social security, health and census data. When fully developed, the dataset has significant potential to allow consideration of cross-portfolio issues.

Management of public sector data – Slide 4

- In December 2015, the Australian Government announced its commitment to effectively manage public sector data for the benefit of Australian citizens as part of the *Australian Government Public Data Policy Statement*.

- This includes commitments:

    - to optimise the use and reuse of public data;

    - to release non-sensitive data as open by default;

    - to collaborate with the private and research sectors; and

    - extend the value of public data for the benefit of the Australian public.

- The Australian Government recognises that public sector data is a strategic national resource that holds considerable value for growing the economy, improving service delivery and transforming policy outcomes.

- In this context, the department is committed to collaborating with research, private, and not-for-profit sectors to extend the value of public sector data for the benefit of the Australian public.

Data Access Options – Slide 5

- The department provides a range of data access solutions that meet the varying needs and expertise of a wide range of users.

- This includes access to Social Security Data which supports research on Intergenerational Disadvantage.

- These approaches range from providing data via bespoke solutions to the general provision of de-identified aggregate data via data.gov.au.

- Bespoke solutions include working with academics to provide access to bespoke, transgenerational data sets, including data sets that support analysis of patterns of intergenerational welfare dependence in the Australian context, as well as the causal mechanisms that underlie this cycle.

- Access to this data has enabled analysis of factors in a young person's childhood and adolescence that may influence their reliance on welfare in adulthood.

A more dynamic, iterative approach – Slide 6

- The department is committed to strengthening collaboration with researchers, and is moving towards a more dynamic, iterative approach to supporting access to social security data.

- The department has now developed a whole-of-social-security-system data set that integrates previously dispersed data sets to provide greater analytical capability for both government and non-government researchers.

- DOMINO (or the Data Over Multiple Individual Occurrences data set) functions as a data mart consisting of a wide ranging suite of data sets linked together via a centralised linkage key that will enable broader analysis.

- The department will work with researchers to link variables from previous transgenerational data sets to variables in DOMINO, providing controlled access using the secure enclave Secure Unified Research Environment (SURE).

    - Commonwealth agencies can already apply for access to data via SURE.

    - For researchers, sponsorship by a recognised institution is required, as well the data user undertaking comprehensive training and signing an agreement with the department.

- We refer to our access model as the 'Trusted User Model', but in reality all potential users are equally trustworthy. Rather, the model identifies 'Eligible Users', based on a progressive scheme that initially permits Commonwealth officers to apply, then academics and state government officers.

- This will allow researchers to work in SURE to iteratively develop data sets and undertake analysis, drawing on a much broader range of data than variables included in earlier transgenerational data sets and offering better understanding of people's pathway trajectories through the welfare system and government programs.

Domino – Slide 7

- DOMINO ensures a much broader picture of department of Social Services' populations and allows cross programme analysis. This wide-ranging suite of datasets uses multiple 'driving' populations through a centralised linkage key, enabling a crosscutting view of all social security payments and programmes at the individual level.

- Each table in DOMINO is similar to a domino 'bone', made to be linked to other bones and leading to new information.

Domino for data integrations – Slide 8

- DOMINO is a linear, linked data spine based on departmental customers and selected customer events. Currently, there are three main areas of focus: Department of Human Services payment events, Department of Social Services programme delivery, Department of Social Services settlement services.

- The use of these areas of departmental reporting linked through a central spine is a way of looking at Social Services data that has never been trialled before.

- It enables the ability to not only monitor how life changes impact the need for government support, but also allows the ability to measure the direct impact that remedial services have on customers reliance on payments at both the customer wellbeing, and the financial entitlement level.

- As this data suite grows and annexes are added to it, it has high potential to be used as a 'big data' set and is a prime candidate for utilising upcoming 'machine learning' technologies. This could result identification of future populations at risk, or analysing possible long-term recipients on claim lodgement or even entry into the country. By identifying these populations in an automated manner, services can be delivered as an intervention rather than a support – meaning the recipient of the services will gain the help they need before long-term reliance, better helping their ability to support themselves.

- Because this data is designed as a 'suite' (or many individual 'bones') with multiple driving populations (and linkage keys), it allows quick expansion and further linkage to other data, either departmental or external. This allows for rapid updating and flexible focus, meaning it can be easily tailored to fit the focus of a wide range of stakeholders.

- The department is also working to include DOMINO as part of the data underpinning MADIP data asset, as part of the Government's broader Data Integration Partnership for Australia (DIPA).

Priority Investment Approach – Slide 9

- The department has been using longitudinal social security data to build the evidence base and analysis frameworks for policies and programs. I want to highlight a few examples of particular relevance to today's discussion on intergenerational disadvantage, the Priority Investment Approach to Welfare, the Access to Opportunity Analytical Framework and Family Functioning and Children's Outcomes Policy Approach.

- The Priority Investment Approach to Welfare is a major initiative which was recommended in the McClure review of Australia's welfare system.

- The actuarial model uses 17 years' worth of social security data alongside other longitudinal data and research to build probabilistic models, projecting how particular groups of people are likely to interact with the social security system over their lifetime.

- The Investment Approach is supported by a collection of longitudinal social security and other datasets which provide information required for the actuarial analysis.

- This will support the design of innovative policies to address barriers to work and other hurdles faced by groups of people, such as carers, students and young parents, and enables prevention, early intervention, intervention at critical later stages, and intervention for long term welfare recipients.

- Over four years, the New Zealand Investment Approach to Welfare, on which the Priority Investment Approach is modelled, has saved $12 billion ($11.6bn AUD) in accumulated liability attributed to welfare reforms by building the data resources that enable targeted investment for potential welfare dependents before problems occur.

Example - Young parents – Slide 10

- Analysis using the 2016 Priority Investment Approach data shows that young parents aged 18 and under are particularly vulnerable to the risk of long-term welfare dependency.

- In 2015-16, 3,760 young parents were receiving Parenting Payment.

- If nothing changes for these young parents:

    - 79% will be receiving income support in 10 years, with a further 16% receiving other non-income support payments; and

    - 57% will be receiving income support in 20 years, with a further 24% receiving other non-income support payments.

- The average future lifetime cost of a young parent is $648,000, which is much higher than the average future lifetime cost of a parent on parenting payment, and even more than the population average of current welfare recipients.

- This sort of analysis provides direction and policy and political impetus for government to look longer term, and in a less reactive mode, to complex and intergenerational expressions of disadvantage.

- Australia's welfare system ensures our most vulnerable will always have help, and by intervening early we will be able to give those with capacity a better opportunity to find work and live independently of welfare.

Access to Opportunity – Slide 11

- Which leads me to the Access to Opportunity Analytical Framework, which benefitted from the generous input of a number of people in this room.

- The Access to Opportunity Framework recognises that in order for people to achieve independence from welfare and improved social mobility they require access to opportunity – and this requires both opportunities and the capacity to take advantage of them.

- We are working to understand the barriers and enablers to opportunity across the lifecourse, and how they interact, including by drawing on research into intergenerational welfare dependency.

- We have framed our thinking around access to opportunity with:

    - an overarching model of what leads to access to opportunity;

    - understanding the pathway to optimal individual capability;

    - identifying the key social, cultural and economic contexts (including family functioning) that affect people's capability development; and

    - recognising the impact of external conditions that prevent people from finding work, having agency and connecting with others.

- A key trend we identified leading into this project was that children of those at the bottom of the income scale can get stuck at the bottom. We need to understand the reasons why they get stuck if we are to address this intergenerational disadvantage.

- By using the framework to inform the data analysis we can move towards not just greater understanding of the reasons, but also the best opportunities to target with effective interventions.

Access to opportunity capabilities – Slide 12

- Looking in detail at the overarching model of what leads to access to opportunity, we have identified three key elements to the model: people need both **individual capability** and favourable **external conditions** to access to the broadest range of life options or pathways, and development of individual capability is influenced by the **social, cultural and economic context.**

- The lines between these areas of capital identify that people's level of resources in each area of capital affects the development and maintenance of capital in the other areas.

- For example: People with poorer literacy and numeracy skills (human capital) will find it more challenging to make informed financial decisions and will be more susceptible and vulnerable to scams.

Access to opportunity, pathways – Slide 13

- The second element of the framework is the pathway to individual capability development.
- Here we've recognised that people develop their capabilities across their life span and have distilled the key intermediate outcomes people need to reach.
- There is overlap with some intermediate outcomes leading to higher levels of capital in more than one area. *Children are engaged in activities which support socialisation and cooperation,* for example also supports optimal human capital development, in particular, education outcomes.
- By mapping these pathways we can identify key intervention points – helping to influence the ways we address findings on intergenerational disadvantage.

Access to opportunity, contexts – Slide 14

- In the **third** element of the model we identified key contexts which affect individual capability development.
- These include the family environment, schools and education systems and the economic environment including the tax and transfer system.
- These contexts affect each other. For example, the family environment is influenced by housing and access to services, neighbourhoods and communities and the economic environment.
- It is important to understand the **connections between contexts,** including where one context is affecting another, as well as their influence on intermediate outcomes (identified on the previous slide).
- For example, poor relationships between parents, including family violence, may occur due to moving away from family supports due to housing affordability – so housing can be a key driver of suboptimal family functioning.
- Some contexts, such as the economic environment, can also operate as external conditions that prevent or limit people's use of their capability.

Access to opportunity – Application – Slide 15

- Turning to the application of the framework: we developed a mixed-method gap analysis to identify what and where are the drivers that prevent people from taking opportunities.
- We have produced a number of analysis guides to structure this, with the ability to explore different parts of the model.

- The example now showing demonstrates how the framework can be used to determine key areas for action to improve access to opportunity across the population and the life span.

- For each outcome and external condition we go through each step to determine:

    - who isn't meeting the outcome or is facing the poor external condition (step 1);

    - what is driving them not to meet the outcome (step 2); and

    - what is being done to address these drivers (step 3).

    - We can then determine where the gaps are (step 4).

- To aid the practical application we've developed further guidance, that you can see in the grey boxes.

- Through this the department can identify not just areas where access to opportunity is limited, but also the functional points at which interventions could be made to empower people to take advantage of opportunities and improve their own wellbeing over the lifecourse, and disrupt the pathways of intergenerational dependency.

Family functioning – Slide 16

- The department has developed a new approach to identifying how we can improve family functioning so children can thrive. The family functioning and children's outcomes policy approach fits with the Access to Opportunity Analytical Framework - focussing on improving outcomes for key identified groups.

- A well-functioning family generates opportunities for its members, especially children, to increase their wellbeing, though performing five overlapping functions:

    - Supporting each other through relationships;

    - Nurturing children and young people;

    - Connecting members to physical, social and cultural environments;

    - Acquiring managing and sharing resources and tasks; and,

    - Caring for sick, disabled and frail aged family members.

- Well-functioning families support members through adversity and benefit the broader community by generating human and social capital.

- DSS supports and strengthens families through a range of payments, programs and services. We understand families need resources such as income, time, parenting skills, education and health and social connections to ensure they can do the best for their children.

- The policy approach takes a systems approach to identifying key intervention points for supporting better outcomes for children. It identifies the resources and the interactions that affect how a family performs their functions (including parenting) that have a major influence on a child's environment. This provides a framework for analysing how the department's policies and programs can best assist families to create environments that support better outcome pathways for children and young people. Establishing such environments is critical to improving both childhood and later life access to opportunity.

- Understanding how family functioning can create pathways to good or poor outcomes for a child, and the related broader community outcomes, helps us identify the ways we might best support families to build their capabilities, and the capabilities of their children mitigating the risk of accruing disadvantage. It allows us to better identify the outcomes we are seeking and to know what success looks like when designing and evaluating our policies and programs.

Four pillars for better outcomes – Slide 17

- I hope what I have outlined so far gives you all a flavour of how the department is working to improve the lifetime wellbeing of people and families in Australia.

- Moving forward, our approach seeks a greater focus on innovation and design thinking for policy interventions and service delivery, and clearer evidence about which interventions produce better outcomes and value.

- It also seeks to enhance relationships and better co-ordinate efforts to achieve outcomes across government(s).

- This approach, which we are referring to simply as "getting better outcomes" will assist us in driving reforms and support activities that are more likely to:

    - help people get jobs;

    - increase self-reliance; and

    - improve family functioning so children can thrive.

- The department will achieve this by taking an approach to the design, delivery and funding of policies and programs that is:

    - person-centred;

    - at a systems-level for planning, coordination and engagement;

    - outcomes-focussed;

    - evidence-based and innovative.

- The approach integrates insights from a better understanding of citizens and communities, acknowledging whole-system interdependencies.

- Its person-centric positioning and commitment towards codesign/coproduction draw on the increasing literature identifying that responses to critical public policy problems need to be co-created with citizen stakeholders, who bring unique insights and expertise to bring to collective problem solving.

- The ideal end point is that governance and co-design/co-production approaches start to influence/guide broader public policy development and democratic decision making, with an engaged and active citizenship.

- However, as Mark Evans says, 'the success of co-design is all in the doing'[1] and we are aware that there are a number of challenges before we hit codesign utopia.

Try, Test and Learn Fund - Slide 18

- An example that pulls together much of this thinking and demonstrates the department's approach is the $96.1 million Try, Test and Learn (TTL) Fund - a new and innovative approach to help people live independently of welfare, incorporating many of the principles of the getting better outcomes approach.

- A central focus of the TTL Fund is the generation of new insights and empirical evidence into what works to reduce long-term welfare dependence.

- Tranche one focused on particular priority groups identified through the Priority Investment Approach and broader evidence as at risk of long-term welfare dependence: young carers, young parents and students at risk of moving to long-term unemployment, or unemployed former students.

- The first tranche of TTL was open for ideas from 9 December 2016 to 24 February 2017. We received nearly 400 submissions from individuals and organisations across Australia. We took some of the most promising and refined these ideas through co-development with idea proponents, members of the priority groups, and other experts.

- We know that the responses to critical public policy problems need to be co-created with citizen stakeholders, and that there is great value in the unique insights and expertise that external parties, from everyday citizens through to credentialed academics, bring to collective problem solving.

- As the name implies, we are also trying, testing and learning from the way in which we deliver the fund, as much as we are aiming to try, test and learn about what works best to support people at risk of long-term reliance on welfare. Of course the emphasis is on the latter.

[1] p, 243, Gerry Stoker and Mark Evans 2016, *Evidence based policy making in the social sciences,* Policy Press

- We engaged an external consultant to conduct an internal review of tranche one. This, and other feedback we received, helped inform the way in which we have designed the second funding tranche.

- Tranche two has been designed to be streamlined and flexible to stakeholders' needs and emerging policy priorities and is more akin to a normal grant round.

- The second tranche of the fund is now open for grant applications. This tranche will focus on older unemployed people, working age migrants and refugees, working age carers, and at-risk young people. Submissions will also be accepted for other vulnerable groups at risk of long-term welfare dependence.

- Each TTL Fund project will test an hypothesis about how we can change behaviours, pathways or systems to improve workforce participation.

- The fund aims to test new or innovative policy approaches and evaluation is a very important component of that. The department has procured the services of an independent evaluator - University of Queensland in association with the University of Melbourne

- They will work with organisations delivering each project. Some of the projects may have evaluation strategies and/or their own evaluators and the independent evaluator will not duplicate but will work to ensure consistency and coordination

- The impact of TTLFund policy responses will be monitored using a range of evaluation methods to garner these insights. The lessons learned will be used to inform and improve Government policy.

Conclusion – Slide 19

- In order to improve the lifetime wellbeing of people and families in Australia we need to understand the pathways Australians, particularly vulnerable Australians, take, which lead to good or poor outcomes.

- In 2016-2017, and the Australian government spent $109.7 billion dollars on Social Security and Family Assistance payments,[2] and latest figures from the Australian Institute of Health and Welfare estimate that total welfare spending across national, state and territory governments in 2015-16 was 157.2 billion dollars.[3]

- These are substantial investments.

[2] Figures provided by Mark Ferris of BDB and previously provided to the Minister's Office. Alternative figure could be "total federal spend on Social Security and Welfare in 2017-2018 will be around $163 billion dollars" (taken from departmental PBS 2018).
[3] Australia's Welfare 2017, Australian Institute of Health and Welfare, accessed at

- Our strategic stewardship of data assets, combined with advances in data capacity and analysis, and our policy frameworks and approaches, give us the evidence and the big and forward looking picture we need to identify the barriers to opportunity and levers *that government can influence*.

- Combining this with our approach to getting better outcomes, including utilising the power of external resources through processes of coproduction and codesign, and trialling innovative approaches with the potential to scale has the potential to improve this return on Australia's multi-billion dollar investment, and improve the lifetime wellbeing of Australians.

- It has been a privilege already today to benefit from the expertise and research of those who have presented. And in the spirit of collaborative production I am looking forward to continuing the conversation in the workshop later this afternoon which will tackle the big question of how we translate research findings into effective policy, and, most importantly, effective outcomes.

Appendix B

Roundtable
Theme: What do we need to know to reduce intergenerational disadvantage? How do we translate research findings into effective policy?

Time: 14:50-15:50

Structure:

- Introduction (5 minutes)
- Question 1 (<5 min per person, 15-20 mins)
- Question 2 (<5 min per person, 15-20 mins)
- Questions from the floor (15-20 mins)
- Wrap up

Facilitator: Dr Hayley Fisher

Talking Points:

Question 1. *From your perspective, what don't we know that would have the most potential to reduce intergenerational disadvantage?*

- We need a stronger focus on identifying the intergenerational impacts of legislative and programmatic interventions.
- Growing our understanding of the nature of disadvantage and community dysfunction makes us better placed to develop effective solutions.
- We would focus more on understanding the nature of disadvantage in our key client groups, communities and geography; and to identify the best interventions that are generating positive outcomes.
- We need to gain a better understanding of the impediments to participation that are preventing people from getting a foothold into the labour market, and what can be done to address these impediments.
- How to provide 'access to opportunity' and effectively grow 'independence' for humanitarian entrants so as to avoid compounding current issues associated with disadvantage and persistent joblessness.
- Early childhood years - as we know, those years have a significant and lasting impact on children's outcomes, and following, a significant impact on intergenerational disadvantage.

- We want to understand the differences in characteristics between groups of parents high and low welfare usage, and what characteristics can be seen where outcomes don't fit the pattern of intergenerational welfare dependence. For example, for children with high parental welfare usage, what are the differences in characteristics associated with families where children do and do not rely on income support in young adulthood. (See note on PIA point in background)
- From that, policy analysts could be better informed about what would have the most potential to reduce intergenerational disadvantage, and at what point(s) in a child / youth's life intervention(s) would be most useful.
- Investigation into the application of systems theory and how that can be applied to available data sets to determine indicators that can be used to predict and model outcomes in intergenerational disadvantage.

Question 2. *What are the barriers to academic research having policy impact?*

- By creating better-defined research questions.
- Early and ongoing engagement between policy advisers and researchers. to manage projects in a developmental fashion.
- Developing clear deliverables before the research is undertaken.
- Where appropriate, require research reports to include a section on "potential policy impacts".
- Build capability in the APS to better understand and translate "academic" research material.

What can academics and policy makers do to overcome these barriers?

Barriers

- Different drivers behind each of the stakeholders.
- Capacity of the APS to translate academic material.
- Time – good research usually takes time and the APS often has very tight timeframes.

Solutions

- Development relevant research questions.
- Before you start – develop a clear understanding of why the research is being conducted and how it is intended to be used.
- Some research is highly academic – including sections where appropriate on "potential policy impact" would assist translation.
- Collaboration and ongoing communication over the life of all projects greatly improves outcomes.
- Long-term projects are preferable to facilitate planning and achieving better outcomes for both parties.

What the department is doing

- To help address many of issues the department is developing a Research Strategy which outlines our approach to commissioning research, including the development of a 4 year forward plan – a research agenda.

- We plan to share this information publicly which will help DSS and academia better plan our research and gain stronger research outcomes – including in key areas such as this, intergeneration disadvantage.

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Appendix C

Workshop on Intergenerational Disadvantage

Wednesday 23 May 2018

10:00	**Welcome**			
Morning Sessions 10:15-11:55	Session 1 *10:15-10:40* **Title: Parental mental illness and criminal justice experience: implications for child development and child protection outcomes** Associate Professor, Melissa Green, UNSW, Sydney (NSW Child Development Study)	Session 2 *10:40-11:05* **Title: Intergenerational Spillovers in Disability Insurance** Associate Professor Anne Gielen, Erasmus University Rotterdam	Session 3 *11:05-11:30* **Title: Intergenerational links in the child protection system in NSW** Merran Butler, NSW Department of Family and Community Services	Session 4 *11:30-11:55* **Title: Transfers of Educational Capital Across Three Generations of Australian Families** Kirsten Hancock, Telethon Kids Institute in WA
11:55-12:40	**Lunch**			
Afternoon Sessions 12:40-14:20	Session 1 *12:40-13:05* **Title: Observed intergenerational links in the Centrelink dataset: Analysis and Opportunities** Mark Morrison and Dr Judith Planitz, Department of Human Services	Session 2 *13:05-13:30* **Title: Place, Jobs, Peers and the Importance of the Teenage Years: Exposure Effects and Intergenerational Mobility** Nathan Deutscher, Australian National University	Session 3 *13:30-13:55* **Title: Achieving better outcomes: innovative and data driven approaches to addressing disadvantage** Dr Tim Reddel, Department of Social Services	Session 4 *13:55-14:20* **Title: Intergenerational Disadvantage: Learning about Equal Opportunity from Social Assistance Receipt** Professor Deborah Cobb-Clark, University of Sydney
14:20-14:50	**Afternoon Tea**			
Roundtable 14:50-15:50	Roundtable *14:50-15:50* **Professor Deborah Cobb-Clark, DrTim Reddel, Marilyn Chilvers, Associate Professor Anne Gielen**			

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Australian Government
Department of Social Services

Achieving better outcomes: innovative and data driven approaches to addressing intergenerational disadvantage

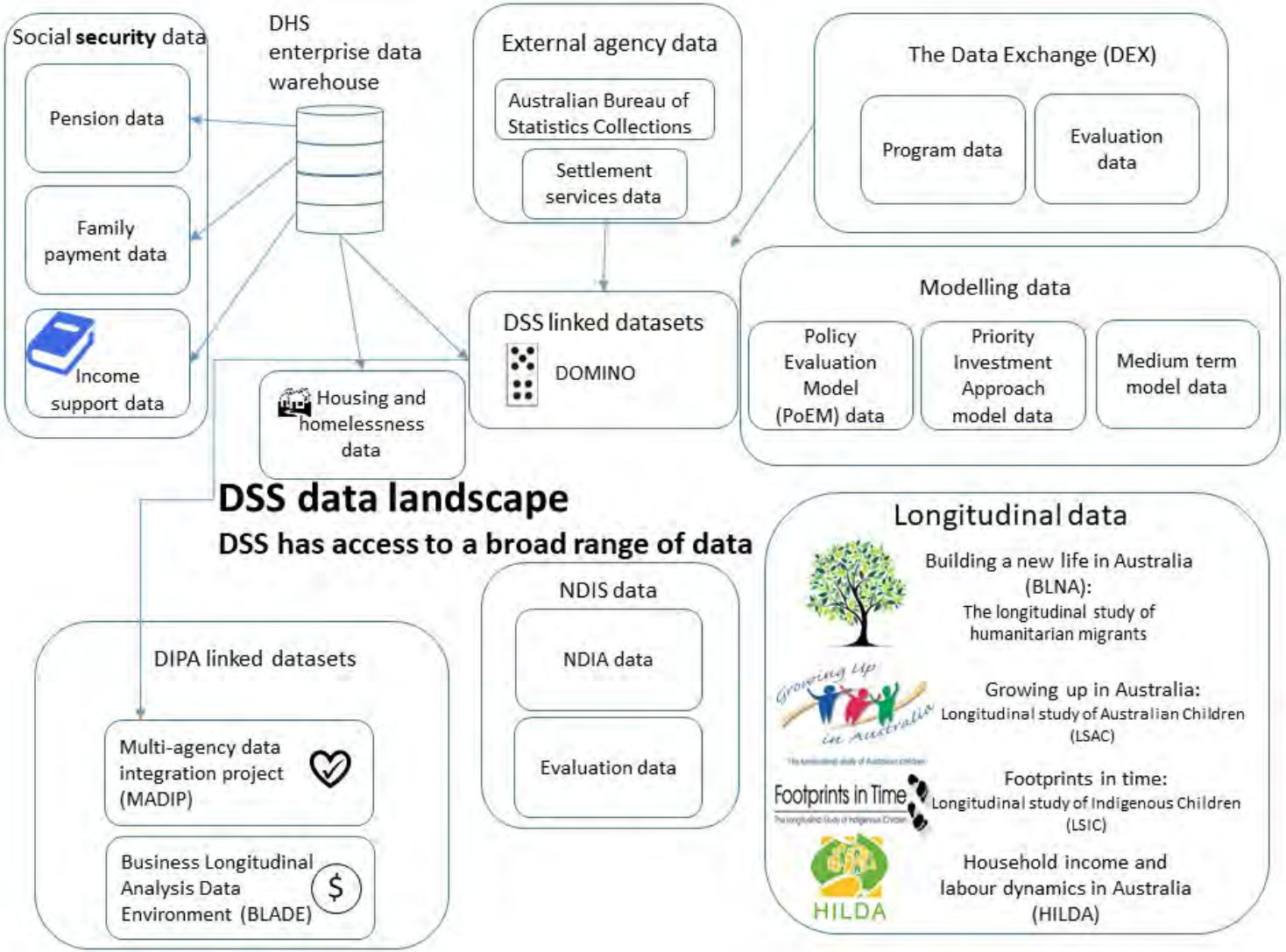
Tim Reddel – Group Manager, Policy Office, Department of Social Services

DSS Mission and Long Term Priorities

To Improve the lifetime wellbeing of people and families in Australia. We seek:

- Greater welfare independence and improved social mobility
- Improved quality of family functioning
- Strengthened social cohesion for communities at risk
- Greater self-provision and intergenerational equity
- Better service delivery models for the future

The department's data landscape



The Australian Government is committed to effectively managing public sector data for the benefit of Australian citizens

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- The Australian Government has formalised this commitment in the *Australian Government Public Data Policy Statement*

Public Sector Data	• The Australian Government recognises that public sector data is a strategic national resource that holds considerable value for growing the economy, improving service delivery and transforming policy outcomes
Increased access for research	• In this context, the Department of Social Services is committed to collaborating with research, private, and not-for-profit sectors to extend the value of public sector data for the benefit of the Australian public.

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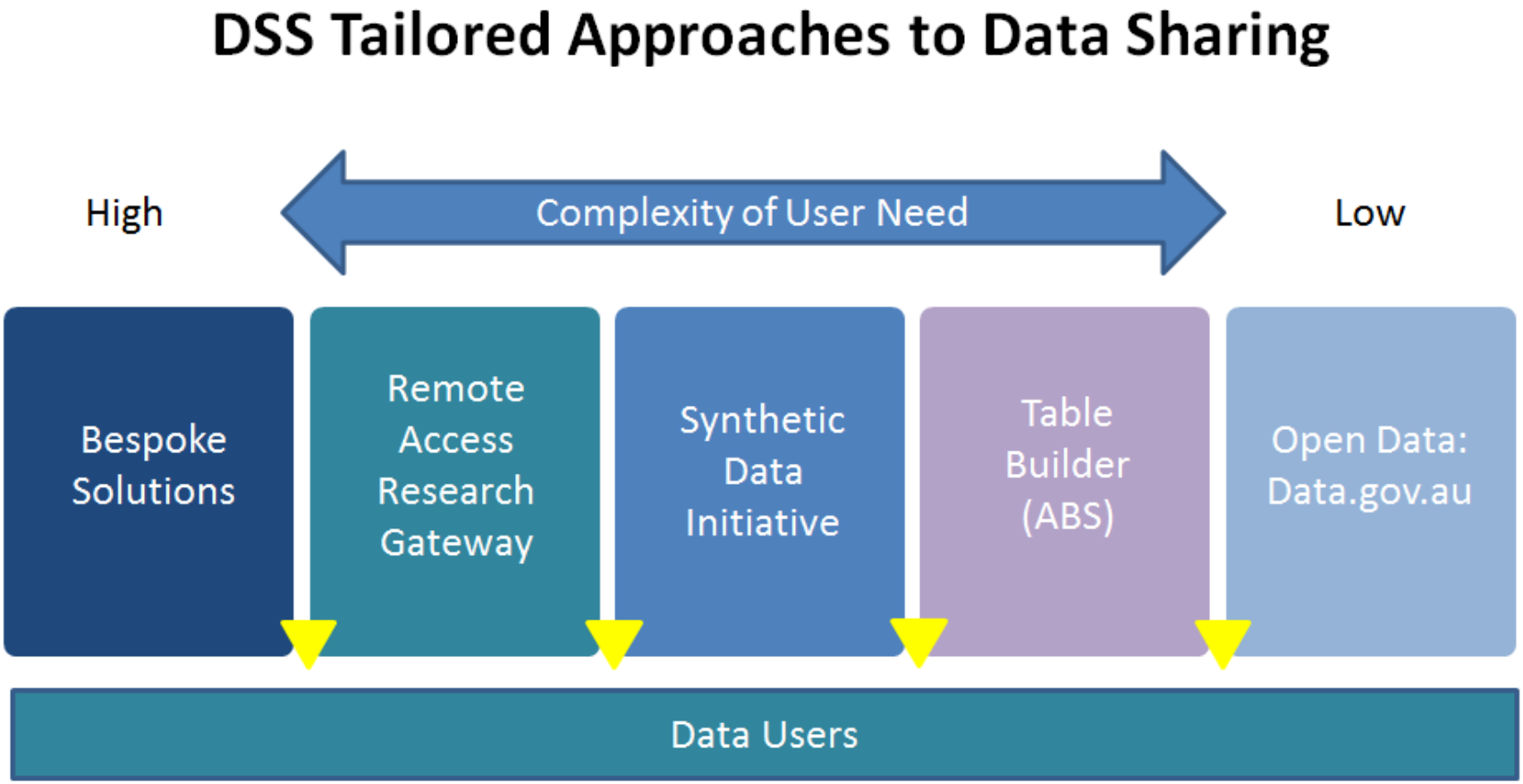
DSS provides a range of data access solutions that meet the varying needs and expertise of a wide range of users



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The department is moving towards a more dynamic, iterative approach to supporting access to social security data

- The department has now developed a whole-of-social-security-system data set that integrates previously dispersed data sets to provide greater analytical capability for both government and non-government researchers.
- DOMINO functions as a data mart consisting of a wide ranging suite of data sets linked together via a centralised linkage key that will enable broader analysis.
- The department will work with researchers to link variables from previous transgenerational data sets to variables in DOMINO, providing access via secure enclave SURE.
- This will enable broader, iterative analysis.

DOMINO provides access to a wide ranging suite of datasets that use a centralised linkage key, enabling a cross cutting view of data

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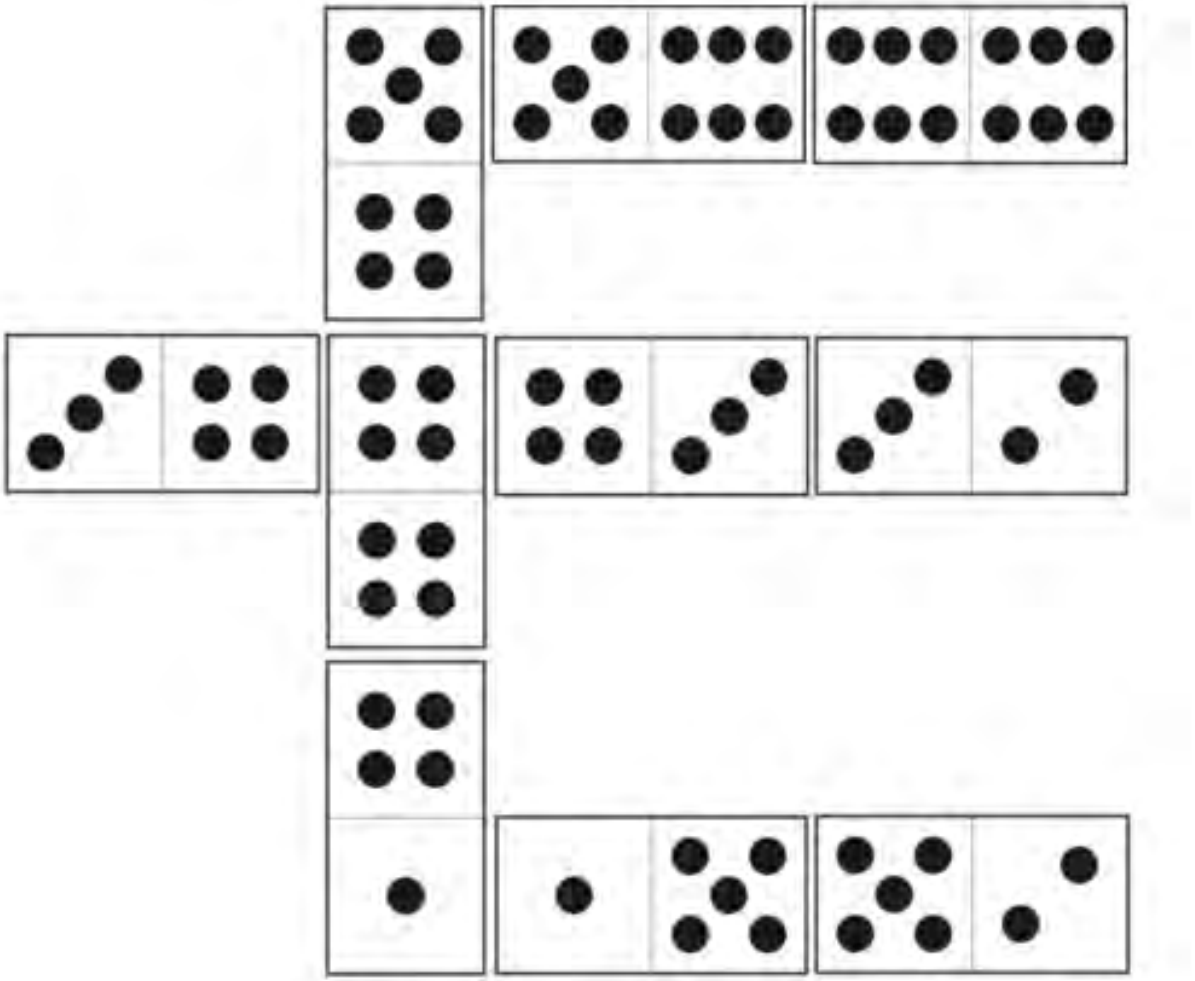

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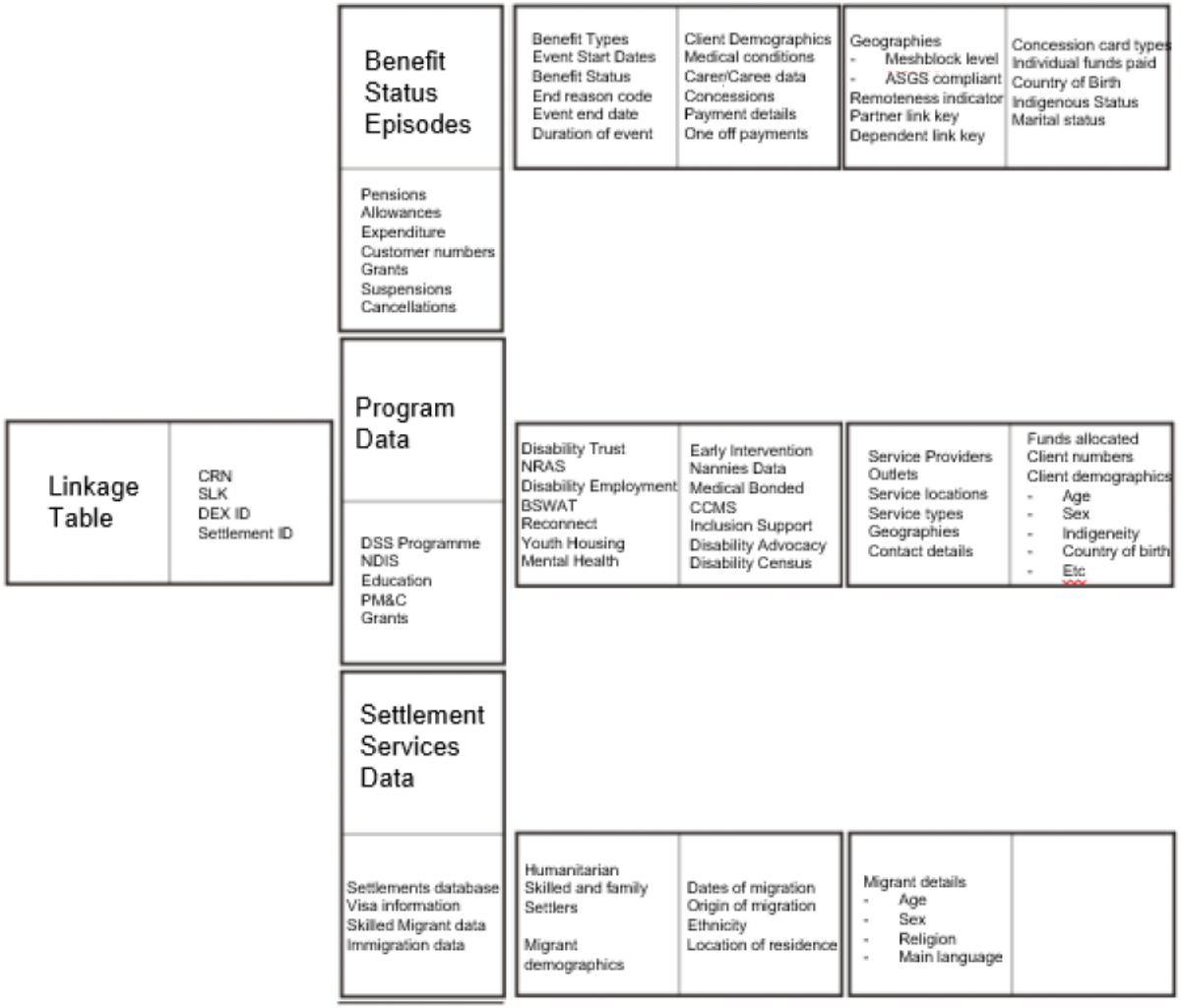
The new DOMINO dataset will be available for data integration projects



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Priority Investment Approach to Welfare

Actuarial analysis of social security and other government data will help identify groups at risk of long-term welfare dependency

This supports the design of innovative policies to address barriers to work and other hurdles faced by groups of people, including carers, students and young parents

The Investment Approach is supported by administrative welfare data from DHS, ABS population data, and other information sources.

Young parents are particularly vulnerable to the risk of long-term welfare dependency

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3,760

young parents were receiving Parenting Payment in 2015–16

If nothing changes

will be receiving income support in **10 years**

If nothing changes

will be receiving income support in **20 years**

Comparison of average future lifetime cost of young parents compared to all parents and the general population

Source: 30 June 2016 Priority Investment Approach Valuation

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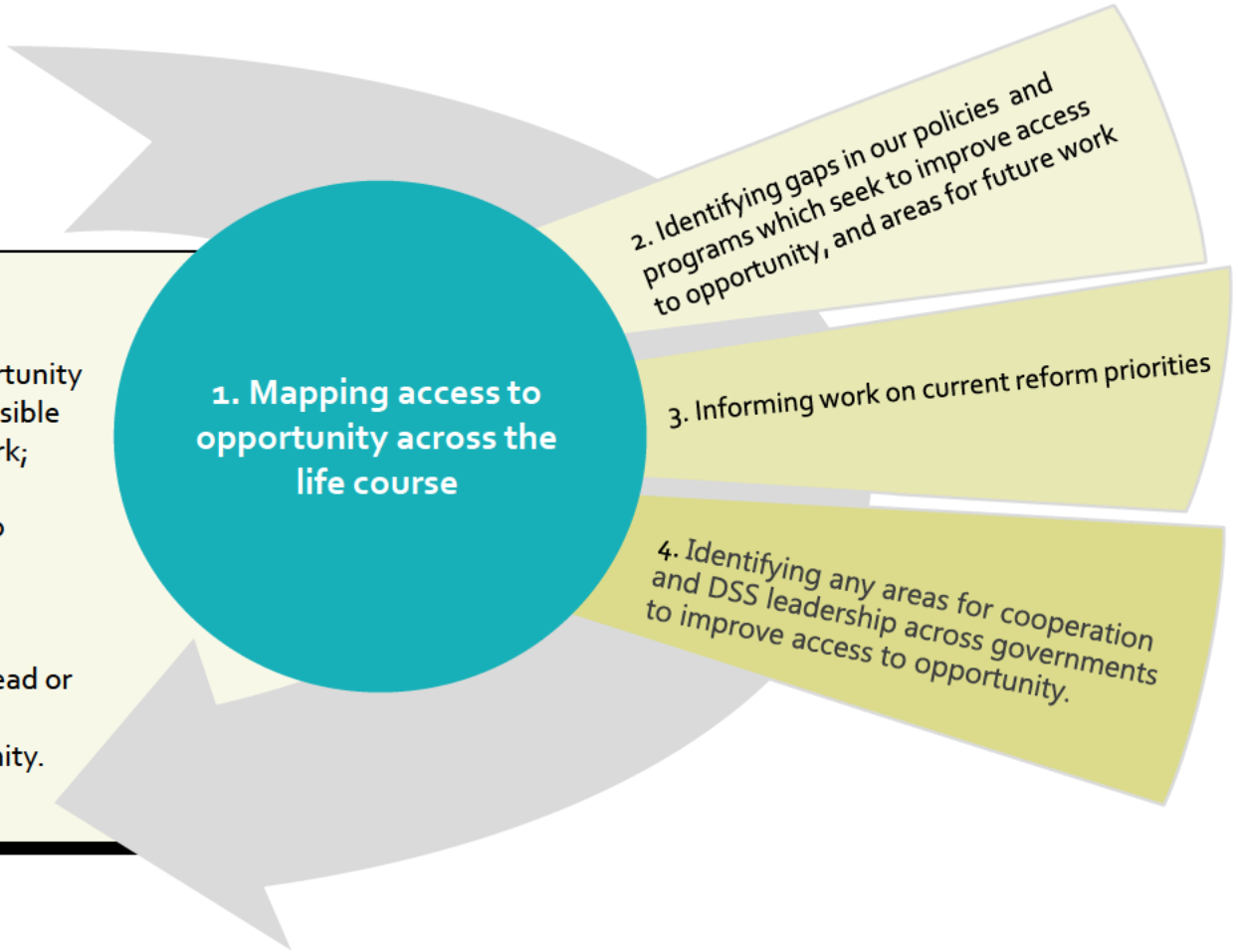
Using research to identify the intervention points: Access to Opportunity

Aims of the project:

1. Brings together evidence on access to opportunity across the life course in a way which is accessible and usable and is used to inform current work;
2. Identifies areas for further work on access to opportunity within DSS including proposing possible trials; and
3. Identifies fruitful areas in which DSS could lead or facilitate collaborative policy efforts across governments to improve access to opportunity.



Our model of access to opportunity

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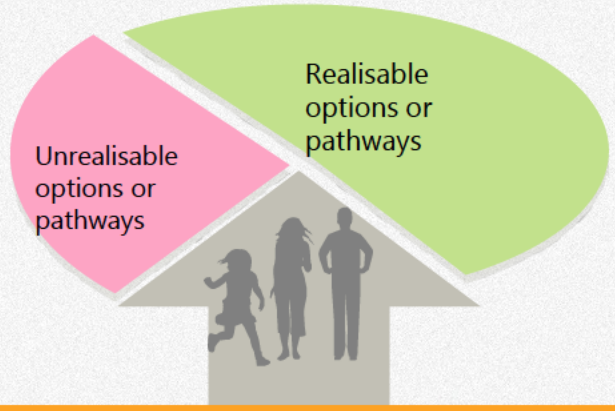
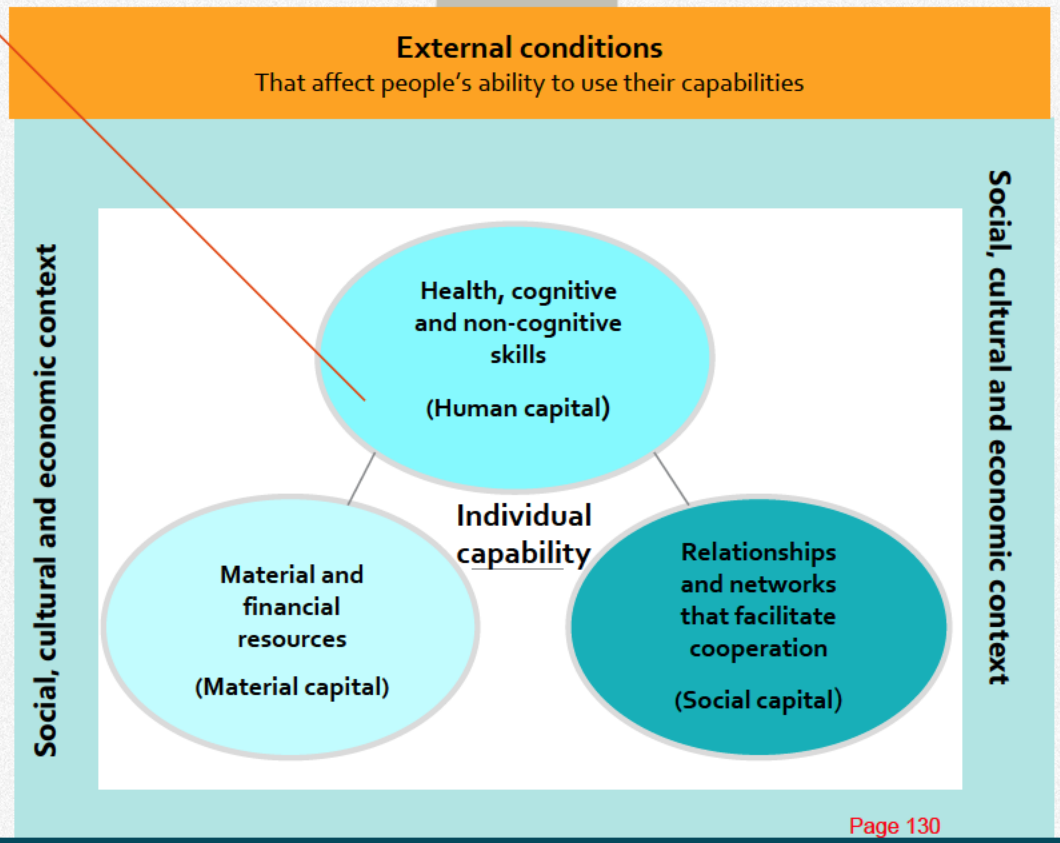
Access to opportunity is about the **range of realisable options or pathways** Australians have across their lives.





Pathway to optimal individual capability – intermediate outcomes

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Prenatal Period	Early Childhood 0-5 years	Middle Childhood 6-12 years	Adolescence 13-23 years	Early Adulthood 24-29 years	Adulthood 30+ years
Mothers are safe & healthy	Children have strong early attachment				
	Children and young people experience effective parenting and form strong close relationships				
	Children and young people engage in activities that provide opportunities for cooperation and social interaction				
	Children have good early learning outcomes				
	Children and young people and adults have positive socio-emotional skills				
	Children and young people are engaged in schooling and they, and adults, have well-developed foundation skills				
			Young people and adults have well-developed higher skills		
			Young people and adults are engaged in work		
	Young people, and then adults, have strong close relationships and broad social connections				
People have good physical and mental health					
People have sufficient food					
People have adequate shelter					
People have sufficient resources to move around day-to-day					
People have sufficient resources to engage in social interaction and recreational activities					
People have access to resources that invest in their human capital					

Human Capital
Social Capital
Material Capital

Social, cultural and economic contexts affect people's capability development

FOI Request 18719-073
Document 7

Prenatal Period	Early Childhood 0-5 years	Middle Childhood 6-12 years	Adolescence 13-23 years	Early Adulthood 24-29 years	Adulthood 30+ years

The family environment

Schools and education systems

Neighbourhoods and communities, including transport systems and the physical environment

Housing and other services

Health systems

The economic environment including labour markets, the tax and transfer systems

Trust in government

Norms and structures supporting non-discrimination and inclusion

The level of economic inequality in society

Using the framework – determining need across the population

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Analysis guide for outcomes/external conditions

Step 1	Step 2	Step 3	Step 4
Who is affected?	**What is driving this?**	**What is being done?**	**Where are the gaps?**
Which groups aren't meeting the outcome; haven't met the outcome in the past; or face the poor external condition? Which groups are most affected?	What are the underlying drivers of these groups not meeting the outcome?	What is currently being done to address these drivers?	Where are the possible gaps, overlaps or ineffective approaches seeking to address the drivers?
Use a range of survey and administrative data and secondary literature.	Use mixed methods where possible – survey/administrative data, secondary lit and consultation, including with groups identified in step 1. Consider the social, cultural and economic context and life course.	Include all government and non-government actors and consider key private service provision (market and non-market). Consult, including with groups most identified at step 1.	Consider whether the service mix focuses on groups most behind/at risk/key drivers. Consult.

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Improving family functioning and children's outcomes

A well-functioning family generates opportunities for its members, especially children, to increase their wellbeing, though performing five overlapping functions:

- ❑ Supporting each other through relationships;
- ❑ Nurturing children and young people;
- ❑ Connecting members to physical, social and cultural environments;
- ❑ Acquiring managing and sharing resources and tasks; and,
- ❑ Caring for sick, disabled and frail aged family members.

Well-functioning families support members through adversity and benefit the broader community by generating human and social capital.

Person Centred
System Level Planning, Coordination, Engagement
Outcomes Focussed
Evidence Based and Innovative

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Try, Test and Learn Fund – Currently open to ideas

The four key phases of a tranche of the Try, Test and Learn Fund

PHASE 1
Ideas generation

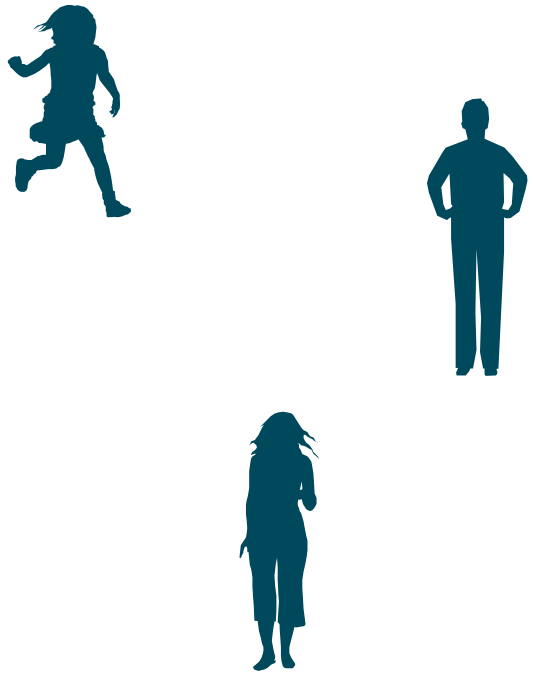
PHASE 2
Co-development

PHASE 3
Funding

PHASE 4
Delivery and Evaluation

The second cycle of the Try, Test and Learn Fund is currently open.
DSS Engage: https://engage.dss.gov.au/

The Challenge Ahead: Designing for Better Outcomes



From: MOSES, Jillian
To: VALE, Byron
Cc: DLOs; DSS Media; STUART, Sharon; REDDEL, Tim; PolicyOffice; MCGUIRK, Emmakate; PGCoord; ESSEX, Allyson; WHPG; BROWN, Philip; s22 WILLIAMSON, Nathan s22 s22
Subject: RE: data request on intergenerational welfare [DLM=For-Official-Use-Only]
Date: Thursday, 28 June 2018 4:03:58 PM
Attachments: Children aged 10-16 with high rates of guardian income support utilisati....xlsx

Dear Byron
I have re-attached the table we discussed that you might provide to the Media. The only difference from yesterday's version is that I have removed the total row as it includes 'unknowns' in the ABS population.
As discussed, here are some dot points you might like to use to accompany the data table.

- The attached data shows the number of children, aged 10 to 16 years, whose parents received income support for 50 to 80 per cent or more than 80 per cent of their childhood, reported by federal electorate.
- The 2017 Priority Investment Approach Valuation report shows that children whose guardians have high rates of welfare utilisation, have a significantly higher likelihood of receiving income support themselves when they are older. Despite the analysis showing a clear correlation between welfare utilisation amongst guardians and their children, it is difficult to clearly conclude, without further research and analysis, the extent to which a parent's welfare utilisation causes increased welfare dependence amongst children, relative to other factors and circumstances children and their parents/guardians might share eg. education, health outcomes, macroeconomic factors and localised labour market dynamics.
- The data shows greater proportions of children with high rates of welfare utilisation amongst their parents and guardians in more rural and remote electorates.
- The electorate data represents the last known electorate for the child's most recent parent or guardian, and although provides a reliable indication, might not always reflect the actual electorate the child is now residing.

Regards
Jillian

From: MOSES, Jillian
Sent: Wednesday, 27 June 2018 12:02 PM
To: VALE, Byron
Cc: DLOs ; Media ; STUART, Sharon ; REDDEL, Tim ; PolicyOffice ; MCGUIRK, Emmakate (Emmakate.MCGUIRK@dss.gov.au) ; PGCoord ; ESSEX, Allyson ; WHPG ; BROWN, Philip ; s22 ; Income Support Information ; s22 ; WILLIAMSON, Nathan ; s22
Subject: Re: data request on intergenerational welfare [DLM=For-Official-Use-Only]
Dear Byron
Data request:
In the context of the Priority Investment Approach (PIA) 2017 Valuation, what data is there on people that are at risk of intergenerational income support. Suggest something that looks at the number of people who have been on income support for a long time x dependent children x location (electorate).
Proposed response:
As previously advised, we have provided two tables of data (attached).

- Table 1 – provides the number of recipients of Newstart Allowance (NSA) and Parenting Payment Single (PPS) broken down by income support duration, whether the recipient is a principal carer and the number of recipients and their children.

The Priority Investment Approach 2017 Valuation grouped children by the level of welfare dependency of their parents. Based on analysis of longitudinal data, those children whose parents where in a high or very high band of welfare dependency during the first 15 years of a child's life were more likely to receive income support themselves as young adults. The group with high welfare dependency, that is 36 per cent to 80 per cent of the first 15 years of a child's life, equates to over five years duration on income support. The group with very high welfare dependency, over 80 per cent of the first 15 years of a child's life, corresponds with more than 12 years on income support. These definitions have been used as the parameters in the attached tables.
The income support duration reported in the table is for continuous income support, whereas the Priority Investment Approach bands comprise cumulative durations of income support at some point during the first 15 years of the child's life. Income support duration is the duration the recipients have been on an income support payment and not necessarily the current payment; for example, income support duration includes the total duration where recipients have moved between Parenting Payment Single and Newstart Allowance.

- Table 2 – provides the number of children, aged 10 to 16 years, whose parents/guardians have been on payment for 50 per cent or more of their childhood (from 10 to 15 years)

The table shows the number and per cent of children with parents/guardians receiving income support for 50 to 80 per cent of their childhood and more than 80 per cent of their childhood.
The electorate is based on the last known address for the child's parent or guardian and, not necessarily, where the child is currently residing or where the child was residing during their childhood.
For the purposes of this analysis, we have developed a measure of the level of dependence on income support (excluding Age Pension) of all guardians a child has during their observed childhood (up to the age of 15). It is calculated as the average over all parents/guardians of the proportion of time that guardian spends on income support in any year that they are linked to the child. A child is linked to a guardian in any financial year where the guardian has claimed Family Tax Benefit or another family related payment on behalf of the child at some point in that financial year. The child may be linked to 1, 2 or more guardians in any year.
The Priority Investment Approach intergenerational data is new to this valuation and the analysis we have undertaken for this purpose looks at a cohort of children between the ages of 10 and 16 as at end of June 2017. Over time (years), more data will be extracted and this analysis will be more mature.
There are obvious sensitivities around this data and it can be complex to explain. We have provided the data as briefing. If you would like to publicly release the data, or a form of this data, and would like some words to accompany the release we would be happy to work with you on words.
Regards
Jillian

s22

s22

Children aged 10-16 with high rates of guardian income support utilisation by Commonwealth Electoral Division

Table 2: Number and proportion of children whose parents/guardians were on income support for 50 per cent or more of their childhood

As as 30 June 2017

See notes below table for information on how these rates were calculated

State	Commonwealth Electoral Divisions	2016 Census - Counting Persons, Place of Usual Residence[1]	Number of Children with guardians receiving Income Support for 50-80% of their childhood[2]	Number of Children with guardians receiving Income Support for more than 80% of their childhood[2]	Propotion of children with guardians receiving Income Support for 50-80% of their childhood[3]	Propotion of children with guardians receiving Income Support for more than 80% of their childhood[3]
ACT	**Fenner**	15745	921	787	5.85%	5.00%
ACT	**Canberra**	15348	848	753	5.53%	4.91%
NSW	**Parkes**	13148	2027	2879	15.42%	21.90%
NSW	**Cowper**	13389	1967	2526	14.69%	18.87%
NSW	**Chifley**	17147	2495	3188	14.55%	18.59%
NSW	**Page**	13911	2235	2476	16.07%	17.80%
NSW	**Fowler**	14967	2570	2561	17.17%	17.11%
NSW	**New England**	14352	1931	2373	13.45%	16.53%
NSW	**Blaxland**	15553	2932	2484	18.85%	15.97%
NSW	**Lyne**	12193	1692	1921	13.88%	15.75%
NSW	**Paterson**	13746	1761	2137	12.81%	15.55%
NSW	**Gilmore**	11781	1605	1754	13.62%	14.89%
NSW	**Werriwa**	18604	2807	2728	15.09%	14.66%
NSW	**Macarthur**	15558	2097	2241	13.48%	14.40%
NSW	**Hunter**	13930	1793	1998	12.87%	14.34%
NSW	**Riverina**	14217	1626	1902	11.44%	13.38%
NSW	**Calare**	14717	1661	1959	11.29%	13.31%
NSW	**McMahon**	14690	2112	1930	14.38%	13.14%
NSW	**Richmond**	12278	1535	1608	12.50%	13.10%
NSW	**Dobell**	14069	1849	1759	13.14%	12.50%
NSW	**Sydney**	4238	300	519	7.08%	12.25%
NSW	**Farrer**	14745	1619	1753	10.98%	11.89%
NSW	**Shortland**	12349	1286	1461	10.41%	11.83%
NSW	**Whitlam**	14058	1533	1630	10.90%	11.59%
NSW	**Lindsay**	14998	1747	1601	11.65%	10.67%
NSW	**Watson**	14791	2024	1501	13.68%	10.15%
NSW	**Newcastle**	11271	1026	1102	9.10%	9.78%
NSW	**Cunningham**	12375	885	1098	7.15%	8.87%
NSW	**Robertson**	11773	1166	1031	9.90%	8.76%
NSW	**Eden-Monaro**	12738	1057	1101	8.30%	8.64%
NSW	**Parramatta**	12796	1244	1069	9.72%	8.35%
NSW	**Banks**	12345	852	901	6.90%	7.30%
NSW	**Barton**	11407	1047	744	9.18%	6.52%
NSW	**Macquarie**	13133	1016	853	7.74%	6.50%
NSW	**Hume**	14721	1126	939	7.65%	6.38%
NSW	**Greenway**	15720	1111	859	7.07%	5.46%
NSW	**Kingsford Smith**	10790	531	555	4.92%	5.14%
NSW	**Grayndler**	8342	385	399	4.62%	4.78%
NSW	**Cook**	11355	497	364	4.38%	3.21%
NSW	**Hughes**	13417	543	402	4.05%	3.00%
NSW	**Reid**	10874	422	301	3.88%	2.77%
NSW	**Bennelong**	11983	405	314	3.38%	2.62%
NSW	**Mitchell**	15492	437	242	2.82%	1.56%
NSW	**Mackellar**	13338	334	198	2.50%	1.48%
NSW	**Warringah**	12029	184	153	1.53%	1.27%
NSW	**Wentworth**	8977	173	114	1.93%	1.27%

NSW	**Berowra**	14472	288	178	1.99%	1.23%
NSW	**North Sydney**	11278	168	92	1.49%	0.82%
NSW	**Bradfield**	16280	183	90	1.12%	0.55%
NT	**Lingiari**	11697	3746	2012	32.03%	17.20%
NT	**Solomon**	9386	1019	827	10.86%	8.81%
QLD	**Hinkler**	12201	2220	2340	18.20%	19.18%
QLD	**Wide Bay**	13004	1919	1990	14.76%	15.30%
QLD	**Kennedy**	15162	2562	2235	16.90%	14.74%
QLD	**Blair**	15224	2406	2241	15.80%	14.72%
QLD	**Maranoa**	13674	1888	1900	13.81%	13.89%
QLD	**Leichhardt**	16572	2624	2176	15.83%	13.13%
QLD	**Rankin**	17647	2415	2233	13.69%	12.65%
QLD	**Longman**	15143	2335	1831	15.42%	12.09%
QLD	**Herbert**	14594	1955	1688	13.40%	11.57%
QLD	**Forde**	16117	2050	1678	12.72%	10.41%
QLD	**Oxley**	15978	1868	1575	11.69%	9.86%
QLD	**Petrie**	14335	1608	1407	11.22%	9.82%
QLD	**Flynn**	15151	1740	1456	11.48%	9.61%
QLD	**Groom**	14516	1453	1312	10.01%	9.04%
QLD	**Moncrieff**	10818	1038	913	9.60%	8.44%
QLD	**Capricornia**	14351	1412	1176	9.84%	8.19%
QLD	**Dawson**	14347	1393	1162	9.71%	8.10%
QLD	**Wright**	16450	1777	1296	10.80%	7.88%
QLD	**Fisher**	12496	1256	946	10.05%	7.57%
QLD	**Fadden**	14597	1462	1058	10.02%	7.25%
QLD	**Fairfax**	13773	1215	936	8.82%	6.80%
QLD	**McPherson**	12955	1193	790	9.21%	6.10%
QLD	**Lilley**	11966	785	692	6.56%	5.78%
QLD	**Bowman**	13833	1112	762	8.04%	5.51%
QLD	**Moreton**	11749	784	570	6.67%	4.85%
QLD	**Bonner**	13299	771	609	5.80%	4.58%
QLD	**Dickson**	14678	978	665	6.66%	4.53%
QLD	**Griffith**	11079	449	376	4.05%	3.39%
QLD	**Brisbane**	9502	288	197	3.03%	2.07%
QLD	**Ryan**	13696	423	246	3.09%	1.80%
SA	**Grey**	12020	1811	2151	15.07%	17.90%
SA	**Wakefield**	15405	2514	2738	16.32%	17.77%
SA	**Port Adelaide**	13262	1885	2243	14.21%	16.91%
SA	**Kingston**	12456	1638	1699	13.15%	13.64%
SA	**Barker**	12965	1546	1600	11.92%	12.34%
SA	**Makin**	12177	1149	1007	9.44%	8.27%
SA	**Hindmarsh**	9769	677	685	6.93%	7.01%
SA	**Adelaide**	10561	625	679	5.92%	6.43%
SA	**Mayo**	12313	908	716	7.37%	5.81%
SA	**Sturt**	11906	581	547	4.88%	4.59%
SA	**Boothby**	11897	588	506	4.94%	4.25%
TAS	**Lyons**	8982	1358	1660	15.12%	18.48%
TAS	**Braddon**	8319	1284	1391	15.43%	16.72%
TAS	**Bass**	8521	1064	1119	12.49%	13.13%
TAS	**Franklin**	8971	966	1074	10.77%	11.97%
TAS	**Denison**	7940	889	897	11.20%	11.30%
VIC	**Gippsland**	11647	1640	1873	14.08%	16.08%
VIC	**Calwell**	16236	2499	2437	15.39%	15.01%
VIC	**Mallee**	11939	1401	1774	11.73%	14.86%

VIC	**Murray**	12824	1528	1845	11.92%	14.39%
VIC	**Corio**	12169	1377	1657	11.32%	13.62%
VIC	**Melbourne**	6738	862	871	12.79%	12.93%
VIC	**Gorton**	18925	2633	2401	13.91%	12.69%
VIC	**Ballarat**	13415	1491	1668	11.11%	12.43%
VIC	**Bendigo**	12931	1464	1558	11.32%	12.05%
VIC	**Wannon**	11444	1207	1346	10.55%	11.76%
VIC	**McMillan**	14571	1716	1576	11.78%	10.82%
VIC	**Maribyrnong**	12579	1211	1345	9.63%	10.69%
VIC	**Indi**	12157	1270	1295	10.45%	10.65%
VIC	**Scullin**	13965	1444	1420	10.34%	10.17%
VIC	**Gellibrand**	10526	1020	1068	9.69%	10.15%
VIC	**Dunkley**	11949	1147	1160	9.60%	9.71%
VIC	**Holt**	18634	2320	1703	12.45%	9.14%
VIC	**Lalor**	20233	2459	1840	12.15%	9.09%
VIC	**Batman**	10001	702	893	7.02%	8.93%
VIC	**Flinders**	12444	1176	1096	9.45%	8.81%
VIC	**Wills**	10332	897	857	8.68%	8.29%
VIC	**McEwen**	20226	1804	1439	8.92%	7.11%
VIC	**Bruce**	12276	939	789	7.65%	6.43%
VIC	**Isaacs**	13034	1041	828	7.99%	6.35%
VIC	**Hotham**	11669	848	681	7.27%	5.84%
VIC	**Casey**	12703	1055	710	8.31%	5.59%
VIC	**Corangamite**	13460	973	740	7.23%	5.50%
VIC	**Aston**	11462	710	590	6.19%	5.15%
VIC	**Jagajaga**	11542	630	550	5.46%	4.77%
VIC	**Melbourne Ports**	7215	305	288	4.23%	3.99%
VIC	**La Trobe**	15934	966	592	6.06%	3.72%
VIC	**Chisholm**	11625	381	413	3.28%	3.55%
VIC	**Deakin**	11747	560	399	4.77%	3.40%
VIC	**Menzies**	11734	347	235	2.96%	2.00%
VIC	**Higgins**	9783	166	186	1.70%	1.90%
VIC	**Goldstein**	13909	268	214	1.93%	1.54%
VIC	**Kooyong**	13447	152	80	1.13%	0.59%
WA	**Durack**	15117	3011	2123	19.92%	14.04%
WA	**O'Connor**	14116	1809	1536	12.82%	10.88%
WA	**Burt**	15185	1610	1312	10.60%	8.64%
WA	**Swan**	9885	776	848	7.85%	8.58%
WA	**Cowan**	14048	1350	1054	9.61%	7.50%
WA	**Brand**	15175	1623	1132	10.70%	7.46%
WA	**Canning**	12759	1436	918	11.25%	7.19%
WA	**Forrest**	14321	1267	1002	8.85%	7.00%
WA	**Pearce**	18127	1737	1244	9.58%	6.86%
WA	**Fremantle**	11629	847	793	7.28%	6.82%
WA	**Stirling**	10293	854	695	8.30%	6.75%
WA	**Hasluck**	12761	1020	812	7.99%	6.36%
WA	**Perth**	8551	539	459	6.30%	5.37%
WA	**Tangney**	12793	393	279	3.07%	2.18%
WA	**Moore**	13334	508	267	3.81%	2.00%
WA	**Curtin**	12641	289	222	2.29%	1.76%

Notes:

1. Full count of population by age and electoral division from the 2016 Census. Generated using ABS Tablebuilder

2. Source: Priority Investment Approach Data Suite.

For the purposes of this analysis we have developed a measure of the level of dependence on income support (excluding Age Pension) of all guardians a child has during their observed childhood (up to the age of 15). It is calculated as the average over all parents/guardians of the proportion of time that guardian spends on income support in any year that they are linked to the child. A child is linked to a guardian in any financial year where the guardian has claimed FTB or another family related payment on behalf of the child at some point in that financial year. The child may be linked to 1,2 or more guardians in any year.

For example a 15 year old child linked to one parent their entire childhood, and that parent had received income support for half of their childhood (calculated based on the number of days), this child would be assigned 50% for this measure. For a 10 year old child who had been linked to two guardians each year up to the age of 10, the child would be assigned 50% if between the two guardians they had received income support for 10 years (this could be one of them receiving income support for the entire 10 years of the child's observed childhood, each of them receiving income support for half of the time or any other combination).

An individual's location is derived using a hierarchy of their own address, their partner's address and then their most recent guardian's address. Because most children 16 years or younger have not received a payment in their own right, an address will not be recorded for most and the address of the guardian who was most recently linked to the child is assigned. Where a child is linked to multiple households in the most recent period, rules are applied, which include the length of time a guardian has been linked to the child and how up to date the address is believed to be.

Electorate is assigned using latitude and longitude coordinates extracted from Centrelink data, which are then mapped to a Federal Electorate. This is the current accepted approach and consistent with the approach taken by other Department of Social Services data reporting and analysis teams.

3. Number of Children from item 2 divided by the Census population from item 1