

10 November 2022

Committee Secretary
Select Committee on Workforce Australia Employment Services
PO Box 6021,
Parliament House
Canberra ACT 2600

By email only: WAES.reps@aph.gov.au

Dear Committee Secretary,

1. Economic Justice Australia (EJA) is the peak organisation for community legal centres providing specialist advice regarding social security issues and rights. Our members across Australia¹ have provided free and independent information, advice, education and representation in the area of social security for over 30 years.
2. EJA draws on its members' casework experience to identify systemic policy issues and provides expert advice to government on reforms needed to make the social security system more effective and accessible. Our law and policy reform work:
 - Strengthens the effectiveness and integrity of our social security system;
 - Educates the community; and
 - Improves people's lives by reducing poverty and inequality.
3. EJA welcomes the opportunity to make this submission to the Committee regarding its examination of the role of ParentsNext in providing early intervention to parents and carers of young children.

Punitive ParentsNext compliance framework subverts program aims

4. EJA supports the development of a voluntary, targeted and personalised assistance to parents and carers of children which aims to identify program participants' education and employment goals, improve work readiness, and facilitate engagement in activities and services in the local community. Unfortunately, however, the legislative framework applying to compulsory ParentsNext program participants is punitive and discriminatory in approach, and is causing harm to parents and carers of babies and young children most in need of support. In our view, the application of the Targeted Compliance Framework, with its punitive demerit system of sanctions, subverts the achievement of the objective that ParentsNext operates as a supportive pre-employment program for Parenting Payment recipients of children between 9 months and 5 years of age.

¹ See <https://www.ejaustralia.org.au/legal-help-centrelink/>

5. It is important to note that Parenting Payment is intended to provide financial assistance to principal carers with parenting responsibilities for a young child. As such, Parenting Payment was originally available without any mutual obligation or ‘participation’ requirements, in recognition of recipients’ caring responsibilities and to allow parents and carers to meet the needs of their children.
6. Prior to 2005, Parenting Payment was paid at a pension rate with no expectation that parents² in receipt of the payment would be required to work. Since the Welfare Reform changes of 2005, Parenting Payment has been paid at the lower allowance income support rate and mandatory activity requirements have been incrementally introduced.³ These changes also transferred partnered parents onto a different payment (generally a lower paying payment such as Newstart, now JobSeeker Payment) once their child turned six years; and single parents once their child turned 8 years, a change which continues to disproportionately impact single parents and their children.⁴
7. The current policy framework undervalues the unpaid work involved in caring for infants and children.⁵ There is a significant social and financial cost to the community of applying a compulsory punitive program to people with babies and young children in their care – a program that devalues parenting, causes additional financial and mental stress on families, and disproportionately impacts people among vulnerable cohorts.

Two-day contact period before payment suspension welcome but problematic

8. We note that since 7 December 2020, ParentsNext and other employment program participants who miss a mutual obligation requirement have had two business days to contact their provider before their payment is suspended. If a participant misses a requirement they receive a text message, an email or an inbox message to advise them they must contact their provider immediately to prevent payment suspension.
9. This policy change, the result of representations to DESE by ACOSS and supported by EJA, has significantly reduced the number of income support suspensions and the reform is very welcome.⁶ However, the application of suspensions remains fundamentally problematic because suspensions are triggered automatically, by the computer system, with no human oversight of individual suspensions. As a result, the change has had limited impact for parents in vulnerable cohorts, particularly people in regional and remote areas with unreliable phone and internet service, and people experiencing ongoing issues affecting compliance with mutual obligations, such as domestic violence, or recent

² References to ‘parent(s)’ hereon after generally includes carers in receipt of Parenting Payment

³ Evidence to Senate Standing Committees on Education and Employment, Jobs and Small Business, Parliament of Australia, Canberra, 24 October 2018.

⁴ Ibid.

⁵ Beth Goldblatt, “More than unpopular. How ParentsNext intrudes on single parents’ human rights”, *The Conversation* (online), 16 January 2019 <<https://theconversation.com/more-than-unpopular-how-parentsnext-intrudes-on-single-parents-human-rights-108754>>.

⁶ Australian Council of Social Services, “Restoring full employment: Policies for the Jobs and Skills Summit” (2022) <https://www.acoss.org.au/wp-content/uploads/2022/08/ACOSS_Restoring-full-employment_Policies-for-the-Jobs-and-Skills-Summit-2022.pdf>

release from prison. For example, ParentsNext data provided to the Joint Parliamentary Committee on Human Rights inquiry into the *Social Security (Parenting payment participation requirements – class of persons) Instrument 2021* showed that as of 31 May 2021, Indigenous participants made up 21 per cent of the caseload. The data also showed that 31 per cent of participants who had incurred a demerit under the Targeted Compliance Framework were Indigenous. Suspension data for January 2022⁷ shows 3,785 suspensions of Parenting Payment for ParentsNext participants:

- 93% of these suspensions were for women
- 61% of suspensions were for single parents
- 37 % of suspensions were for Indigenous participants
- 11% of suspensions were for people with disability
- 13% of these suspensions were for ex-offenders.

10. Automatic suspension of a person’s income support payment as a result of failure to meet participation plan requirements is problematic for many reasons. It is egregious that automatic suspensions under the TCF apply to Parenting Payment recipients, especially as those affected include single parents with infants as young as 9 months in their care, parents with disability, parents of children with disability, and sole parent families experiencing family and domestic violence. The need to ensure that vulnerable parents are not exposed to the risk of automated payment suspension is, in our view, reason enough to make Parents Next, or any replacement program, purely voluntary.

The changes effected by the 2021 Instrument

11. The *Social Security (Parenting payment participation requirements – class of persons) Instrument 2021* (the Instrument), which replaced the previous instrument in place since 2018, integrated the two previous streams of the ParentsNext program. Under the current Instrument there is no longer a separate Intensive Stream targeting locations with a higher proportion of Parenting Payment recipients identifying as Aboriginal or Torres Strait Islander; and changes to the ‘special classes of person’ provisions and the removal of the two streams, enabled the extension of the Participation Fund to all program participants. This resulted in extending ParentsNext to all jobactive (now Workforce Australia) employment regions, for parents whose youngest child is between 9 months and five years of age.

The Targeted Compliance Framework and ParentsNext

12. If a ParentsNext participant fails to meet any of their participation plan requirements, application of the Targeted Compliance Framework (TCF) can result in the person accruing demerit points, and reduction or cancellation of payments.

⁷ Data is from tabled document, response to letter from Senator Rice - 17 Feb 2022 (PDF 2604KB).
https://www.aph.gov.au/Parliamentary_Business/Senate_estimates/ee/2021-22_Additional_estimates/Education_Skills_and_Employment

13. In the experience of our members, and as comprehensively discussed in the Joint Committee on Human Rights 2021 report⁸, the nature of the TCF and its administration means that the financial circumstances of participants, and vulnerabilities associated with disability or chronic ill-health, are not adequately assessed before payments are suspended or cancelled – especially where the person has limited English, cognitive impairment or feels disempowered.
14. While a parent or carer may feel comfortable with their agreed ParentsNext activities when they enter into their participation plan, it can be impossible for a person with infants / young children in their care to predict actual capacity to meet agreement requirements. Circumstances may rapidly change and parents of infants and children with health issues or disability may underestimate care needs to be met or the time and effort involved in complying with mutual obligation requirements.
15. In theory, an exemption from compliance activity requirements may be granted by Services Australia / Centrelink or the ParentsNext provider for one or more of a range of reasons, including family and domestic violence, additional caring responsibilities, sickness, or injury. However, difficulties securing exemptions, especially for the most vulnerable cohorts, mean that many people with prima facie grounds for exemption end up being required to participate, and end up subject to inappropriate participation plans. Once threatened with suspension, meeting requirements so that the suspension may be averted, or establishing a reasonable excuse for non-compliance, can be challenging. Although, as discussed above, suspensions can now be avoided if a participant contacts their provider within two working days, the ongoing threat of suspensions, accrual of demerit points and penalties, is distressing for people with young children in their care. This coercion is especially overwhelming for victim/survivors of domestic violence.
16. Although most of the case studies below pre-date the two-day suspension initiative, and introduction of the Points Based Activation System (PBAS) from July 2022, they remain relevant. They demonstrate that mere threat of suspension can be overwhelming for parent reliant on Parenting Payment; and that the two-day grace period makes little difference for parents struggling to provide a stable and safe environment for their children – including children with disability, illness or behavioural issues – while dealing with issues such as domestic violence or mental health issues. The PBAS may be a welcome reform for many job seekers in receipt of JobSeeker Payment; however, the need to understand the PBAS and report on activities for point accrual has merely added another level of complexity for ParentsNext participants already struggling with participation plan requirements.
17. Disturbingly, as discussed below, our case studies involving First Nations women and children remain particularly relevant.

⁸ Available at https://www.aph.gov.au/Parliamentary_Business/Committees/Joint/Human_Rights/ParentsNext

18. Although providers are required to follow TCF guidelines in administering suspensions and penalties, EJA members observe that providers have difficulty applying the complex TCF guidelines in making decisions. As a result, some providers fail to properly take into account participants' circumstances and have inappropriately applied demerit points, suspensions or cancellations, even where the participant's vulnerability has been well documented by Centrelink and/or is known to the provider.
19. Whether a Parenting Payment claimant or recipient whose youngest child is between 9 months and 5 years is to be required to participate in the ParentsNext program is determined by applying the Job Seeker Classification Instrument (JSCI), and involves an interview with the person. The interview is generally conducted over the phone, and the questions are intended to ensure that issues that may preclude or affect participation are identified.
20. Our members advise that clients, particularly clients in vulnerable situations, have found the ParentsNext interview intimidating and an invasion of privacy. This is especially so where the purpose and relevance of the JSCI questions has not been made clear. Clients who have experienced domestic violence, for example, may be unable to disclose or discuss their experience of domestic violence on the phone with a stranger or cannot broach the issue as the perpetrator is with them. (Services Australia recognises these issues, and is examining how best to address them as part of implementation of its Family and Domestic Violence Strategy 2020-239.)
21. Given the barriers to disclosure of issues such as domestic violence as part of the JSCI interview, it is not surprising that circumstances which should be grounds for exemption from the ParentsNext program are overlooked, and that clients feel pressured into signing agreements with requirements that they know they are unlikely to be able to meet.
22. Our members advise that some clients have been referred to the ParentsNext program despite not satisfying the participation criteria. For example, a Western Australia member advises that among their clients:
 - Parents have been referred to ParentsNext despite having completed year 12 and being engaged in part-time TAFE or University courses. One client was in the final year of a degree.
 - Grandparents caring for young grandchildren have been referred, despite being single and under 55 years.
 - A grandmother caring for three young children referred to the ParentsNext program had given up work and claimed Parenting Payment (single) and Family Tax Benefit as she could not cope with working and caring for the children. The children were traumatised by the family violence they experienced before being taken into care by their grandmother.

23. The design and effectiveness of participation plans is highly dependent upon the resources, skills and capacity of the ParentsNext provider, and whether they have been adequately trained. In our members' experience, rather than being customised to meet parents' education and employment-related goals, opportunities offered can be limited by the provider's existing links with particular employers and industries. Our member centre in Queensland has reported instances where providers have told compulsory participants who had previously worked in senior positions or had tertiary education that they did not know how to assist them.¹⁰
24. In the experience of our members, clients who have had their Parenting Payment suspended or cancelled for non-compliance with ParentsNext requirements have been unable to meet their basic needs, having lost the vital income support on which they rely to feed, clothe and care for their children and provide a stable, nurturing home environment.

Case study – Elina

A member centre in Queensland provided assistance to Elina, a single mother caring for her son who has severe disabilities. Elina's Parenting Payment had been suspended due to non-compliance with a ParentsNext requirement. Elina's payments were reinstated but Elina advised that the experience made her feel that her Parenting Payment was insecure. This insecurity caused her to feel significant stress; she feared that she would not be able to meet the cost of her son's medical treatment if her payments ceased again, so she turned to a community financing organisation to obtain a \$4000 loan to ensure she had funds on hand if her Parenting Payment were suspended. Elina said that once she realised that her Parenting Payment could stop at any time, she felt "beyond desperate and in survival mode."

Case study – Kylie

Kylie provided medical evidence to her ParentsNext provider to support her application to be exempted from activities on the grounds that her son had severe disabilities and was undergoing medical treatment. Kylie referred the provider to the relevant exemption guidelines in the Social Security Guide (Social Services' online publication) but the provider advised Kylie (erroneously), that they were not governed by Social Security law and that she still had to participate. Kylie did not attend the next ParentsNext activity as her son was in hospital, and her Parenting Payment, Carer Allowance and Child Care subsidy payments were cancelled. Following the intervention of our member centre, Services Australia exempted Kylie from activities on its system and she was exempted for 13 weeks. Although Kylie was eventually granted an exemption following intervention by EJA's member centre, the payment cancellation caused her significant stress and harm. She was left without any means of support for herself and her child, unable to buy food, medicine or other essentials.

¹⁰ See also "Single mother says she had to miss paid work to attend ParentsNext appointment". Guardian Australia, 6 September 22.
<https://www.theguardian.com/australia-news/2022/sep/07/single-mother-says-she-had-to-miss-paid-work-to-attend-parentsnext-appointment>

Case study – Jordana

Jordana has a psychiatric condition and receives NDIS support for both her children. She approached a local community support service because she was having difficulty juggling ParentsNext activities with caring for her children. Jordana had no idea that she had strong grounds to seek an exemption until this was explained to her by the community agency.

Case study – Hua

Hua only speaks Mandarin and was experiencing domestic violence. Her domestic violence community support worker was asked by Centrelink to seek an exemption from ParentsNext on Hua's behalf, in writing, despite the fact that Centrelink was fully aware of Hua's ongoing experience of domestic violence. The support worker's letter prompted a three-month exemption from ParentsNext appointments and activities.

Case study: Tina

Our member centre in Queensland assisted Tina, a single mother on Parenting Payment who was also in receipt of Mobility Allowance (due to her own physical disability) and Carer Allowance (in recognition of the care she provided for her son, who has a severe disability). Tina was advised that she would need to compulsorily participate in ParentsNext. She refused to sign a participation plan, explaining that the proposed plan did not take into account her own and her child's disabilities. Tina contacted our member centre when her payments were cancelled on the grounds that she had refused to sign a participation plan.

Case study – Jess

Ineffective communication between DESE (now DEWR), Centrelink and ParentsNext providers can result in suspension of payment for people who have been granted an exemption. Our member centre in Queensland assisted a mother, Jess, who said she called ParentsNext to ask if they had been notified of her exemption granted by Centrelink (the exemption was formally granted on the basis of a Job Capacity Assessment). Jess said that the ParentsNext provider could see that an exemption was granted but was unsure what to do. DESE also told Jess that they were unsure what the exemption meant. Jess, who is articulate and forthright, spent hours on the phone trying to ensure that her exemption would be recognised by the provider; however, it was not until our member centre in Queensland contacted Centrelink on Jess's behalf that the database was updated and she was exempted from being required to participate.

Is ParentsNext meeting its objectives?

25. Data presented by DESE (now DEWR) to the Joint Committee on Human Rights inquiry showed that as of 31 May 2021, 97,788 participants had exited the ParentsNext program.¹¹ The data showed that that 53% of parents had exited the program as their youngest child turned 6 years of age; 10.7% had a new child in their care; and 10.7% exited on the basis

¹¹ Parliamentary Joint Committee on Human Rights (2021)(n8)

that their parenting payment had been cancelled. The number of parents exiting into employment was not reported – with the remaining 45,387 exits unaccounted for.

26. Our member centres have assisted parents who have explained that the low availability of ongoing part-time work has forced them to engage in casual work to accommodate their caring obligations. Those undertaking shift or casual work who can afford childcare, are still unable to utilise child care due to irregular hours of work, often finding that child care centres are closed during the times they are scheduled to work, leaving them with no viable care options. As discussed at the recent Jobs and Skills Summit, there are well documented barriers to education and employment for parents in practice that include factors such as lack of affordable and high-quality child, nursery or after school care, family-friendly work environments, flexible work arrangements and affordable transport¹² – factors other than lack of willingness to work.
27. Our members have relayed to us examples where providers have not set activities according to the pre-employment needs of the parents.¹³

Case study – Penelope

Penelope had experienced domestic violence within the last year and was the sole carer of her child, who has autism. Penelope was told by Centrelink that she could not be exempted from ParentsNext due to her full-time study and she was advised to cease her studies. Penelope had ongoing issues with the program, but she was unable to obtain an exemption from the program despite meeting exemption criteria due to studying, caring for her child with a psychiatric disability and experiencing domestic violence. Penelope found meeting ParentsNext requirements to be onerous, and had difficulty meeting the mutual obligations while caring for her child. Penelope received advice from our member centre in Victoria, and she was ultimately successful in obtaining an exemption from ParentsNext on the basis of her enrolment in study.

Case study – Sofia

Sofia, a mother who was assisted by a member centre in Queensland, advised that she was undertaking studies and interning but this was not recognised by ParentsNext providers. Sofia had also told the provider about her disability but was told that the provider did not work with people with disabilities. Sofia advised us that during this time she was so stressed by the ParentsNext program that she stopped interning, and in order to fulfil her study obligations at TAFE she had to seek extensions for her assignments.

¹² Australian Council of Social Services (2022) (n 6)

¹³ See also: Norman Hermant, 'ParentsNext program comes under fire from single mothers who say it 'makes life harder' ABC (online) 1 February 2019 <<https://www.abc.net.au/news/2019-02-01/centrelink-payment-parentsnext-under-fire/10763732>>.

28. We are also concerned that activities can be little more than ‘busy work’, rather than genuinely working toward participants’ employment goals.¹⁴ Time poor parents focusing on the needs of their children, especially those already experiencing disadvantage, should not be made to participate in meaningless activities that cut into the time they have available to provide care for their babies and young children. Our member centre in NSW recently held a webinar for community workers regarding social security payments for people with children, and conducted a poll asking questions about the issues faced by services’ clients in accessing payments. 50% of respondents identified balancing mutual obligations (for Parenting Payment and other payments) with caring for their children as the biggest single issue affecting access to income support.
29. Our member centre in Western Australia has reported instances where providers have not recognised participants’ study obligations and have not developed plans to fit parents’ needs, causing further stress and compromising participants’ mental health. For example, they have assisted several single parents of large families, where mothers are caring for four to six children, while also undertaking part-time studies. In one of these cases, the failure of the ParentsNext participation plan to take into account the mother’s study obligations resulted in her dropping out of tertiary study.
30. The same member centre in Western Australia assisted parents who expressed concern regarding additional costs associated with fulfilling ParentsNext participation plan requirements. In order to attend compulsory provider appointments, parents may be forced to pay for childcare, or incur additional transport or parking costs. Clients also advised that the need to report on participation plan activities via a mobile application excessively uses their mobile data, causing further financial strain.

ParentsNext is failing vulnerable cohorts

31. Cohorts most likely to face suspension of payment and non-payment penalties due to failure to meet ParentsNext obligations include intersecting cohorts: sole parents; people with intellectual disability, mental health issues or cognitive impairment (e.g. as a result of an acquired brain injury); parents of children with high care needs due to disability, chronic illness or behavioural issues; parents experiencing family and domestic violence; and parents who are homeless or at risk of homelessness. The Joint Committee on Human Rights inquiry noted in its report that one third of participants (55,000+ parents) had been subject to 159,000 payment suspensions, lasting an average of five days, and 1,223 participants had had their payments cancelled for failing to reengage with the program within 28 days (after having been suspended during that time).¹⁵¹⁶ The Committee outlined the particular vulnerabilities affecting susceptibility to non-compliance penalties for First Nations people – especially for parents and carers living in remote and very remote

¹⁴ Juanita McLaren, Susan Maury and Sarah Squire, *Outside Systems Control my life: The experience of single mothers on Welfare to Work*, (Good Shepherd Australia New Zealand, 2018) https://goodshep.org.au/media/2179/outside-systems-control-my-life_experience-of-single-mothers-on-w2w_web.pdf.

¹⁵ Parliamentary Joint Committee on Human Rights (2021). Op cit

¹⁶ We note that demerits were reset to zero from July 2022 as part of the transitioning to Workforce Australia, but it is reasonable to anticipate that suspension and cancellation rates will return to these levels if the current policy framework remains in place.

communities; and for refugees and people from culturally and linguistically diverse backgrounds.

32. The compliance focus of the ParentsNext program can discourage vulnerable participants from disclosing to their provider personal circumstances that may affect their ability to meet mutual obligations requirements. It is clear from the EJA member case studies presented in this submission that vulnerable ParentsNext participants are not always recognised as such by providers. Parents in extremely vulnerable situations may have been inappropriately required by Services Australia to participate in the program, or have not been exited from the program by Services Australia once vulnerabilities come to light, or have not been offered temporary mutual obligations exemptions or adjustment of their participation plan to take into account personal issues. Parents who failed to disclose vulnerabilities such as domestic violence or mental health issues to Centrelink are unlikely to disclose to a provider and if they do, the provider may not provide a referral back to Centrelink to facilitate exit.
33. In EJA members' experience, even where a ParentsNext provider identifies a participant's vulnerability this does not necessarily lead to appropriate adjustment of activities and job search requirements under their participation plan to take into account their situation and minimise the risk of suspension; nor does recognition of vulnerability by a provider necessarily lead to the participant accessing appropriate support and assistance to apply to exit the program. This is understandable, arguably, given providers' role in respect of administration of employment services programs. Where, for example, a participant discloses ongoing domestic violence to their ParentsNext provider, employment services staff are not generally best placed or professionally qualified to understand the impacts of the participant's situation on their and their child(ren)'s lives, identify potential referrals for community support, and make targeted warm referrals. There are some exceptions, of course, but our members' casework experience is that providers do not generally see their role in such cases as liaising with Centrelink, potentially to facilitate a temporary mutual obligations exemption and referral to a Centrelink social worker for warm on-referrals to community support services.

Case study – Krista

Krista was working casually when she became pregnant for the first time. She was partnered. Her child was born in June 2020 and she was granted Parenting Payment. In August there was a serious domestic violence episode resulting in the police removing Krista's partner from their rental property. She had numerous contacts with Centrelink about her situation and asked for help as she had no family in Australia. Krista obtained an apprehended violence order and gave the AVO to Centrelink when she saw Centrelink Social Worker about her situation. Krista was having weekly counselling regarding DV and her doctor diagnosed her with PTSD. Krista was in and out of court as her ex-partner disputed the AVO, and also took out numerous applications in the Family Law Court e.g. he applied for DNA testing, then applied to

have their child put on the Federal Police watch list, and he applied for visitation rights, property settlement etc .

Krista received a letter referring her to ParentsNext in December 2020, when her baby was six months old (previous criteria). Krista was distraught as she thought her payments were to be cancelled. Her doctor gave her a medical certificate for PTSD from DV, which he advised her to take to Centrelink. She was then granted an exemption from ParentsNext on the basis of the medical certificate but she should not have been referred given Centrelink's awareness of her vulnerability.

Need for timely access to SA social workers

34. EJA's research into social security issues for women seeking to escape domestic violence¹⁷ indicates better outcomes for clients when they have had timely access to Centrelink social workers. The assistance of Centrelink social workers is often key to identifying cases of domestic violence, and helping victim/survivors to obtain payment. Social workers are able to take a holistic view of a client's circumstances in order to address income support issues, provide support and facilitate referrals.
35. Despite the crucial role that can be played by Centrelink social workers in connecting people in crisis to community support, in EJA members' experience people in crisis can struggle to access a social worker. In our members' experience there are often no social workers available when clients in acute crisis attend or call Centrelink assistance in need of warm referrals or community support. Most commonly, an appointment is made for a future date or the person is referred for a phone interview with a social worker.
36. Even if a ParentsNext provider recognises a participant's vulnerability and need for support, the provider is generally not in a position to maintain liaison with a Centrelink social worker to potentially facilitate a temporary mutual obligations exemption for the participant, and inform development of a participation plan that will enable rather than undermine efforts to, for example, escape violence, secure stable accommodation or access NDIS assistance. Lack of ready access to Centrelink social workers means that opportunities for ParentsNext providers to engage with people experiencing domestic violence are lost.

ParentsNext and issues for First Nations communities

37. As noted above, First Nations ParentsNext participants are subject to disproportionately high rates of suspension and penalties¹⁸.

¹⁷ See EJA research reports - <https://www.ejaustralia.org.au/wp/category/domestic-violence/>

¹⁸ Parliamentary Joint Committee on Human Rights (2021)(n8)

38. We are unaware of consultations with community-controlled Indigenous organisations regarding the particular impacts of compulsory participation in ParentsNext for Aboriginal and Torres Strait Islander communities. This is despite Indigenous groups having provided extensive input to the 2018-2019 Senate Community Affairs Committee’s ParentsNext Inquiry¹⁹ and to various other inquiries, including the Senate Community Affairs Committee’s Inquiry into the Adequacy of Newstart²⁰.
39. ParentsNext issues were raised by the Central Australian Aboriginal Congress (the Congress) in its submission to the 2020 House of Representatives Standing Committee on Social Policy and Legal Affairs Inquiry into family, domestic and sexual violence, the Congress noting that:
- “ParentsNext is not working for Aboriginal families in Alice Springs. Two clients have recently had their payments stopped. One was because the mother did not go to a playgroup because she was not aware of the group, and was not able to access (i.e. the centre was unattended) when she did try to speak to someone, so had her payments cut off for 5 weeks.”²¹
40. There is currently no formal conduit for Aboriginal or Torres Strait Islander individuals or community organisations to influence national policy development. Aboriginal and Torres Strait Islander people continue to be disproportionately impacted by a range of ongoing systemic issues affecting access to social security income support which have existed for decades but have not been addressed. These issues, which have been documented in countless research reports and submissions to inquiries and consultations over the years, include the need for reforms to address disproportionately high rates of mutual obligation non-payment penalties for Aboriginal and Torres Strait Islander people in regional and remote communities – especially for ParentsNext compulsory participants. The failure to address the harms caused by ParentsNext to First Nations women and children represents a prime example of the need for a National Indigenous Voice to Parliament²².

Human rights issues remain unaddressed

41. This submission has drawn from EJA’s submission to the Parliamentary Joint Committee on Human Rights (Joint Committee) regarding its examination of the human rights implications of compulsorily requiring participation in ParentsNext for parents of babies and young children. EJA proposed to the Joint Committee that compulsorily requiring ParentsNext participation as a condition for receipt of income support is in contravention of multiple UN conventions, particularly given the impacts for vulnerable cohorts. We were

¹⁹ Report at https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Community_Affairs/ParentsNext/Report

²⁰ Report at https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Community_Affairs/Newstartrelatedpayments/Report

²¹ Central Australian Aboriginal Congress submission to the House of Representatives Standing Committee on Social Policy and Legal Affairs, Inquiry into family, domestic and sexual violence(2020). Accessible at https://www.caac.org.au/wp-content/uploads/pdfs/Congress_Parl-Inquiry-DFS-Violence-FINAL.pdf

²² See <https://www.ejaustralia.org.au/why-a-constitutionally-enshrined-indigenous-voice-to-parliament-is-essential-to-social-security-rights-and-access-for-first-nations-peoples-in-australia/>

pleased that the Joint Committee agreed, finding that the ParentsNext program impinges on human rights. The Joint Committee's primary recommendation was to make the ParentsNext program voluntary. It further recommended that:

'If participation in ParentsNext remains compulsory, ... the following changes be made to assist with the proportionality of the measure:

- (a) that a parent is only required to enter into a Parenting Payment Employment Pathway Plan after an assessment of their individual circumstances, including consideration of the best interests of any child as a primary consideration;
- (b) that payment suspensions are only applied once a ParentsNext provider has successfully contacted the parent and established why they have not met their participation requirements, and made an assessment that the suspension would not result in the parent and any children being unable to meet their immediate basic needs;
- (c) that payment reductions and cancellations are only applied after an assessment has been made that to do so would not result in the parent and any children being unable to meet their immediate basic needs; and
- (d) that further consultation be undertaken with Indigenous-led organisations, and affected Indigenous communities, to obtain their free, prior and informed consent to participate in ParentsNext.

42. EJA understands that none of the Committee's recommendations has been implemented. This means that the human rights issues outlined in the Joint Committee's report remain unaddressed.

Recommendations

Economic Justice Australia recommends:

- a) *That ParentsNext be made purely voluntary and that application of the Targeted Compliance Framework to ParentsNext be immediately suspended as a matter of urgency*
- b) *That ParentsNext be replaced with a genuine, pre-employment program that is co-designed with organisations representing single mothers; community-led Indigenous organisations; and organisations representing people with disability, children, people recently released from prison or juvenile detention, refugees, and newly arrived migrants. Any replacement program should*
 - *be completely voluntary and in no way involve application of mutual obligation requirements or imposition of a punitive system of sanctions,*
 - *aim to target those most in need of support and most likely to benefit, and assist participants to achieve their education and employment goals while considering the unpaid work they undertake to care for their children*
 - *ensure cultural safety for First Nations people, refugees and people from culturally and linguistically diverse communities*

- ensure referral paths for victim/survivors of domestic violence, as part of implementation of Services Australia Domestic and Family Violence Strategy
 - remove any financial incentives to providers which may motivate them to work against the interests of participants.
- c) That while the TCF is still being applied, establish processes to ensure:
- ongoing, real-time program evaluation, with particular attention to suspension and cancellation data analysis, to identify and address issues affecting high rates of suspensions and cancellations among Aboriginal and Torres Strait Islander women
 - issues affecting access to internal review and administrative appeals processes are identified and addressed, including in relation to decisions to impose demerit points which lead to payment suspensions and cancellations
 - policy and procedural guidelines reflect Services Australia's Family and Domestic Violence Strategy
 - effective communication is facilitated between DEWR, Services Australia/Centrelink and participants, by improving systems to share information (with participants' informed consent), so that exemptions are facilitated and unnecessary payment suspensions and penalties are avoided - with a focus on reducing suspension and penalty rates for Aboriginal and Torres Strait Islander women
 - transparency about the impacts of program (activities, compliance, employment outcomes).

Further to recommendations above, Economic Justice Australia has been briefed on and fully supports recommendations made by ACOSS and the National Council of Single Mothers and their Children in their submissions to this inquiry.

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