

# Inquiry into ParentsNext

## Parliamentary Joint Committee on Human Rights

4 May 2021

### About ACOSS

The Australian Council of Social Service (ACOSS) is a national voice in support of people affected by poverty, disadvantage and inequality and the peak body for the community services and civil society sector.

ACOSS consists of a network of approximately 4000 organisations and individuals across Australia in metro, regional and remote areas.

Our vision is an end to poverty in all its forms; economies that are fair, sustainable and resilient; and communities that are just, peaceful and inclusive.

### Summary

The submission is a response to the Parliamentary Joint Committee on Human Rights (PJCHR) Inquiry into ParentsNext accompanying the Social Security (Parenting Payment Participation Requirements - Class of Persons) Instrument 2021. The inquiry seeks feedback on the compatibility of ParentsNext with Australia's human rights commitments.

It is ACOSS's view that ParentsNext breaches Australia's human rights Commitments. It should be replaced by a more broadly-based non-discriminatory prevocational program designed in cooperation with parents, advocates and service providers.

In this submission we:

- Outline our understanding of the scope of the current inquiry and the implications of the changes brought about by the Instrument.
- Make recommendations to improve scrutiny of the program from a human rights perspective.
- Outline our broader views on the human rights implications of the program itself, based on our submission to the 2019 Senate inquiry. Since that time, there is no evidence to suggest that the concerns we raised have been resolved.
- Respond to the specific Terms of Reference of the present inquiry.

## Scope of the present Inquiry

ACOSS understands the Social Security (Parenting Payment Participation Requirements - Class of Persons) Instrument 2021 has been introduced to enable the implementation of program eligibility changes introduced in the Budget last year. The Government argues that it is necessary to repeal and replace the existing Instrument that specifies two classes of participants in the program. As clarified in the explanatory memorandum, the proposed changes to the 'special classes of person' provisions and the removal of the two streams will enable the extension of the Participation Fund to all program participants. It also has the effect of altering the eligibility criteria for ParentsNext to all *jobactive* employment regions and for parents whose youngest child is 9 months of age.

## Recommendations to strengthen human rights scrutiny of ParentsNext

The 2019 inquiry into ParentsNext identified numerous concerns about the programs compatibility with Australia's human rights commitments. Our observations of ParentsNext since the 2019 Inquiry reinforce our view that the program does not meet these commitments, in particular because:

1. it has been plagued by problems due to its poor fit with pre-existing employment services systems, that were designed for job seekers with mutual obligations;
2. parents are not always be aware of detailed program and exemption rules and lack the independent advocacy support to navigate and negotiate these requirement;
3. the activities parents are required to undertake in ParentsNext are not necessarily beneficial and do not necessarily improve economic security;
4. ParentsNext interferes with parents' time-use and the right for a private life due to the use of behavioural supervision to meet these activity requirements.

With the expansion of ParentsNext effected by the instrument, and accompanying increase in government spending, there is a need to ensure that ParentsNext provides real benefits to participants. It is therefore important to introduce additional measures to ensure that ParentsNext does not breach Australia's human rights commitments. This would be facilitated by a Charter of Human Rights.

ACOSS makes the following recommendations to the PJCHR to improve the extent to which ParentsNext is compliant with Australia's human rights commitments:

### **Recommendation 1: The committee should find that ParentsNext is not compatible with Australia's human rights commitments**

This is because:

- Suspending and/or cancelling parents' income support payments through the harsh Targeted Compliance Framework causes undue stress and harm to parents of young children.
- It operates inflexibly by imposing rigid requirements on parents without regard for the burden of caring for very young children.
- It is indirectly discriminatory because it is targeted primarily at women and Aboriginal and Torres Strait Islander women.
- It interferes with the privacy and autonomy of families by assuming their parenting needs supervision because they are on income support.
- ParentsNext does not represent the least restrictive or punitive approach to providing support to parents' future training and employment needs.

### **Recommendation 2: There must be ongoing scrutiny of human rights implications of ParentsNext**

ACOSS recommends the Committee undertake regular reviews of the program. To inform this the Department of Employment, Skills and Education (DESE) should make the following information publicly available on a regular basis:

- Independent evaluation of the net-impact of the program including detailed analysis on the specific activities engaged in and their direct impact on outcomes such as improvements to income and well-being.
- The provision of more frequent (monthly) information on payment suspensions, holds and demerit points, compliance interviews and payment preclusions, caused by either the Targeted Compliance Framework (TCF) or Centrelink reporting and the collection of qualitative data on the effects of this<sup>1</sup>.
- Further the monthly provision of detailed data on program participants including demographics on referrals, exemption reasons, activities and exits.
- Analysis of the extent to which program outcomes are directly attributable to ParentsNext activity participation or otherwise.
- Updates on the frequency and reporting of program evaluation undertaken for example by third-party research agencies.
- Further detailed analysis of the effects of ParentsNext contract incentives on choices provided to participants.

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<sup>1</sup> A good template for this monthly report is the Senate Estimates Question on notice no. 97 Portfolio question number: SQ19-001236 2019-20 Supplementary budget estimates: <https://www.aph.gov.au/api/qon/downloadattachment?attachmentId=5ad2fb5d-a8b3-4d3f-a06e-78d97ab0c52e>

### **Recommendation 3: The Government must review IT system rules to prevent inaccurate referrals**

There are concerns about referral of parents who do not fit the eligibility criteria, who have been referred because of IT system rules, rather than accurate information about their current or recent employment and training.

There is a need for urgent review of IT system rules so that those who do not meet the eligibility criteria are not enrolled into ParentsNext in the first place. This review should be undertaken by Services Australia and DESE to ensure that referrals and processes for granting exemptions are simplified.

### **Recommendation 4: The Government must apply a gender lens to ParentsNext in its Budget, and reinstate the Women's Budget Statement**

The implications of ParentsNext should be considered by the Cabinet Taskforce on women's security and economic security and in gendered scrutiny of the budget. Gender-responsive budgeting must be integrated during budget planning cycles. The unpaid labour of parenthood is work, and needs to be better recognised, as this unpaid labour is necessary for the reproduction of society, and to generate future workers.

## **Human rights implications of ParentsNext**

ACOSS maintains the grave concerns about the human rights implications which were raised in evidence into the previous Senate Inquiry, where we explained there are four basic weaknesses in the design and implementation of ParentsNext.

**First**, it lacks clear, evidence-based objectives. Its origins - as a response to concerns about 'intergenerational welfare dependency' - have muddied its purpose and confused prevocational assistance for parents who will soon face requirements to undertake paid work with parenting support for families and children 'at risk'. This reinforces the stereotyping of parents with young children receiving income support (and in the program's first iteration 'young parents'). It leads to reluctance to participate in prevocational support programs (especially among Aboriginal and Torres Strait Islander peoples, who often have negative experiences of child welfare systems).

**Second**, there is no justification or evidence on which to base the requirement that parents prepare for employment when their youngest child is as young as 9 months.

**Third**, there is no justification or evidence base on which to require parents receiving income support payments (as distinct from families assessed 'at-risk' by child welfare agencies) to participate in programs and activities relating to parenting, and to link this with a prevocational program.

**Fourth**, the Targeted Compliance Framework (TCF) has elevated the social security compliance function of Parents Next, raised anxiety levels among

participants, and increasing the time providers must devote to compliance administration.

Further we reinforce the recommendations we made to the 2019 Inquiry as per below.

In the short term:

1. Parents Next should *immediately* be removed from the targeted compliance framework, and:
  - (1) No penalties should apply for breaches of Parents Next requirements;
  - (2) Parents should be given at least a second opportunity to attend an appointment before payments are suspended, and payments should be restored immediately once they agree to do so;
  - (3) Payments should not be suspended on Fridays;
  - (4) Existing demerit points should be clean-slated.
2. *As soon as possible*, participation in Parents Next should be made voluntary:
  - (1) Legislation should be presented to Parliament to remove requirements for parents to participate in the program, attend meetings with providers, and participate in activities.
  - (2) Once this passes, payments would no longer be suspended for non-attendance at interviews, and no penalties would apply for failure to agree or undertake activities.
3. Activities and requirements relating to parenting should be removed from Parents Next, and parents who need parenting support should be referred to suitable local services outside the program.
4. The target groups for participation in the program should be altered as follows:
  - (1) All Parenting Payment recipients should be *eligible* to volunteer;
  - (2) All Parenting Payment participants whose youngest child is 4 years or over should be *invited* to volunteer.

In the medium term:

5. Parents Next should be replaced by a prevocational and career counselling program for parents returning to paid work, along with carers and people aged 50 years and over who are unemployed and need support to renew their careers. This program would include:
  - (1) career counselling;
  - (2) advice and referral to child care and other alternative care services;
  - (3) advice on the financial impacts of taking on paid work while receiving income support payments;
  - (4) access to a fund to support vocational training and further education and referrals to education providers.

## Response to the Terms of Reference (TOR)

### TOR 1: There is no evidence there has been adequate assessment of the effect of payment penalties

There is no evidence there has been adequate assessment of the effect of payment cancellations, or payment suspensions or the stress of meeting the engagement or reengagement requirements related to these incidents.

Problems with the Targeted Compliance Framework (TCF) were covered extensively in the earlier Senate inquiry and this remains a significant area of concern with the program. As well as undermining trust in service providers and the ability of parents to plan for the future, this can have severe and immediate impacts, including homelessness or the inability of parents to feed their children.

#### **Program modifications have not significantly improved these issues**

Since the 2019 Inquiry we note that the Department of Employment, Skills and Education (DESE) has introduced program changes intended to reduce the frequency of attendance reporting (scheduling changes) and a change in messaging and deferral of payment suspensions. These changes have not resolved the issues, and ACOSS is deeply concerned about the widespread payment suspensions and penalties to parents with young children, to whom the government has a duty of care. While this problem eased during the COVID-related suspension of mutual obligation, payment suspensions (now called holds) have resumed, and there is now an increasing number of these accumulating for ParentsNext participants.

#### **The TCF and ParentsNext**

The automation of payment suspensions at the beginning of the ParentsNext expansion in 2018 generated widespread distress and financial hardship, even before substantial numbers of parents have reached the 'intensive' phase (when penalties of up to a four-week loss of payments apply). Media reports indicated that between July and December 2018, over 16,000 parents had their payments suspended (21% of the 75,000 participants, and in the case of Aboriginal and Torres Strait Islander parents 27% of participants).<sup>2</sup>

It is also of concerns that our analysis of TCF data to end of December 2019<sup>3</sup> shows there is disproportionate concentration of TCF related payment

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<sup>2</sup> Henriques-Gomes, L (2019): 'One in five parents had payments cut in first six months of new welfare program' The Guardian, 7 February 2019.

<sup>3</sup> Tabled TCF data [31 August 2019](#)

suspensions and demerit points applied to Aboriginal and Torres Strait Islander participants.

**Table 1: Demerit points analysed as a proportion of Indigenous caseload**

Cohort	% of caseload	% of 3rd demerit	% of 4th demerit
INDIGENOUS	18.70%	31%	61%

Source: ACOSS analysis of TCF demerit points from DESE tabled data to end Dec 2019<sup>4</sup>

The above table shows that demerit points are concentrated on Aboriginal and Torres Strait Islander participants. It shows that while Aboriginal and Torres Strait Islander participants comprise 18.7% of the overall caseload, 61% of fourth demerit points are concentrated on them. This suggests that the TCF is not an effective re-engagement tool for Aboriginal and Torres Strait Islander participant cohorts.

Payment cancellations for failing to reengage with ParentsNext after the first demerit point are also a concern. The following table shows these cancellations as of the end of December 2019.

**Table 2: Payment cancellations by cohort types**

	Total payment cancellations	Total caseload end December 2019	% of caseload identifying as	% of payment cancellations
INDIGENOUS	140	12,139	20%	19%
SINGLE PARENTS	452	46,973	76%	62%
DISABILITY	84	9,108	15%	11%
HOMELESSNESS	37	2,740	4%	5%
CALD	146	11,602	19%	20%
EX-OFFENDERS	69	4,681	8%	9%
<b>ParentsNext - Total</b>	<b>732</b>	<b>61,984</b>	<b>100%</b>	<b>100%</b>

While payment cancellations appear proportional to the caseloads, it is of concern that these cancellations occur at all. The reasons for failure to re-

<sup>4</sup> Authors analysis compiled from TCF tabled data to Senate Estimates, [31 December 2019](#))

engage with ParentsNext at this point are not monitored and it may be assumed that this has caused what is known as a “referral effect”.

Indeed, as the ABC Background Briefing<sup>5</sup> indicated, some Aboriginal and Torres Strait Islander parents cancelled their payments rather than deal with the distress of remaining on benefits and because it was difficult to attend initial appointments with ParentsNext providers.

It is also a concern that all the known payment preclusion periods served in ParentsNext were for women and a high proportion of them were Aboriginal and Torres Strait Islander participants. The TCF data to the end of 2019 shows that of the 12 payment preclusions served until that date, most of these were served by Indigenous parents.

**Table 3 Payment Preclusions TCF data until end of Dec 2019**

	0	Reset to zero - served preclusion	1	2	#P
FEMALE	<10	0	<10	<10	12
MALE	np	0	np	np	0
INDIGENOUS	<10	0	0	<10	<10
SINGLE PARENTS	<10	0	<10	<10	10
HOMELESSNESS	0	0	<10	0	<10
CALD	<10	0	0	0	<10
EX-OFFENDERS	0	0	<10	0	<10
	<b>&lt;10</b>	<b>0</b>	<b>&lt;10</b>	<b>&lt;10</b>	<b>12</b>

Source: TCF Tabled data [31 December 2019](#)

<sup>5</sup> ABC Background Briefing 4 Aug 2019: <https://www.abc.net.au/radionational/programs/backgroundbriefing/11374998>



## TOR 2: There is evidence of inflexibility in the operation of ParentsNext

There is evidence of inflexibility in the operation of ParentsNext, including those arising from IT system rules, as well as those relating to choice over participation activities.

There have been ongoing concerns about referral of parents who do not fit the eligibility criteria, who have been referred because of IT system rules, rather than accurate information about their current or recent employment and training.

While it is possible for these parents to obtain exemptions either from providers or Services Australia, these exemptions are not automatic. Exemptions are administered by both Services Australia during the eligibility contact interview, and later during or following first appointments at providers. Data provided to Senate Estimates<sup>6</sup> shows that exemptions were tracking at over 37,000 per month. The sheer quantity of program exemptions granted after program referral indicates a high level of error in the initial referrals, which often causes distress for parents.

The exemption process has the unintended effect of requiring those parents to report Mutual Obligation compliance fortnightly to Services Australia, even though there is no expectation that these parents will become future ParentsNext participants. Those participants are then required to seek another exemption every subsequent year they remain eligible for ParentsNext.

Once ParentsNext is expanded across all *jobactive* regions with the changes to the Instrument, the rate of inaccurate referrals and the need to seek exemptions will increase. This extension is expected to increase the volume of participants from 76,000 per year to 85,000 per year for the next two years<sup>7</sup>.

We understand that face-to-face appointments have resumed in ParentsNext, and are concerned that parents are not being given the option of undertaking appointments by telephone. While this is permissible within program guidelines when participants' circumstances make face-to-face appointments difficult, participant comments on social media indicate that they are not consistently informed of this by providers. They therefore do not know that such flexibilities are available.

In addition, the same source of observation shows that appointments are being scheduled monthly, despite guidelines specifying a requirement to attend appointments on a quarterly basis.

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<sup>6</sup> Senate Estimates Portfolio question number: [SQ19-001236](#)

<sup>7</sup> Senate Estimates Portfolio question number [SQ20-001960](#)

## TOR 3: ParentsNext does not meet the stated objectives of effectively addressing barriers to education and employment

ACOSS does not believe ParentsNext meets the stated objectives of effectively addressing barriers to education and employment for young parents.

We are concerned about the level of choice available to parents over the activities they can undertake in their Participation Plan. There are ongoing reports of providers referring to their own training programs for employability skills<sup>8</sup>, and to paid employment. This is contrary to the stated purpose of the program and may displace truly beneficial pre-employment activity of the participants own choosing.

Data provided to Senate Estimates<sup>9</sup> extracted in figure 1 shows that a high proportion of participants are undertaking education or training, but this does not confirm that courses were chosen by the participant.

**Figure 1: Participation Plan activities Dec 2018-Aug 2019**

*Table 3: Breakdown of main activity in their plans (top five activity types)*

Activity Type	December	January	February	March	April	May	June	July	August
Study - part-time or full-time	8344	10,067	12,429	14,302	15,540	16,473	17,557	18,612	19,251
Paid Work	3492	4085	4871	5691	6274	6986	7697	8273	8851
Work Preparation	2959	3405	3977	4589	4928	5425	6168	7013	8151
Health Maintenance Program	2877	3244	3613	3969	4210	4535	4864	5127	5495
Parenting Skills Program	882	886	986	1421	1942	2662	3331	4245	5517

Source: Extracted from [SQ19-001236](#)

The same data shows that participants are in employment, however due to program referral rules some will already have been employed prior to commencing in ParentsNext. For the avoidance of doubt, program administrators should distinguish whether these education and employment activities commenced during the program and whether they reflect participant choices, rather than assume that participation in training or employment is an indication of the 'success' of ParentsNext.

At the same time, we are concerned that some ParentsNext providers who also operate mainstream employment services where employment obligations apply may apply the same logic to Parents Next, pressuring participants to seek employment even though that is not the purpose of the program.

<sup>8</sup> Senate Estimates Portfolio question number [SQ19-001531](#)

<sup>9</sup> Senate Estimates Portfolio question number [SQ19-001236](#)

Flexible, strengths-based vocational preparation programs for parents returning to the paid workforce can improve their employment prospects and the incomes and well-being of parents and their children. ParentsNext should be replaced by such a program, which should be voluntary for those with pre-school-aged children.

## TOR 4: There has not been adequate consultation with Aboriginal and Torres Strait Islander groups outside of ParentsNext providers

There is no evidence of consultation with Aboriginal and Torres Strait Islander groups outside of ParentsNext providers<sup>10</sup>.

For example, to the best of our knowledge, ACOSS members National Family Violence Prevention Legal Services Forum and SNAICC have not been consulted about the design of the program. While there are four Aboriginal and Torres Strait Islander providers of ParentsNext, consultation with agencies outside of the provider group is necessary to ensure there is disinterested or objective analysis informing the program design. Indeed, these non-provider agencies submitted substantial concerns to the previous inquiry about the impact of ParentsNext on Aboriginal and Torres Strait Islander women experiencing domestic violence. In that respect, the data we have provided on the disproportionate impact of financial penalties on Aboriginal and Torres Strait Islander participants is also significant because it reinforces the harms of colonisation.

## TOR 5: ParentsNext is not more effective than other less rights restrictive alternatives to compulsory participation

There is no evidence to prove that ParentsNext is more effective than other less rights restrictive alternatives to compulsory participation

International evidence on welfare conditionality shows that extensive supervision of recipients of income support, especially when it includes management of social responsibilities such as parenting, is counterproductive

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<sup>10</sup> E.g Kullarri Regional Communities Aboriginal and Torres Strait Islander Corporation; Peedac Pty Ltd; Kornar Winmil Yunti Aboriginal Corporation; Bamara Pty Ltd

to autonomy and increases the incidence of social marginalisation for at risk populations<sup>11</sup>.

Few countries impose activity requirements on parents with children under the age of 12 months, who receive income support payments. Parents with preschool age children, especially single parents, are likely to be fully occupied raising their children and dealing with related issues such as finding secure accommodation and Family Court proceedings.

Imposing requirements on these parents to prepare for employment is unduly restrictive and inconsistent with prevailing parenting norms in Australia.

Imposing requirements relating to the care of children is intrusive and inappropriate, as this is the function of child protection systems not the social security system and should only be used as a last resort where a child is at risk. Any assumption that the children of parents relying on social security are 'at risk' or that they are not 'good parents' is demeaning. In our view, this explains the adverse reaction to the program by many who are referred to it.

The suspension of mutual obligations for ParentsNext participants during the COVID shutdowns provided an opportunity for a natural experiment through which to observe how the removal of participation rules would affect parents. The CEFCW report on Time use during COVID<sup>12</sup> showed that the removal of mutual obligations actually increased the time available to parents to engage in productive job search related activity and/or to develop their own businesses.

The adverse effects of ParentsNext on parent's autonomy is not reflected in current program evaluation because of the limited nature of its focus. Indeed, the weakness of existing evaluation of program outcomes is that it provides aggregated results across the entire participant population. Further, there is evidence that survey respondents find the completion of the ParentsNext evaluation surveys another encumbrance<sup>13</sup>, and therefore it is likely that many of the impacts of the program are not apparent in the evaluation and reports.

Research from the United States shows that health and well-being are improved by removing punitive regulations that add stress to already stressful situations<sup>14</sup>. Similarly, research just released from the ANU<sup>15</sup> showed there is a need for initiatives that 'empower women to step into quality jobs, upskill or embark on their own business and social enterprise ventures, via avenues that are more accessible, flexible and manageable than the existing forms of

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11 Welfare conditionality project [Final Findings Report](#)

12 [Social security and time use during COVID-19](#)

13 This author's observations of social media sites – not copied for privacy reasons

14 Center on the Developing Child at Harvard University (2017), Three Principles to Improve Outcomes for Children and Families.

15 AIIW-Report-Gender-wise-Investing-A-Springboard-for-Australias-Recovery-April-2021.pdf

support that have been made available in more formal, government provided systems’.

A voluntary pre-vocational program for parents with preschool-age children is an appropriate less-restrictive alternative to compulsory participation in employment preparation activities.

## TOR 6: ParentsNext infringes on the social and economic rights of children and families.

ACOSS’s analysis suggests the encumbrances caused by compulsory participation in ParentsNext infringes on the social and economic rights of children and families.

As noted by the Human Rights Law Centre at the March 2019 inquiry, these rights are protected by Articles 2 and 3 of the *International Covenant on Civil and Political Rights* (ICCPR), and the *International Covenant on Economic, Social and Cultural Rights* (ICESCR); and Article 9 of ICESCR protects the right to social security. Under Article 26 of the ICCPR, if a state adopts social security legislation, it must do so in a non-discriminatory manner. Relevantly, protections against discrimination are part of Australian domestic law through the *Sex Discrimination Act 1984* (Cth) and the *Racial Discrimination Act 1975* (Cth)<sup>16</sup>.

There is fundamental conflict between the human right to autonomy, and the application of the Targeted Compliance Framework to ParentsNext, which in ACOSS’s view should be resolved by removing the TCF from the program. Further, as argued above, compulsory participation by parents of preschool age children in prevocational programs is an unacceptable restriction on the autonomy of people receiving income support. ParentsNext should be redesigned so it can provide more extensive support for those who are most likely to benefit, rather than the current broad-brush approach.

The imposition of activity requirements on parents with preschool-age children exacerbates inequities in time-use experienced by parents, and single mothers. These inequities were amplified during the COVID shutdowns, where single mothers employment and incomes were disproportionately adversely affected<sup>17</sup>. During the shutdowns the disproportionate burden of childcare already shouldered by single mothers became apparent. This period also provided insight into the challenges single mothers experience every day when trying to balance work and care. The fact that looking after children is work

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<sup>16</sup> <https://www.aph.gov.au/DocumentStore.ashx?id=1bda44b5-c872-4401-a87e-c86160d5bb04&subId=666404>

<sup>17</sup> See eg. [Already badly off, single parents went dramatically backwards during COVID. They are raising our future adults](#)

needs to be recognised, as this unpaid labour is necessary for the reproduction of society, and future workers.

Unless a child is at risk, the imposition of requirements relating to the care of children is inconsistent with right to a private life. This right to a private life has also been impacted by the activity and mutual obligation reporting requirements of the program.

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