

A photograph of a woman with long dark hair smiling, with two young children. One child is sitting on her shoulders, and the other is leaning against her. They are outdoors in a grassy area with trees in the background.

**MISSION  
AUSTRALIA**

# **Inquiry into the implementation of ParentsNext 2019**

Submission

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## Introduction

Mission Australia is a national non-denominational Christian organisation that delivers evidence-based, consumer-centred community services. In the 2017-18 financial year we supported over 120,000 Australians through 461 programs and services.

Mission Australia is one of the largest ParentsNext providers in Australia since the national rollout in July 2018 with 3 Intensive and 32 targeted services, and 33 sites that provide both intensive and targeted services in NSW, ACT, QLD and VIC. As of 30th January 2019, we are working with an active caseload of 6,487 (commenced, suspended and pending) participants. We also delivered the ParentsNext pilot program in 4 locations: Bankstown and Shellharbour in NSW, Logan in Queensland and as a sub-contractor in Shepparton, Victoria. During the 2017-18 financial year, we supported close to 1,800 parents through the ParentsNext pilot programs.

Mission Australia welcomes the opportunity to provide input into the implementation of ParentsNext. This submission is based on a combination of research and insights from our direct service provision across Australia. It includes direct testimony from some of our practitioners and the participants they work with.

As an organisation dedicated to supporting people experiencing disadvantage, Mission Australia seeks to assist parents to plan and prepare for future employment and prevent social isolation. Mission Australia believes pre-employment programs can be valuable supports for parents and other groups who have spent time out of the workforce. We were also encouraged by the successes of the ParentsNext pilot program prior to the commencement of the Targeted Compliance Framework (TCF).

However, we believe the TCF is excessively burdensome and punitive, and defeats the objective of supporting parents to prepare for employment. Since identifying significant issues with the application of the TCF to ParentsNext, Mission Australia has been working with a coalition of sector organisations to advocate for a suspension of the compliance regime for ParentsNext participants until these issues are resolved. We are also continuing to engage with the Minister and the Department of Jobs and Small Business to amend current guidelines to mitigate harms caused by compliance measures in the interim.

## Recommendations

- Remove the application of the TCF from ParentsNext as a matter of urgency and shift the focus from a punitive to an empowering approach to pre-employment supports.
- Limit application of compulsory participation to parents whose youngest child is 4 years of age or older, whilst providing an opportunity for parents with children between 6 months to 4 years to participate voluntarily with no mutual obligation requirements.
- Ensure exemptions for participants experiencing complex and diverse challenges such as domestic and family violence, drug and alcohol issues, mental health and risks of homelessness are 52 weeks at minimum, with participants provided with the option of opting back into the program when the issues have been resolved.
- Expand eligibility for voluntary participation to include parents who are in receipt of social security payments other than the parenting payment if those parents wish to participate in the program, have spent time out of the workforce due to caring responsibilities and would benefit from pre-employment supports.
- Remove the distinction between the Intensive and Targeted streams and increase support and funding flexibility relevant to career goals including training and childcare costs.
- Increase funding to community organisations that deliver complementary programs to ensure those services have the requisite capacity to support the increased number of clients due to the high volume of ParentsNext referrals.
- Build an assertive outreach model into the ParentsNext program to ensure participants who are disengaged are followed-up and referred to appropriate community support services where necessary.

## The appropriateness of the aims of ParentsNext

Effective pre-employment skills development strategies and programs are critical in preparing individuals with relevant labour market skills and competencies.<sup>1</sup> Pre-employment programs can incorporate networking, education, work placements and career planning in supporting individuals to build confidence, relevant employment networks and qualifications for future employment.

In our experience, ParentsNext has the potential to increase participants' confidence and their ability to achieve long-term employment and study goals.

“ParentsNext works because it has a staged approach to support parents with activities such as participating in playgroups when the children are young to make sure they are engaged in the community. When the children are a little older, parents enrol into courses and start planning for their future employment. There's no requirement for people to start looking for work until they feel that that they are ready ... The role of ParentsNext is to get the ball rolling and that's why it works.”

Mission Australia Program Manager, NSW

Many mothers have benefited from this program as it has addressed social isolation and increased their access to supports, thereby increasing opportunities to create a brighter future for themselves and their children.

### Case studies

May\* a migrant woman from an Asian background was referred to ParentsNext. She indicated that she plans to learn English and improve her skills to work in Australia. However, her husband is not supportive of her learning English or working as he expects May to stay at home and look after the children. May worries that her husband will leave her and marry another younger woman. She informed ParentsNext staff that she cannot speak about these issues with her family due to her fear of not being believed, and shame and stigma attached to discussing family issues with external parties. May's social isolation makes her vulnerable to further control and abuse from her husband. She decided to make learning English her compulsory activity under ParentsNext and believes that her husband will continue to allow her to attend the classes. She feels that since becoming a ParentsNext participant and attending English classes, she has gained more confidence in using her language skills in her day to day interactions.

Manny\* is a migrant woman who came to Australia to marry an older man from her community. She has spent the last 12 years isolated in her home, raising her children. She rarely meets people outside of her husband and his family. She struggles to read, write and converse in English. Manny is currently studying English and enjoys the opportunity to go out of her house and meet other parents.

\*names have been changed for confidentiality

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<sup>1</sup> Y. Nam, Pre-Employment Skills Development Strategies in the OECD, The World Bank, SP Discussion paper, no 0923, 2009, p.1.

As part of ParentsNext pilot program in Bankstown, Mission Australia collaborated with Audi to encourage women who had experienced long term unemployment to enter a non-traditional field of employment, the automotive industry. The program ran for eight weeks in late 2017, with participants undertaking both TAFE training in automotive administration and a vocational placement within an Audi dealership.

Mission Australia's evaluation of this project demonstrated that the Audi Women in Automotive pilot program was successful in building the confidence, knowledge and workplace skills of participants.<sup>2</sup> This is demonstrated by the fact that 100% of participants indicated that the Audi Women in Automotive project would help them re-enter the workforce, 80% said that they were now interested in working in the automotive industry and 80% also felt that being involved in the program had made them more confident in their ability to manage their time between home and work.<sup>3</sup> The pilot program helped them to hone their aspirations for future training and employment and even resulted in three of the participants being offered employment within the Audi dealership network, as well as two enrolling in further study.

However, this submission sets out a number of challenges that parents with young children experience when participating in this, especially due to the implementation of TCF.

## The Design and Implementation of ParentsNext

### The appropriateness of eligibility for compulsory and voluntary participation

#### Compulsory participation

According to the current guidelines, parents with children between the ages of 6 months and 6 years and children between 1 to 6 years can be referred to the Intensive and Targeted programs respectively.<sup>4</sup> Although the program has been useful for some parents experiencing isolation and ready to engage with education or employment, many parents with young children are struggling to meet the onerous reporting requirements.

Mission Australia proposes that compulsory participation be confined to participants whose youngest child is at least 4 years old, whilst providing an opportunity for parents with children between 6 months to 4 years to participate as volunteers with no mutual obligation requirements. The current participants who have children under 4 years of age should be provided with the option of participating as volunteers without mutual obligation or be exited from ParentsNext.

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<sup>2</sup> Mission Australia, *Audi Women in Automotive Project: Evaluation Report*, 2018, accessible at: <https://www.missionaustralia.com.au/publications/research/employment-and-training>

<sup>3</sup> Ibid

<sup>4</sup> Department of Jobs and Small Businesses, *ParentsNext Guideline: Eligibility, Referrals, Commencement and Caseload*, Version 1.0, p.3, accessible at: [https://docs.jobs.gov.au/system/files/doc/other/eligibility\\_referrals\\_commencement\\_and\\_caseload.pdf](https://docs.jobs.gov.au/system/files/doc/other/eligibility_referrals_commencement_and_caseload.pdf)

Increasing the age of the youngest child to 4 years for compulsory participation will also address the cost of childcare as they are likely to be able to schedule activities during pre-school hours.

### Voluntary participation

Currently, parents with young children living in areas where the Intensive stream is in operation are able to volunteer to participate in ParentsNext. Encouragingly, both compulsory participants and volunteers are able to access the same level of services and funding supports. However, parents with young children in locations where the targeted program is in operation are unable to volunteer to participate in the program. This results in excluding a group of people who are likely to benefit from early intervention to address the challenges to future employment.

“When we were running the pilot, we had several compulsory participants referring their friends to ParentsNext because it was helping them and they thought their friends would benefit from the services.”

Mission Australia Program Manager NSW

To volunteer for ParentsNext a parent must be in receipt of Parenting Payment, have a child aged under 6 years and reside in an Intensive Stream location.<sup>5</sup> Voluntary participants are not legally required to meet participation requirements, unlike compulsory participants. Accordingly, voluntary participants are not subject to the TCF.<sup>6</sup>

Only a small proportion of participants (approximately 2%) volunteered across the 4 Mission Australia ParentsNext pilot sites. However, from Mission Australia’s experience these voluntary participants actively participate in the programs/activities albeit they are not required to meet participation requirements. This demonstrates the effectiveness of an empowering approach.

The strict eligibility criteria to participate voluntarily in ParentsNext excludes a number of parents experiencing disadvantage, including those who care for children with disabilities.

“The eligibility criteria for ParentsNext can get in the way of helping people who are keen to participate in the program. We know of parents who are very much willing to participate in ParentsNext but are currently unable to take part because they receive carer payment and not the parenting payment. They can’t become voluntary participants even if they meet the location criteria.”

Mission Australia Program Manager, NSW

The eligibility criteria should be expanded to include parents who are in receipt of social security payments other than the parenting payment if those parents wish to participate in the program as volunteers, have spent time out of the workforce due to caring responsibilities and would benefit from pre-employment supports.

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<sup>5</sup> Australian Government, Guide to Social Policy Law, 3.5.1.167 ParentsNext Summary & Participation Requirements (PP), released 2 January 2019, accessible at: <http://guides.dss.gov.au/guide-social-security-law/3/5/1/167>

<sup>6</sup> Ibid

## Intensive and Targeted Streams

The supports individuals currently receive under the 2 streams are substantially different. We appreciate the rationale behind delivering intensive supports in areas that are likely to be geographically disadvantaged. However, geography is not the only marker of disadvantage and there might be a number of parents in areas where only the targeted stream is being delivered who would benefit from intensive supports. It would be preferable to provide flexible and adequate funding in all ParentsNext locations and provide supports based on individuals' level of need and circumstances.

## Selection of ParentsNext providers

ParentsNext is designed to support parents who are currently not in the workforce to plan and prepare for future employment. As highlighted throughout this submission, pre-employment programs are the stepping stone into planning and preparing for employment and focused on addressing the challenges to employment.

According to the Department of Jobs and Small businesses, the 3 broad objectives of ParentsNext are to:

- target early intervention assistance to parents at risk of long-term welfare dependency,
- help parents identify their education and employment related goals and participate in activities that help them achieve their goals, and
- connect parents to local services that can help them address any barriers to employment.<sup>7</sup>

As distinct from mainstream job services, achieving employment outcomes whilst participating in ParentsNext is not the program's primary objective. Unfortunately, it appears that not all providers are delivering the program with a clear focus on supporting parents to plan and prepare for future employment at their own pace.

Community sector organisations are experienced in providing early intervention supports to people experiencing disadvantage and/or multiple challenges including access to employment or education, addressing housing and homelessness, health, mental health, drug dependence and the like. Due to the nature of community services, often there is a significant amount of cross collaboration and referrals.

“After they (ParentsNext participants) start building trust with us, they might tell us about their financial issues, domestic violence, their concerns about their children's health or anything that is worrying them. We can refer them to other services for additional support to address those issues because we know what's available.”

Mission Australia Program Manager NSW

Community sector organisations are well placed to provide pre-employment supports such as ParentsNext and are able to holistically address a person's needs and challenges to employment.

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<sup>7</sup> Department of Jobs and Small Businesses, ParentsNext Services Guarantee (Intensive), 2018, p.1, accessible at: [https://docs.jobs.gov.au/system/files/doc/other/parentsnext\\_services\\_guarantee\\_-\\_intensive\\_stream\\_2018-2021.pdf](https://docs.jobs.gov.au/system/files/doc/other/parentsnext_services_guarantee_-_intensive_stream_2018-2021.pdf)

## Interaction between different stakeholders

The ParentsNext program structure requires providers to build strong relationships with a range of other stakeholders. There have been a number of examples where Mission Australia programs have built relationships with local organisations to support parents with pre-employment training.

### Practice examples

#### Education Support to complete a Certificate IV course

Mission Australia Bankstown ParentsNext (pilot) program staff connected with the BCA National Training Group after identifying that their Education Support course could benefit participants. After coordinating with them, Mission Australia enrolled 12 participants in the Certificate IV Education Support course in February 2018 and this was conducted at the ParentsNext site every second Monday. At the successful completion of the Education Support course each participant worked with their case worker to look at Teachers Aid employment opportunities in local schools across the community. This course was also made possible for parents due to the partnership formed between ParentsNext and Bankstown Community Resource Group Inc. who provided childcare services to those enrolled.

#### “Train & Care” Program Partnership

The ParentsNext (pilot) management team took part in the design and modelling of ‘Train & Care’ in 2017 with Apprenticeships R Us (ARU). As a result, a partnership was formed between ARU and ParentsNext to deliver the ‘Train & Care’ to young parents between 16 and 25 years of age.

‘Train & Care’ is a 6 to 9 months training program that prepares young parents for long-term employment by offering an individualised practical training program that includes:

- 9 weeks of formal face to face classroom training delivered at the ParentsNext site;
- 2 – 4 weeks of work experience;
- 12 to 16 weeks mentoring in post-placement support for participants that obtain an employment position; and
- Covering any gap payments and deposit fees for childcare for up to 9 months to allow participants to concentrate on the training.

However, due to lack of investment in other community services and the increase in volume of referrals to ParentsNext, some community services are struggling to cope with the increased workloads. For instance, attending playgroup is one of the approved activities to assist parents to begin to build community links. This is often the preferred option for parents with very young children, however, in many areas there are limited playgroups with necessary capacity to accommodate ParentsNext referrals.

“There is a playgroup in our area (regional NSW) that felt like a small community. They used to serve a bit of morning tea after the playgroup to let parents socialise with others. They have now stopped doing all that because of the large number of people coming to them and they can’t afford to put out morning tea ... they have since asked the ParentsNext providers to stop sending any more people as well.”

Mission Australia Program Manager NSW

This demonstrates the strain imposed by ParentsNext on complementary community support programs that are not receiving additional funding to support an increased amount of service referrals. These challenges are more pronounced in regional communities where the service options for approved activities are limited, requiring participants to travel longer distances or opt for activities that are not in line with their needs to meet the compliance requirements. This defeats the rationale and the purpose of ParentsNext as it adds unnecessary pressure on parents.

### Child Care Costs

The HILDA survey demonstrates that parents who are unemployed or not in the labour force are considerably less likely to use paid child care.<sup>8</sup> The high child care service cost has been an ongoing concern for ParentsNext participants. This is particularly challenging for families with children under pre-school age experiencing financial hardship. Some parents may be entitled to the Child Care Subsidy or the Additional Child Care Subsidy, however, child care can be expensive and services are often at capacity.

The current guidelines state that, in limited circumstances, providers are able to assist participants to access child care allowing them to fully participate in ParentsNext. This includes childcare when the participant is participating in activities or attending third party appointments.<sup>9</sup> However, it further stipulates that this category (childcare costs) must only be used for short-term, gap filling and emergency purposes. For many participants aiming to do higher studies, child care costs are an ongoing issue and without access to appropriate financial supports to cover the cost of childcare, many parents would opt for activities that do not require child care.

Inability or limited capacity to provide financial support to cover ongoing childcare costs to participants in the Targeted stream results in parents being unable to access the requisite supports to meet their future employment goals. It is unreasonable to compel participants to take part in activities without the necessary supports to cover legitimate costs including child care as most participants would be financially worse off if they had to continue to pay for such services.

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<sup>8</sup> Wilkins, Roger and Inga Lass, *The Household, Income and Labour Dynamics in Australia Survey: Selected Findings from Waves 1 to 16*. Melbourne Institute: Applied Economic & Social Research, University of Melbourne, 2018, p.10.

<sup>9</sup> Department of Jobs and Small Businesses, *Participation Fund Guideline (Intensive Stream Only)*, June 2018, p. 10, accessible at: [https://docs.jobs.gov.au/system/files/doc/other/participation\\_fund.pdf](https://docs.jobs.gov.au/system/files/doc/other/participation_fund.pdf)

Recognising the need for affordable child care, Mission Australia recommends reinstating the Jobs, Education and Training Child Care Fee Assistance (JETCCFA)<sup>10</sup> that provided parents receiving an income support payment an opportunity to improve their skills and job prospects by providing additional child care assistance, over and above their Child Care Benefit (CCB) and Child Care Rebate (CCR) entitlements.

### **Effectiveness of communication between different stakeholders**

Given the stringent reporting requirements of the TCF and the impact it has on the social security payments, it is imperative that there is efficient and effective communication between all stakeholders. Since the roll out of the program nationally, there have been significant communication issues between participants and Centrelink. These communication difficulties are exacerbated by the long wait times to reach Centrelink support staff over the phone.

### **Harm minimisation and risk avoidance measures**

Participants referred to the ParentsNext program could be experiencing a range of challenges that need to be addressed prior to encouraging them to engage with employment or education related programs. As of 23<sup>rd</sup> January 2019, Mission Australia worked with 670 participants who have received an exemption from participation due to their personal circumstances in both Intensive and Targeted streams.

The ParentsNext guidelines make provisions for a series of exemptions for participants who are experiencing a range of challenges and the duration may vary from 6 to 52 weeks.<sup>11</sup> The providers are able to grant these exemptions upon request and production of evidence. These exemption timelines are insufficient to address significant issues such as experiencing homelessness, mental health or alcohol and drug dependence related issues (13 weeks), and domestic and family violence (16 weeks). Thus, it is recommended that the exemptions are granted for up to 52 weeks with the participants being given the option to return to the program if and when the issues have been resolved.

#### **Case study**

Anna\* is a mother of a 2 year old girl who was referred to Mission Australia's ParentsNext program. She was accompanied by her husband at the first face to face meeting. After a few follow up appointments, Anna disclosed that she was experiencing domestic violence and that she is worried about her safety. Staff linked Anna with other services to support her to start planning necessary steps to leave the abusive relationship.

<sup>10</sup> Department of Education and Training, What is Jobs, Education and Training Child Care Fee Assistance? Fact sheet 12, 2018, accessible at: [https://docs.education.gov.au/system/files/doc/other/fact\\_sheet\\_12\\_jetccfa\\_1.pdf](https://docs.education.gov.au/system/files/doc/other/fact_sheet_12_jetccfa_1.pdf)

<sup>11</sup> Department of Jobs and Small Businesses, Exemptions and Suspensions Guideline, Version 1.0, July 2018, accessible at: [https://docs.jobs.gov.au/system/files/doc/other/exemptions\\_and\\_suspensions.pdf](https://docs.jobs.gov.au/system/files/doc/other/exemptions_and_suspensions.pdf)

Anna informed staff that ParentsNext appointments are a 'convincing excuse' to leave her home with the child as her husband was closely monitoring her movements. Staff were able to help Anna to arrange meetings with the family violence related services at the ParentsNext site.

A local domestic and family violence service supported Anna to move into a refuge with her daughter and to obtain protection orders against her husband. During this transition period Anna was exempted from the ParentsNext program. She indicated that she will recommence accessing the services in February as she is confident about moving forward with her life and getting employment to support herself and her child.

\*name has been changed for confidentiality

Currently, the Intensive support framework provides additional funding and support to address a range of issues including housing and homelessness, substance dependence, mental and physical health and other similar challenges.<sup>12</sup> Unfortunately, the same financial resources for support are not available under the Targeted stream.

Community organisations are in a unique position to refer participants experiencing complex challenges to appropriate community support programs. The program in its current form has the requisite flexibility to accommodate the needs of people experiencing a diverse range of challenges. However, the financial resources to support these individuals should extend to the participants in the Targeted stream to ensure that people experiencing similar challenges are able to access the same level of supports.

In addition to current outreach activities that are provided by ParentsNext providers, assertive outreach should be built into ParentsNext program to follow up with participants who are unable to engage or fail to attend activities on more than one occasion. This would enable ParentsNext staff members to work with such participants to identify the challenges that are impacting on their ability to participate in activities and refer them on to the appropriate services that provide community based case management supports.

### **Long-term wellbeing and outcomes for parents and children**

The Department's evaluation of the pilot program found that participants had a higher aggregate self-reported wellbeing score (71.2) in comparison to non-participants (67.3).<sup>13</sup> It also indicated that participants had greater connection with their communities with 61% of ParentsNext participants indicating that they had a good support network that could help them to look for work, compared with only 47% of comparison non-participants.<sup>14</sup> Evidence from the pilot demonstrates that the program has

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<sup>12</sup> Department of Jobs and Small Businesses, Participation Fund Guideline (Intensive Stream Only), June 2018, p. 10, accessible at: [https://docs.jobs.gov.au/system/files/doc/other/participation\\_fund.pdf](https://docs.jobs.gov.au/system/files/doc/other/participation_fund.pdf)

<sup>13</sup> Department of Jobs and Small Businesses, ParentsNext Evaluation Report, Canberra, 2018, accessible at: [https://docs.jobs.gov.au/system/files/doc/other/final\\_parentsnext\\_evaluation\\_report.pdf](https://docs.jobs.gov.au/system/files/doc/other/final_parentsnext_evaluation_report.pdf)

<sup>14</sup> Ibid

potential to support people into employment, however, it should be noted that these pilot results were measured prior to the introduction of the TCF.

Mission Australia's evaluation of our collaboration with Audi as part of the ParentsNext pilot program in Bankstown also demonstrated strong outcomes as set out above and the full report can be found here:

<https://www.missionaustralia.com.au/publications/research/employment-and-training/779-audi-women-in-automotive-evaluation-report/file>.

### Case study

Mariam\* is a 42 year old single mother with 9 children between 2 and 21 years from a migrant background. She was married at the age of 18. She was enrolled to study law at the University of Sydney, however, she learnt that she was pregnant with her first child and was unable to continue her education or enter employment. She has since separated from her husband due to family violence.

Mariam was referred to ParentsNext by Centrelink. She has intermittently worked in the past in a factory, at a nursing home kitchen, a bank, and door to door home delivery services. However, she has been unable to sustain long-term employment since she had her 5<sup>th</sup> child 13 years ago. She started a Certificate of Community Services course but was unable to finish it due to her last pregnancy. With the support of ParentsNext, she plans to finish the course and support other women experiencing domestic and family violence.

Mariam looked forward to ParentsNext activities and is positive about finding employment in the future. Through the ParentsNext interactions, the service providers observed how Marion was becoming more confident not only in relation to employment but in other areas of her life as well.

\*name has been changed for confidentiality

### Learnings from other pre-employment programs

A report by the World Bank clarifies that pre-employment programs are predominantly designed to introduce individuals to work and prepare them for further vocational or technical programs, whereas vocational/employment programs, prepare individuals for direct entry into the labour market without further training.<sup>15</sup>

The aims of ParentsNext program are in line with the pre-employment definition. However, the imposition of the same compliance requirements as a mainstream employment programs (jobactive and DES) is inconsistent with the purpose of a pre-employment program.

There are numerous pre-employment programs with sufficient flexibility that are producing positive employment outcomes for participants.

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<sup>15</sup> Y. Nam, Pre-Employment Skills Development Strategies in the OECD, The World Bank, SP Discussion paper, no 0923, 2009, p.14.

### **Transition to Work (Department of Jobs and Small Businesses)**

The Transition to Work (TTW) program focuses on young people aged 15-21 who are facing barriers to enter the workforce to pursue employment or further education. Youth Employment Specialists assist young people in the development of practical skills, connection with education or training providers, engagement with work-experience opportunities and local community services, as well as identifying job opportunities to suit their aspirations and skill set and the needs of the local job market.

By intervening early to help young people stay in school, engage in training or find work, services can set them up for a better future. The program will offer practical intervention to assist them in finding work including Apprenticeships, Traineeships or education.

The TTW program provides flexible support for young people who are not subject to the TCF. TTW participants are only required to report their fortnightly income to Centrelink and are exempt from the TCF that applies to jobactive, DES and ParentsNext. Considering that both TTW and ParentsNext are pre-employment programs, Mission Australia recommends that ParentsNext is similarly exempted from the TCF.

### **Appropriateness of Targeted Compliance Framework (TCF)**

One of the key differences between the current model and the pilot phase of ParentsNext is the application of the stringent TCF. Since implementation of the TCF commenced in July 2018, it has created significant challenges for parents who are already under pressure caring for young children. The majority of issues to date relate to financial pressure and the risk of loss or suspension of income.

The recent *Poverty in Australia* report reveals that 3.05 million people (13.2% of the population - more than one in eight) are estimated to live below the poverty line, after taking account of their housing costs.<sup>16</sup> Moreover, 53% of people below the poverty line are in households that rely on social security as their main source of income.<sup>17</sup>

Similarly, the *Inequality in Australia* report found that most (60%) of the lowest 20% income group are in households that rely mainly on social security for their income.<sup>18</sup> Sole parents (36%) and people who are unemployed (77%) are over-represented in the lowest 20% of households by income.<sup>19</sup> Any suspension or reduction in welfare payments can have significant adverse impacts on these families and increase

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<sup>16</sup> P. Davidson, P. Saunders, B. Bradbury, and M. Wong, *Poverty in Australia 2018*, ACOSS/UNSW Poverty and Inequality Partnership Report No. 2, Sydney: ACOSS, 2018, p.15, accessible at: [https://www.acoss.org.au/wp-content/uploads/2018/10/ACOSS\\_Poverty-in-Australia-Report\\_Web-Final.pdf](https://www.acoss.org.au/wp-content/uploads/2018/10/ACOSS_Poverty-in-Australia-Report_Web-Final.pdf)

<sup>17</sup> Ibid

<sup>18</sup> ACOSS and UNSW, *Supplementary report to Inequality in Australia 2018*, August 2018, p. 3.

<sup>19</sup> Ibid

the pressure on other complementary services such as emergency relief, housing and homeless services and mental health services.

The Department's discussion paper further states that approximately 96% of ParentsNext participants are expected to be women.<sup>20</sup> Thus, the application of the TCF is likely to disproportionately affect some of the most vulnerable women increasing their risk of poverty and homelessness.

Since the roll out of the TCF, a significant number of participants have had their payments suspended across all providers. According to available data, within the first 3 months of the program, there had been 749 suspensions and an additional 200 participants with recorded demerit points.<sup>21</sup>

As of 30 January 2019, there have been 1,666 payment suspensions since the commencement of TCF at sites where Mission Australia is the service provider. Of these, the majority of the matters have been resolved and 90 suspensions were pending resolution. This demonstrates that, with an active caseload of over 6,487 (commenced, suspended and pending) since the initial rollout, a staggering 26% of participants have received some form of suspension. Currently, Mission Australia staff are working with all participants to ensure they understand the framework and support them to maintain ongoing communication with the Department of Human Services or Centrelink.

As an organisation committed to reducing homelessness and strengthening communities, we work hard to ensure that participants feel supported and most suspensions have been resolved within a relatively short span of time (the average length of suspension was 2 business days). However, we are extremely concerned by the amount of stress placed on vulnerable parents and their children by the heavy reporting requirements, and the risk of suspensions and loss of payments where compliance requirements are not met.

The unprecedented level of challenges emerging as a result of the implementation of the TCF require closer examination. A complete review of the participation requirements for participants should be conducted and provide an opportunity for genuine engagement of the participants, providers and advocacy bodies. It should also include reviewing the appropriateness of the program for specific cohorts such as Aboriginal and Torres Strait Islander people.

### **Frequent mandatory reporting requirements**

The new compliance system that rolled out from 1 July 2018 is applicable to jobactive, DES and ParentsNext.<sup>22</sup> Mission Australia opposed the introduction of TCF for any job seeker irrespective of the service they access, as it has the potential to exacerbate financial disadvantage and increase risks of homelessness. However, we are particularly concerned that participants of a pre-employment program such as parents facing the existing pressure of caring for young children are expected to adhere to this compliance system with high-levels of reporting, risk of payment suspensions and loss of income

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<sup>20</sup> Department of Jobs and Small Businesses, ParentsNext National Expansion Discussion paper, Canberra 2018, p. 8.

<sup>21</sup> Parliament of Australia, Senate Standing Committee on Education and Employment, Questions on Notice Supplementary Budget Estimates 2018 - 2019 Department of Jobs and Small Business Question No. EMSQ18-000525

<sup>22</sup> Department of Jobs and Small Businesses, New Compliance System from 1 July 2018: Roles and Responsibilities, p. 1.

necessary to feed and support children. Further, relying on a punitive approach to compliance is a flawed motivational tool.

The reporting requirements are placing significant financial and psychological pressure on participants as demonstrated in the case studies below.

### Case studies

Laura\* is a ParentsNext participant in regional NSW with 2 children under the age of 6 years. She plans her grocery shopping as it is hard to manage 2 toddlers in a grocery store and to minimise the cost of travel to the shops. She realised that her payments had been suspended when she was going to pay for the groceries as she forgot to report going to Playgroup. Laura informed her case worker that she was embarrassed and mortified and had to leave the groceries at the store in tears. She further stated that she feels like she's being 'judged all the time about her ability to be a mother'.

Mary's\* payments were suspended for not reporting her activities. She was unable to resolve the issue on her own and visited a Mission Australia service site. She expressed her concerns about her children's safety as the ParentsNext reporting requirements are too stressful and impacting on her mental health, which she felt she was able to keep under control before being referred to the program.

Tina\* was pregnant when she was referred to ParentsNext and was rushed to hospital at 33 weeks for special care. She was unable to report this to Centrelink or her service provider. Her payments were suspended for failure to report on activities whilst she was in hospital.

\*names have been changed for confidentiality

While participants need to be supported in planning for their future employment, it is also imperative not to overburden participants with unrealistic reporting expectations that do not provide sufficient consideration of personal circumstances. Current suspension or preclusion periods due to failures to meet reporting requirements under the TCF are likely to disengage participants and push them towards poverty and homelessness.

On 21 December 2018, the Department clarified the activity and reporting requirements through 'scheduling and recording/reporting attendance ParentsNext activities' via the provider portal which detailed that the reporting requirements in relation to personal responsibility on reporting attendance. Although these clarifications are helpful, it is clear that a pre-employment program should not be subjected to the same level of compliance as a mainstream employment program.

## Lack of flexibility and costs

### Travel

There has been an increase in the number of referrals to the ParentsNext program by Centrelink where participant's location or circumstances were given little or no consideration. Currently, a participant can be booked to attend a session up to 100km away from his/her residence.<sup>23</sup> Mission Australia sites have been referred participants who live about 75km away from the site. This may be a result of the closest provider not having open appointments in their calendar to support new participants as Centrelink's aim is to ensure that a person engages with a service at the earliest possible opportunity. This can cause significant issues for clients as there is limited public transport in certain areas and they have to travel with young children.

"We have a client moving interstate. From her new location, the nearest ParentsNext provider will be 96km away. She will need to talk to Centrelink and see what her options are because she doesn't drive and public transport in those areas can be very tricky."

Mission Australia Program Manager NSW

For parents with children in school, they have to make sure they arrange for school drop off or pick up or make sure they finish the appointment early to pick up children after school. ParentsNext service providers in the intensive stream are able to use funds to provide certain supports such as fuel vouchers and phone cards. However, there is no additional funding for these services in the Targeted stream.

### Automation of systems and associated costs

Use of online platforms can be both enabling as well as challenging for employment service participants. For those who have access to online services, with the appropriate level of digital literacy, the online service delivery system can be a useful tool. However, for people with limited digital or English language literacy, without the financial means to access online services or experiencing other challenges, the online services can add another layer of unnecessary pressure.

"Although we explain to participants (who are capable of using phones) how to set up the app and how to report, many clients don't understand the app or MyGov, and have difficulty marking their attendance."

Mission Australia Area Manager QLD

The TCF assumes that all participants have access to phones and internet on a regular basis. However, some participants who are financially disadvantaged may have limited access to phone credit, smart phones, computers and reliable internet connections to communicate with Centrelink or the provider.

"It is hard for parents to know when they would run out of (phone) credit to go online or call Centrelink. How are they expected to contact the provider if they don't have phone credit? These are parents with young children, there's so much going on in their daily life, they may realise they don't have credit to report at night and by then the program staff are not working anymore. The Department need to relax these unfair reporting requirements."

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<sup>23</sup> Department of Jobs and Small Businesses internal communication to service providers.

## Mission Australia Area Manager QLD

Overall, for those who are digitally literate with access to devices and connectivity, online mechanisms do not overcome the burden of excessive reporting and for those who are not, online reporting adds to the challenges and risk of suspension.

### Staffing issues

The number of referrals from Centrelink to the ParentsNext program has been significantly higher in certain sites compared to the number expected under the current ParentsNext contract, maximum tolerance within an employment region is 130% of the contracted amount. Several of Mission Australia ParentsNext sites are already reaching this maximum capacity as there has been a sudden rise in the number of referrals by Centrelink. This, coupled with the challenges of TCF means that staff members are forced to spend more time working through compliance and administrative tasks instead of working with participants to support them to achieve their goals.

The implementation of the TCF as described has been extremely problematic and challenging for participants and as a result, impacts on staff delivering services. Mission Australia staff members have left the ParentsNext role due to the focus on compliance under the TCF with one person stating that she feels as if she was 'policing the participants instead of supporting them'.

### Legislative and policy framework

Mission Australia firmly believes that the TCF is counterproductive to supporting parents to plan for future employment. While Section 500A of the current *Social Security (Administration) Act 1999* does not impose specific requirements in relation to obligation to report, ParentsNext Guidelines place mandatory reporting obligations on participants as a requirement of their participation plan.<sup>24</sup>

If the Participant is capable, they will have the 'Personal Responsibility to Report and Record Attendance' Participation Plan code in their Plan, and be responsible for recording and/or reporting their own attendance at Activities and third party Appointments.

If the Participant is not capable of recording their own attendance using the available methods, such as the (jobseeker) App, they are still responsible for reporting their attendance or assisting to make sure their attendance is recorded. This may involve the Participant calling their Provider to ask them to record their attendance, or asking their Activity Supervisor (where the Activity has a designated Supervisor) to record attendance on their behalf. It also includes being available to take calls from their Provider to confirm their attendance status.

If the Participant or Provider does not record attendance by the end of the day and the Activity is Compulsory for the Participant, their Income Support Payment is automatically suspended.<sup>25</sup>

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<sup>24</sup> Department of Jobs and Small Businesses, Appointments and Activities Guideline, Version 1.0, June 2018, p. 16, accessible at: [https://docs.jobs.gov.au/system/files/doc/other/appointments\\_and\\_activities.docx](https://docs.jobs.gov.au/system/files/doc/other/appointments_and_activities.docx)

<sup>25</sup> Ibid

Due to reasons highlighted above, immediate action is required to amend these guidelines so that ParentsNext participants are exempted from the TCF.

## Other related matters

### High volume of inaccurate referrals

Since July 2018, Mission Australia's ParentsNext sites have been referred a number of parents who are ineligible or should be exempted from participating in the program. Although the eligibility criteria for both streams indicate that there is a requirement for a person to 'have no reported earnings from employment in the past six-month period'<sup>26</sup> there have been a number of compulsory participant referrals of people who reported self-employed income or are currently in part-time employment. Due to the stringent and inflexible nature of the current program guidelines, these participants are required to remain within the program for 12 weeks before the provider is able to exit them from the service.<sup>27</sup> These participants are also required to abide by the activity reporting requirements to avoid suspension of payments although they are forced to participate in the program due to a system error. In addition to burdening the participant, these system issues also add unnecessary administrative burdens on the service providers.

Although the ability of the service providers to grant exemptions to compulsory participants based on their circumstances is a positive aspect of the program, there have been a number of Centrelink referrals where participants should not have been referred to ParentsNext.<sup>28</sup> These participants have little or no understanding of the program and were distressed that their payments would be suspended if they were unable to attend appointments.

#### Case study

Bella\* is a 29 year old mother of 6 young children in regional NSW. She was referred to the ParentsNext service despite the fact that she should receive an exemption on account of the number of children she has. She was also informed of the compliance framework by the Centrelink staff during her first interaction in relation to ParentsNext.

On the day of the appointment, Bella discovered that the water pump in her property was broken. However, she decided to attend to that after her ParentsNext appointment, driving for over an hour with all her children in extremely hot weather because she was worried that her payments would be suspended if she missed her first appointment with the provider. She stated that she did not have a clear understanding about her options of rescheduling, exemptions and the like and that the

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<sup>26</sup>Australian Government, Guide to Social Policy Law, 3.5.1.167 ParentsNext Summary & Participation Requirements (PP), released 2 January 2019, accessible at: <http://guides.dss.gov.au/guide-social-security-law/3/5/1/167>

<sup>27</sup> Department of Jobs and Small Businesses, Transfers and Exits Guideline, Version 1.0, June 2018, p. 6-8, accessible at: [https://docs.jobs.gov.au/system/files/doc/other/transfers\\_and\\_exits.pdf](https://docs.jobs.gov.au/system/files/doc/other/transfers_and_exits.pdf)

<sup>28</sup> Australian Government, Guide to Social Policy Law, 3.5.1.167 ParentsNext Summary & Participation Requirements (PP), released 2 January 2019, accessible at: <http://guides.dss.gov.au/guide-social-security-law/3/5/1/167>

Centrelink staff emphasised heavily on the need for compliance over what she might be able to achieve by accessing the program.

\*name has been changed for confidentiality

### **Challenges specific to parents from culturally and linguistically diverse backgrounds**

Currently, only the participants in Intensive areas have access to funded interpreter services.<sup>29</sup> However, there are a number of people in targeted areas who also require assistance with communication, particularly newly arrived migrants and refugees who are unfamiliar with Australian support systems. The service providers are able to organise these services for Targeted Stream participants. Considering the severe consequences of non-compliance, it is imperative that all participants in Targeted and Intensive Streams have equitable access to translation services to ensure they understand the program and are able to engage with the appropriate services and supports.

Under the current eligibility criteria, certain cohorts are unable to access ParentsNext supports. These include parents who do not meet the residency requirements but have work rights in Australia. ParentsNext has the potential to support these parents, particularly women, to get Australian work experience, bridge their qualifications, prevent social isolation and engage in future employment. Thus, the program eligibility criteria should be extended on a voluntary basis to parents who have work rights in Australia.

### **Conclusion**

Having delivered ParentsNext pilot sites and other pre-employment programs, Mission Australia understands the value of providing pre-employment supports including to parents of young children who have spent time out of the workforce. However, the imposition of the TCF has posed significant challenges for parents resulting in payment suspensions or cancellations. Mission Australia therefore recommends the immediate removal of the application of TCF from the ParentsNext program so that participants can benefit from appropriate and tailored pre-employment supports.

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<sup>29</sup> Department of Jobs and Small Businesses, Participation Fund Guideline (Intensive Stream Only), June 2018, p. 10, accessible at: [https://docs.jobs.gov.au/system/files/doc/other/participation\\_fund.pdf](https://docs.jobs.gov.au/system/files/doc/other/participation_fund.pdf)