

Committee Secretary
Senate Standing Committees on Community Affairs
PO Box 6100
Parliament House
Canberra ACT 2600

7 February 2019

Sent via email: community.affairs.sen@aph.gov.au

To the Committee Secretary,

Equality Rights Alliance (ERA) is Australia's largest network advocating for women's equality, women's leadership and recognition of women's diversity. We bring together 64 non-government organisations and social enterprises with a focus on the impact of policy or service delivery on women. We are one of six National Women's Alliances, funded by the Commonwealth Office for Women.

Thank you for the opportunity to contribute to this important inquiry. ERA supports the submissions from Good Shepherd Australia New Zealand and the National Council of Single Mothers and their Children.

We understand that the Good Shepherd submission is based on the extensive research conducted for the *Outside Systems Control My Life* report¹ and draws attention to the following issues with ParentsNext models:

- A narrow focus on mothers which ignores the role of parenting in the early years. All Australian mothers carry a heavy load of unpaid caring work which limits their capacity to engage in the labour market. Infants in particular require intensive around-the-clock care, creating a practical constraint on time for other activity. Single parents of infants and very young children are the most time-poor cohort of mothers.
- The linking of program participation to income support payments, including the authority of private contractors to suspend payments for non-compliance. Emerging evidence suggests that the program is driven by compliance and short-term outcomes rather than the long-term economic security of participants.
- Limited options for acceptable compliance activities and inflexibility in program delivery appears to be resulting in a poor service experience for many clients, who may be experiencing complex forms of disadvantage. These include housing insecurity, health issues, and current or former experiences of family violence.
- ParentsNext includes a focus on improving parenting skills via mandated activities such as swimming lessons and story time sessions at local libraries, which bear no relation to labour market outcomes. This incursion into participants' family life potentially undermines the agency, confidence and self-efficacy of new parents. It is

¹ Juanita McLaren, Susan Maury and Sarah Squire, "*Outside Systems Control my Life*" *The Experiences of Single Mothers on Welfare to Work* (Abbotsford: Good Shepherd Australia New Zealand, 2018)

unclear why the Department of Jobs and Small Business is overseeing a program with this focus.

- There appears to be little guidance given to providers to ensure that clients are engaging in meaningful activities and are provided with a high quality service.
- There are also concerns around the qualifications of some providers in terms of their capacity to support vulnerable clients with complex needs.
- Wage Subsidies are a financial incentive used within ParentsNext to encourage employers to hire eligible participants in ongoing jobs by contributing to the initial costs of hiring a new employee.

ParentsNext also includes a Participation Fund which is theoretically available to subsidise the costs of approved education and training goals. However Participation Funds are now being used to subsidise the program's Wage Subsidies. This means less money is available for clients to use for the cost of their desired education and training activities.

- Little consideration of the current state of the labour market, including structural changes such as a rise in precarious forms of work, casualisation and short-term contracts, and wage stagnation, and how this may affect women's capacity to move from income support into a job that will enable them to achieve economic security.

In addition, there are concerns that the financial incentive scheme in place between the providers and the government incentivises providers to place women in short-term employment which will not necessarily lead to long-term financial security. ParentsNext providers receive an 'outcome payment' of – according to the Discussion Paper – \$300 when a participant either achieves an educational goal or when a participant achieves 'sustainable employment' – which is defined as a minimum of 15 hours per week in paid employment for at least 12 weeks.² This approach may result in significant churn of people within the system and represent poor value for money for the government as well as a poor service experience by participants.

- Several groups are concerned that ParentsNext undermines Australia's human rights obligations with respect to its targeting of single mothers and Aboriginal and Torres Strait Islander people. Academic Beth Goldblatt has outlined these concerns which are referenced further on.³

We understand the National Council of Single Mothers and their Children (NCSMC) submission is based on the experiences of 85 surveyed ParentsNext participants. We note the critical importance of bringing the voices and experiences of ParentsNext participants to the foreground of this inquiry. Indeed, we note with concern that single mothers' voices and experiences have been sidelined in the formation and implementation of this program. It is

² Australian Department of Employment, *Discussion Paper: ParentsNext National Expansion* (Canberra: Department of Employment, 2017), 13.

³ Beth Goldblatt, "More than Unpopular. How ParentsNext Intrudes on Single Parents' Human Rights" *The Conversation Australia*, 16 January 2019, <https://theconversation.com/more-than-unpopular-how-parentsnext-intrudes-on-single-parents-human-rights-108754> (accessed 29 January 2019).

this testimony that should guide a significant reappraisal and redesign of the program. The NCSMC submission draws attention to the following:

- The targeted compliance framework is punitive and puts the primary income of single parent families at risk.
- The compulsory nature of the program and its invalidation of the unpaid care work of single parents contribute to its paternalism. Prescribed activities relating to parenting constitute overreach with many participants feeling they are forced or coerced into activities and being surveilled.
- There is a lack of due process with few avenues to challenge and appeal decisions made by providers.
- There is an imbalance with the voices and contributions of providers outweighing those of participants in the ongoing development of the program.
- ParentsNext is failing to set families up for good financial outcomes now and into the future.
- A redesign of the program is needed and supported by single other-led groups.

ERA echoes these concerns and, in particular, urges consideration of the following in a redesign of pre-employment programs for single parents:

- **The lack of compatibility of ParentsNext with Australia's international human rights obligations**, specifically rights to social security without discrimination as protected in the International Covenant on Economic, Social and Cultural Rights.⁴ Arguably, the targeted compliance framework undermines social security rights through the use of payment suspensions which, accordingly to the UN Committee on Economic, Social and Cultural Rights, "should be circumscribed, based on grounds that are reasonable, subject to due process, and provided for in national law."⁵ While 42SB of the *Social Security (Administration) Act 1999* provides a legal framework, there are serious questions about the application and process of payment suspensions which, according to the official evaluation, has seen almost 10 per cent of participants have their income suspended. Since the evaluation, other reports have emerged indicating even higher rates of suspensions.⁶ We urge the inquiry to reconsider whether one in ten single parents involved in ParentsNext having their income suspended is a reasonable and proportionate limitation on the right to social security.⁷ Further, approximately 95% of participants are women and 11% are Aboriginal and

⁴ Ibid.

⁵ COMMITTEE ON ECONOMIC, SOCIAL AND CULTURAL RIGHTS, *General Comment No. 19 – The Right to Social Security (art. 9)*. E/C.12/GC/19. <http://socialprotection-humanrights.org/wp-content/uploads/2015/06/CESCR-General-Comment-19.pdf> (2008)

⁶ Luke Henrique-Gomes, "One in five parents had payments cut in first six months of new welfare program," *The Guardian Australia*, 7 February 2019, <https://www.theguardian.com/australia-news/2019/feb/07/one-in-five-parents-had-payments-cut-in-first-six-months-of-new-welfare-program> (accessed 7 February 2019).

⁷ Australian Parliament, *EXPLANATORY STATEMENT Social Security (Parenting payment participation requirements – classes of persons) Specification 2016 (No. 1)* (Canberra, 2016), 14.



Torres Strait Islander and, overall, 97% are compulsory participants,⁸ which raises questions about discriminatory targeting and impacts.⁹

- **The lack of recognition and responsiveness to the unpaid care work carried out by single parents.** Single mothers face immense time constraints and pressures, with lone mothers much more likely to report low levels of satisfaction with time allocation than partnered mothers, partnered women without children and single women without children.¹⁰ Single mothers are at the nexus of unpaid work and care responsibilities disproportionately shouldered by women and the systemic devaluing of this work. Child care forms the vast majority of the unpaid care economy in Australia and PWC has quantified its worth to the economy at \$345 billion (in 2011 terms).¹¹ Further, recent research from Austen, Mavisakalyan, Sharp and Costa has found that parenthood impacts women's long-term earnings significantly while not having a discernible impact on men's.¹² A much greater understanding and appreciation for this unpaid work is essential in policies that impact single parents.
- **Key issues relating to employment barriers experienced by single parents remain unaddressed.** Poverty, a chronic lack of family-friendly and flexible jobs and a lack of affordable and available child care remain persistent barriers to single parents accessing decent work.
 - Single-parent families are over-represented in key poverty indicators, with 39.4% of children in single parent households surviving under the 50% of median income poverty line.¹³
 - In the first study to examine the job satisfaction of Australian single mothers receiving income support with mandatory employment requirements, Cook and Noblet found high levels of job dissatisfaction among single mothers in mandated employment programs. This was primarily in relation to job security, total pay and hours of work.¹⁴ Based on their findings that a great deal of workfare is casual and unrelated to future job prospects, Cook and Noblet issued a challenge to policy-makers to “consider initiatives that may assist single mothers enhance their longer-term employment prospects.”¹⁵ Given the 2018 research from Good Shepherd found that Jobactive providers were unable “to support long-term career goals and aspirations” of participants because “available jobs were limited to the providers’ existing contracts, such as those in manufacturing and hospitality,”¹⁶ the call from Cook and Noblet still stands.

⁸Department of Jobs and Small Business, *ParentsNext Evaluation Report*. (Canberra: Department of Jobs and Small Business, 2018), 30 and 64.

⁹ Goldblatt, B. (2018). More than unpopular. How ParentsNext intrudes on single parents' human rights.

Retrieved January 29, 2019, from <http://theconversation.com/more-than-unpopular-how-parentsnext-intrudes-on-single-parents-human-rights-108754>

¹⁰ Anh T. Lee and Paul W. Miller, “Lone Mothers’ Time Allocations: Choices and Satisfaction,” *Australian Journal of Social Issues* 48, no.1 (2013):57

¹¹ PriceWaterhouseCoopers, *Understanding the Unpaid Economy*. (2017)

¹² Siobhan Austen, Astghik Mavisakalyan, Rhonda Sharp, Monica Costa, *The Drivers of Long-term Earnings Briefing Note 2 from the Inside the black box - Intra-household resource allocations of older couples project* (ARC DP170103297) (Curtin University, 2017)

¹³ ACOSS and UNSW Sydney, *Poverty in Australia 2018*. (Sydney, 2018), 40.

¹⁴ Kay Cook and Andrew Noblet. “Job satisfaction and 'welfare-to-work': Is any job a good job for Australian single mothers?” *Australian Journal of Social Issues*, 47, No. 2 (2012): 203.

¹⁵ Ibid, 213

¹⁶ Juanita McLaren, Susan Maury and Sarah Squire, “*Outside Systems Control my Life*” *The Experiences of Single Mothers on Welfare to Work – Findings at a Glance* (Abbotsford: Good Shepherd Australia New Zealand, 2018), 1.



- Finally, a large body of evidence points to the importance of workplace flexibility¹⁷ and the availability of affordable child care¹⁸ for women's workforce engagement. Further, for single mothers specifically, a combination of formal (care centres) and informal (friends and family) child care is seen as providing the essential combination of flexibility and availability of care outside normal working hours *and* the reliability, long-hours and developmental benefits to facilitate access to employment.¹⁹
- **The need for flexibility and tailoring to individual circumstances.** A case in point is the exemptions for compulsory participation. Currently, decisions on exemptions are made by providers and cover a range of circumstances.²⁰ However, the prescribed exemption times leave little room for flexibility. Exemption periods for women in housing crisis, women who have experienced domestic and family violence and women who have complex caring responsibilities must be genuinely responsive to the time required to attend to these issues.

We thank you for your consideration of these points.

Sincerely,

Helen Dalley-Fisher
Program Manager
Equality Rights Alliance

¹⁷ Workplace Gender Equality Agency, *Unpaid Care Work and the Labour Market*. (Sydney, 2016)

¹⁸ Australian Bureau of Statistics, *6239.0 - Barriers and Incentives to Labour Force Participation, Australia, July 2016 to June 2017*. (Canberra, 2017) and Jennifer A. Baxter, Kelly Hand and Reem Sweid, *Flexible Child Care and Australian Parents' Work and Care Decision-Making- Research Report Number 37* (Canberra: Australian Institute of Family Studies, 2016)

¹⁹ Michelle Brady and Francisco Perales, "Hours of Paid Work among Single and Partnered Mothers in Australia: The Role of Childcare Packages" *Journal of Family Issues*, 37, No. 3 (2016): 337

²⁰ Department of Jobs and Small Business, *ParentsNext Exemptions and Suspension Guideline ID: D18/408829*. (Canberra: Department of Jobs and Small Business, 2018)

The following organisations endorse this submission:

- **Australian Centre for Leadership for Women**
- **Australian Women's Health Network**
- **National Foundation for Australian Women**
- **New South Wales Council of Social Services (NCOSS)**
- **Soroptimist International Australia**
- **Women's Electoral Lobby Australia**
- **Women's Equity Think Tank (WetTANK)**
- **Women in Vocational Education (WAVE)**
- **Zonta District 24**