

Key Policy in discussion	Social Security
Portfolio and or agency	Department of Social Services
Date Issued	20 May 2023
Key Authors	Frances Davies, NFAW Phoebe Nagorcka-Smith, Good Shepherd Australia New Zealand

Key Portfolio Issues

Women make up over half of welfare recipients in Australia. The Government is committed to advancing gender equity as a national priority. This priority is reflected in this year's Budget. NFAW welcomes the broad range of modest initiatives aimed at the most the most vulnerable, the majority of whom are women.

These measures include support for single parents, the unemployed, energy fee relief, investment in Medicare for those on low-incomes, increased rent assistance, and increased investment in housing. These measures are welcome but do not go far enough. Since the 1980s there have been many attempts at welfare reform and small-scale changes, but the system is still designed to disincentivise people from applying for income support. The net effect has generally been to drive women of all ages on income support to poverty – older unemployed women, homeless women, sole parents and their children, young women in precarious employment, female renters, women leaving domestic violence, and women with disabilities including those who cannot access payments.

A range of investments were made in the NDIS and NDIA: this funding may result in improved administrative systems and participant experience. However, the growth target and mention of work to encourage participants to spend within their plan limits has raised concerns within the disability community and sector around whether NDIS participants will have adequate resources available to them in the future.

Budget Measures

- **Increase to Working Age Payments**

Expense (\$m)

	2022-23	2023-24	2024-25	2025-26	2026-27
Services Australia	5.4	20.5	3.1	2.2	2.2
Department of Social Services	-	96.1	1,286.6	1,289.3	1,297.0
Department of Employment and Workplace Relations	-	0.4	1.0	1.3	1.5
Total - Payments	5.4	981.9	1,290.7	1,292.8	1,300.6

Source: [2023-24 Budget Paper No 2](#), p. 199

The Government will provide \$4.9 billion over 5 years to increase working-age and student social security payments by \$40 per fortnight. The increase commences from 20 September 2023, and applies to JobSeeker, Youth Allowance, Parenting Payment (Partnered), Austudy, ABSTUDY, Disability Support Pension (Youth), and Special Benefit. There will be an additional increase to the JobSeeker payment rate for recipients aged over 55 years who have been unemployed for 9 or more continuous months, and for recipients aged over 60 years.

- **Changes to ParentsNext**

The Australian Government has announced that it is moving to abolish ParentsNext from 1 July 2024 and replace it with a new voluntary service. The new service will be designed in consultation with parents and stakeholders from across the community. Compulsory requirements for ParentsNext participants were paused from 5 May 2023.

Services Australia administers aspects of ParentsNext on behalf of the Department of Employment and Workplace Relations. The agency connects eligible customers with a ParentsNext provider. The government will consider longer-term interim arrangements while a replacement program is designed and implemented. This measure is led by the Department of Employment and Workplace Relations.

[Services Australia](#) has indicated that Compulsory requirements for ParentsNext were paused on 5 May 2023, and that the ParentsNext program will be abolished on 1 July 2024 and replaced with a new voluntary service.

The abolition of ParentsNext is part of a group of initiatives to be offset by savings from the 2023-24 Budget measure entitled "Employment and Workplace Relations Portfolio -- reprioritisation" (2023 Budget Statement No 2, p. 106).

The National Foundation for Australian Women is a feminist organisation, independent of party politics and working in partnership with other women's organisations. NFAW is dedicated to promoting and protecting the interests of Australian women, including intellectual, cultural, political, social, economic, legal, industrial and domestic spheres.

- **Increased Support for Commonwealth Rent Assistance Recipients**

Expense (\$m)

	2022-23	2023-24	2024-25	2025-26	2026-27
Services Australia	5.9	10.8	0.3	0.3	0.3
Department of Social Services	-	523.7	699.9	720.4	738.5
Department of Veteran's Affairs	-	3.0	3.6	3.5	3.4
Department of Health and Aged Care	-	0.2	0.3	0.3	0.3
Department of Employment and Workplace Relations	-	0.2	0.5	0.7	0.7
Total - Payments	5.9	537.9	704.6	725.3	743.3

Source: 2023-24 Budget Paper No 2, p. 200

The Government will provide \$2.7 billion over 5 years from 2022-23 to increase the maximum Commonwealth Rent Assistance rates by 15 per cent.

- **Improving the Effectiveness and Sustainability of the National Disability Insurance Scheme**

Expense (\$m)

	2022-23	2023-24	2024-25	2025-26	2026-27
National Disability Insurance Agency	-	278.2	180.6	133.4	-490.6
Department of Social Services	-	3.1	2.7	1.8	0.8
Department of Finance	-	0.1	-	-	-
Total - Payments	-	281.4	183.2	135.2	-489.7

Source: 2023-24 Budget Paper No 2, p. 197

The Government is providing \$732.9 million over 4 years to support the operation of the National Disability Insurance Scheme (NDIS), including: a \$429.5 million investment in National Disability Insurance Agency (NDIA) capability and systems; \$73.4 million to support plan budget management; \$63.8 million to embed a lifetime approach to planning; \$56.4 million to improve independent living arrangements; \$48.3 million to address fraud and non-compliance; and, \$7.6 million to improve access in remote First Nations communities. The budget also notes an intention to reduce projected growth in NDIS costs from \$17.2 billion over 4 years to \$1.9 billion over the same period through the changes in administration outlined above.

Additionally, an NDIS Financial Sustainability Framework provides an annual growth target of 8 per cent by 2026.

The Government has provided an additional \$142.6 million over two years from 2023-24 to support the NDIS Quality and Safeguards Commission, to address violence, abuse, neglect and

The National Foundation for Australian Women is a feminist organisation, independent of party politics and working in partnership with other women's organisations. NFAW is dedicated to promoting and protecting the interests of Australian women, including intellectual, cultural, political, social, economic, legal, industrial and domestic spheres.

exploitation of participants, and improve market quality (Budget Paper 2, p. 199, 2023). Thirteen million dollars will be provided in 2023-24 to the Department of Social Services to support policy, financial, legislative and governance oversight of the NDIS and NDIA (2023-24 Budget Paper No 2, p. 194).

The Government is providing \$10.2 million over 4 years from 2023-24 to establish a Central Coordination of Disability Policy function in the Department of Social Services, to lead cross-departmental action on disability policy and strategy (Budget Paper 2, p. 193, 2023).

Additionally, \$31.4 million will be invested over 4 years to establish the National Disability Data Asset, and the Australian National Data Integration Infrastructure. This infrastructure will create a system of linked, and de-identified data about disabled Australians that will inform policy and service development. One million dollars will be provided in 2023-24 to extend individual advocacy support for First Nations people who are disabled.

Other measures

Other measures include:

- \$5.1 million over 5 years from 2022-23, with savings of \$0.5 million per year ongoing, to address the *Child Support Scheme* recommendations from the Joint Select Committee on Australia's Family Law System (2023-24 Budget Paper 2, p. 193). This funding supports a range of recommendations that will improve the timely collection of child support, and recognition of financial abuse through the Child Support Scheme.
- \$1.0 million over two years from 2022-23 to provide trauma informed support to people affected by forced adoption, and to commemorate the 10 year anniversary of the National Apology (2023-24 Budget Paper 2, p. 194).
- \$142.2 million will be provided over 5 years, to enable processing of a larger-than-expected number of applications, and fund, Redress Support Services (2023-24 Budget Paper 2, p. 195).
- \$3.7 million in 2023-24 to extend the measure that provides age and veterans pensioners a once-off credit of \$4,000 to their Work Bonus income bank and temporarily increase the maximum income bank until 31 December 2023 (2023-24 Budget Paper 2, p. 200). This means that pensioners can earn up to \$11,800 before their pension is reduced.
- For additional social security measures related to disaster and emergency payments, see **Climate Change and Energy**.

The National Foundation for Australian Women is a feminist organisation, independent of party politics and working in partnership with other women's organisations. NFAW is dedicated to promoting and protecting the interests of Australian women, including intellectual, cultural, political, social, economic, legal, industrial and domestic spheres.

Background: current circumstances of women in this portfolio

Poverty is gendered. Eighteen per cent of households where a woman is the breadwinner experience poverty compared to 10 per cent of households where men are the primary breadwinners. Poverty is particularly entrenched for people reliant on social security payments as their main source of income. Sixty per cent of people receiving JobSeeker and 72 per cent of people receiving the Parenting Payment live in poverty, compared to 13 per cent of people more broadly.

Receipt of the JobSeeker payment for longer than a year has been increasing more sharply in women compared to men, particularly in older women. One cause for this is the age of retirement: Australians are not eligible to access the Age Pension until the age of 67, and can only access superannuation under specific conditions prior to age 65 or 60 if retired, however age-related discrimination in hiring decisions starts much earlier, around 50 years of age. This means that older women with limited superannuation who are unlikely to be able to remain engaged with the workforce are required to live off JobSeeker, comply with mutual obligations, and run down their assets to be eligible for the payment, which increases their risk of poverty in older age.

Women make up 96 per cent of recipients of **Parenting Payment** (Single) and 90 per cent of Parenting Payment (Partnered) recipients. Inadequacy of these payments and restriction of the Parenting Payment to people whose youngest children were still in primary school, and not yet independent, has condemned many single mothers to policy-induced poverty. Two thirds of single mothers have experienced intimate partner violence, and only 41 per cent of Child Support Payment recipients report payments being made in full and on time, which indicates that many of these women condemned to poverty either currently experience financial or systems abuse, or have previously experienced domestic abuse.

The **Child Support Payment** system has been a site of financial and systems abuse for a long time: partners withholding child support payments creates financial precarity for the caring parent and their child(ren). Until now, the amount that single parents were owed through child support was considered part of a person's income for social security income assessment purposes, whether or not they actually received it: this put the onus of chasing payment onto single parents, which is particularly problematic in situations of domestic/financial abuse, and also doubly condemned single parents to poverty: first through the non-payment of child support, and secondly through the reduced social security payment.

ParentsNext was delivered to around 20% of people receiving Parenting Payments—including young parents, early school leavers, those who were out of paid work for at least 6 months, and households where no-one was in paid employment. Just under 20 per cent of participants were young Indigenous women. It is estimated that there were about 100 000 parents, overwhelmingly young, single mothers subject to ParentsNext. It is of concern that there is no allocation of funding in the forward years for the replacement program. When the program was introduced in 2018 it was allocated \$350 million over 4 years.

The National Foundation for Australian Women is a feminist organisation, independent of party politics and working in partnership with other women's organisations. NFAW is dedicated to promoting and protecting the interests of Australian women, including intellectual, cultural, political, social, economic, legal, industrial and domestic spheres.

Forced adoption has been highlighted in this report, because of the particular impact that forced child removal has on women, both historically and into the present. Historically, women were denied the opportunity to parent their children by state-sanctioned actors because of their marital status, Aboriginal identity, and experience of poverty. The National Apology acknowledged the harm from these policies in 2013. Into the current day, Aboriginal women, disabled women, and women who themselves were in out-of-home care are still denied this basic right to parent. Aboriginal children are still over-represented amongst children in out of home care, and disabled women are far more likely to have children removed.

The **National Redress Scheme** highlights the lifelong impacts of child abuse and trauma. A recent study shows that 28.5 per cent of Australian children experience sexual abuse before the age of 18, 32 per cent physical abuse, and 39.6 per cent are exposed to domestic violence between parents. While abuse impacts children of all genders, girls are more likely to experience each type of maltreatment than boys, including sexual abuse (37 per cent of women compared to 19 per cent of men). Recovery from trauma is essential to disrupting intergenerational disadvantage including abuse and poverty, and any scheme to address child maltreatment is a gendered action, based on prevalence within the community.

Men and women experience disability in roughly equal numbers, but only 37 per cent of **NDIS** participants are women. Twenty percent of female NDIS applicants have their application rejected, compared to ten percent of male applicants.

The National Foundation for Australian Women is a feminist organisation, independent of party politics and working in partnership with other women's organisations. NFAW is dedicated to promoting and protecting the interests of Australian women, including intellectual, cultural, political, social, economic, legal, industrial and domestic spheres.

Gender implications of this budget measure

Restoration of Parenting Payment Single for parents with children under 14 years of age will support approximately 57,000 single parents. This change will mean those parents receive an extra \$176.9/fortnight if they're on the base rate, getting a total of \$722.10/fortnight.

The Workforce Australia Committee interim report, September 2022 examined the role of *ParentsNext* in providing early intervention to parents and carers as part of the overall employment services system. The Committee found that while there were positive benefits, they were overshadowed by the punitive nature of the program, and by an emphasis on preparing for and finding employment which may not be appropriate for all participants. The Committee's main recommendation was the abolition of *ParentsNext* to be replaced with an improved pre-employment program.

The former Jobs Education & Training (JET) Program, which gave single parents voluntary access to highly subsidised childcare, training and employment assistance, and was underpinned by interdepartmental collaboration, provides a good model for the replacement program. This enhanced program would need to bring together vocational guidance (attuned to local labour markets); opportunities for training, education and skill building; engagement with local employers to expand family-friendly employment options; access to early learning and care; and flexible support and referrals to complementary services where needed.

The increase to JobSeeker (to \$52.85/day under 55s, \$56.70/day over 55s), Youth Allowance (\$42.85/day), and other Centrelink payments equates to around \$2.85 per day, or \$40 per fortnight, extra compared to the \$128 per week rise that would be required to lift people out of poverty, or the \$25 per day to high income people getting tax cuts. Of the approximately 830,000 children on working age payments (i.e. parents receive Centrelink): around 44% will benefit from the increases. It's also worth noting that Parenting Payment Partnered received the increase, while Parenting Payment Single did not, even though this group of women represent some of the most financially vulnerable people in Australia. So, it is a step in the right direction for women who are receiving Centrelink payments, particularly older women, but more is needed to bring women and children out of poverty. The 15% increase in Commonwealth Rent Assistance is likewise a good start, but still an inadequate increase considering dramatic increases in rents across Australia.

The increase in the amount that pension-aged people can earn before their payment is affected is a positive move for older women, who are at high risk of financial insecurity. Broadening this measure to other working-age payments is a missed opportunity, that could support more people into the workforce.

Reforms to the Child Support Payment scheme will provide significant financial support to single mothers if the recommendations are implemented in full. As with reforms to the NDIS, it is the quality and intent of implementation that will determine whether these investments have a positive impact on women. Significant concerns remain around the accessibility of the NDIS for women, and people with conditions that disproportionately impact women.

The National Foundation for Australian Women is a feminist organisation, independent of party politics and working in partnership with other women's organisations. NFAW is dedicated to promoting and protecting the interests of Australian women, including intellectual, cultural, political, social, economic, legal, industrial and domestic spheres.

Recommendations

NFAW recommends:

- significant further increases to working-age Centrelink payments, to raise them above poverty rates
- that Annual indexation be applied to social security payments based on wage growth, as per the Age Pension
- inclusion of Parenting Payment Single in future payment increases
- abolition of the Stage 3 Tax Cuts, and other reductions in revenue that disproportionately benefit high income earners, at the expense of wider social security reform.
- full implementation of all recommendations in the [Australia's Child Support Scheme](#) report, including the addition of a family violence and financial abuse lens to the child support system
- sustained commitment to consultation with disability advocates and organisations before implementing NDIS reform that may limit women's access to the scheme, or reduce the support available to current participants, and an application of a gender lens to all decisions
- In relation to ParentsNext (and in support of the Brotherhood of St Laurence submission to the ParentsNext Inquiry noted above):
 - reinstate funding for the replacement program
 - resource the translation of key documents – including Participation Plans – for participants not proficient in written English
 - cease using the term jobless to describe the circumstances of those engaged in the full-time care of young children
 - reframe the program to respect the choice of mothers to elect to stay home with their children in the earliest years
 - reorient the investment in ParentsNext to create an enabling pre-vocational program that assists parents with young children to strengthen their prospects of work and economic security. Key elements to include:
 - vocational guidance (attuned to local labour markets)
 - opportunities for training, education and skill building
 - engagement with local employers to expand family-friendly employment
 - access to early learning and care
 - flexible support and referrals to complementary services where needed

The National Foundation for Australian Women is a feminist organisation, independent of party politics and working in partnership with other women's organisations. NFAW is dedicated to promoting and protecting the interests of Australian women, including intellectual, cultural, political, social, economic, legal, industrial and domestic spheres.

- Incentivise providers to reach out to families experiencing disadvantage and sustain their engagement
 - reframe the current one-way notion of mutual obligation as mutual accountability, to foster reciprocity
 - focus on advancing parents' aspirations and strengthening their capabilities and opportunities
 - provide flexibility for providers to respond to the distinctive needs of individual circumstances and of different groups of parents
 - appoint organisations with the expertise and capacity to engage their community
 - preference organisations that co-locate with early learning and care centres or family and community hubs, to enable easy linkages to complementary supports
 - involve parents and providers in co-design of the next iteration
 - establish local and national governance structures to enable parents, and employers, providers, government and local communities to report on their experiences, monitor system performance against goals and identify opportunities for improvements, and

- commission regional communities of practice, supported by continuous improvement mechanisms, where providers share learnings and use data to drive improvement.

The National Foundation for Australian Women is a feminist organisation, independent of party politics and working in partnership with other women's organisations. NFAW is dedicated to promoting and protecting the interests of Australian women, including intellectual, cultural, political, social, economic, legal, industrial and domestic spheres.