

# Budget 2021 – Social services

## ParentsNext overview

Women are over-represented in reduced employment outcomes, levels of poverty, and reliance on income support payments. Women were disproportionately impacted by COVID19, through job losses and extra care responsibilities. These effects will have long-term negative impacts for women.

It is not evident that the ParentsNext model has adequately addressed the shortcomings raised by the Inquiry. The program is injurious to participants and if retained should be made voluntary, be decoupled from the targeted compliance framework (TCF), and provide more funding to support women into meaningful employment that will ensure their financial security longer term.

## ParentsNext

### The Budget

ParentsNext is a pre-employment program that aims to help parents plan and prepare for employment before their youngest child starts school. Parents receive personalised assistance to help them identify their education and employment goals, improve their work readiness and link them to activities and services in the local community. Between 1 July 2018 and 31 March 2021, more than 160,000 parents participated, of whom 95 per cent were women and more than 28,000 were Indigenous women. In the 2020–21 Budget, the Government invested a further [\\$24.7 million into ParentsNext](#) to streamline the program from 1 July 2021. These changes will better direct support to disadvantaged parents of young children to help them plan and prepare for work.

### Getting Vulnerable Australians Back into Work — additional support for job seekers

Payments (\$m)

|  | 2020-21 | 2021-22 | 2022-23 | 2023-24 | 2024-25 |
|--|---------|---------|---------|---------|---------|
| Department of Education, Skills and Employment | 7.3     | 70.1    | 61.5    | 59.9    | 59.8    |

Source: [2021 Budget Paper No 2](#), p.89.

The Government will provide \$15.6 million in 2021–22 to increase all wage subsidies available through jobactive, Transition to Work and ParentsNext to \$10,000.

## Gender implications

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### Why is this an issue for women?

Between 1 July 2018 and 31 March 2021, more than 160,000 parents participated in the ParentsNext program, of whom 95 per cent were women and more than 28,000 were Indigenous women. This has led to an assessment that ParentsNext is discriminatory because it deliberately targets women and Indigenous parents; there are also concerns about the program's treatment of other vulnerable groups (Senate Inquiry, 2019, section 2.35 – 2.86).

ParentsNext is compulsory for the majority of those enrolled, with four participation requirements: attending appointments, choosing and attending activities, making and agreeing to a participation plan, and reporting to both Centrelink and ParentsNext providers. Failure to fulfil any of these obligations results in a suspension of payments. As the poorest household type in Australia, single mother households cannot afford suspension in payments.

Parents who have been enrolled in ParentsNext have raised many concerns about the punitive nature of the program. These include the lack of flexibility when life with an infant or young children is so unpredictable, the enforced participation in child development and other activities, the lack of flexibility for missing such activities (for example, because a child was unwell or because they attended preschool instead of story time or swim lessons), the strict reporting requirements even for women who were exempt, sub-standard support from some providers, the difficulty of withdrawing from the program, the pressure to sign privacy waivers, the lack of any positive outcome either in employment or parenting domains, and the increased financial instability due to the compliance requirements. A [petition](#) to make ParentsNext voluntary received close to 40,000 signatures, mostly from women who were enrolled in the program.

The [Senate Inquiry into ParentsNext](#) recommended that the ParentsNext program should not continue in its current form. Rather, the [panel suggested](#), amongst other things, that it employ a process of codesign with parents and experts to re-shape it “into a more supportive pre-employment program which meets the needs of parents and acknowledges and addresses the structural barriers to employment which they face.”

### What are the 2021 Budget impacts on women?

It appears that, despite repeated concerns voiced about ParentsNext, the government is planning to expand the program with minimal change. There is no indication that there are any significant changes to the program that will de-couple participation from receiving income support payments; that women's autonomy and agency will cease to be undermined through over-scrutiny of their parenting behaviours; that reporting requirements will be reduced; and/or that providers will give appropriate support and flexibility that matches the daily realities of parenting on very low incomes. This will result in even more women placed under the TFC, which increases stress and financial insecurity due to the erratic nature of payment suspension.

It is a positive that the Government will increase wage subsidies available through ParentsNext to \$10,000. However, this must be voluntary.

## Recommendations

NFAW recommends that if the ParentsNext program is not scrapped entirely, the following changes be implemented immediately:

- Make ParentsNext voluntary. This will help to ensure a quality program while also returning agency and autonomy to the people who are enrolled.
- De-couple participation from receiving income support payments, thereby eliminating the punitive aspects of ParentsNext and enhancing the economic security of participants.
- Increase the Participation Fund to provide meaningful support for job readiness, such as paying for classes.
- Ensure the Participation Fund is spent in its entirety on participants.