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**Community and Public Sector Union**

Melissa Donnelly ♦ Deputy Secretary

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

By email: [community.affairs.sen@aph.gov.au](mailto:community.affairs.sen@aph.gov.au)

Dear Committee Secretary

As the primary union representing Department of Human Services employees, the Community and Public Sector Union (CPSU) is committed to providing a strong voice for our members in key public policy and political debates.

The CPSU welcomes the opportunity to make this submission to the inquiry into ParentsNext, including its trial and subsequent broader rollout. CPSU members have expressed significant concern about the current incarnation of the ParentsNext program and its impact on recipients.

Members agree with reports from organisations such as the Anti-Poverty Network and the Australian Unemployed Workers' Union that the compliance aspects of the ParentsNext program are adding to stress and financial hardship for parents.<sup>1</sup>

The shifting of penalty and obligation decision-making responsibilities from DHS to Job Services Providers is the de facto privatisation of ParentsNext compliance.

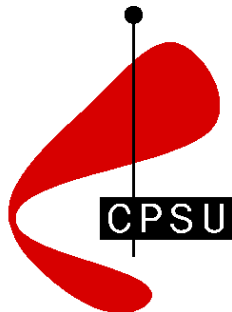
Job service providers now must cancel or suspend payments if people do not comply. This has led to an increase in agitated and aggressive customers calling through to the Participation Solutions Team, who are the relevant Centrelink team, to try to overturn suspension and cancellations.

Members report that job service providers suspend payments then send the customer to the Service Centre – at which point, DHS staff must advise this is not within their capacity to change the suspension.

Decisions are made by the staff of job services providers, who are not free to apply their discretion and who have contractual incentives that push them to apply financial penalties. Individual circumstances, vulnerabilities and barriers are less likely to be appropriately considered.

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<sup>1</sup> Beth Goldblatt (2019, 16 January). More than unpopular. How ParentsNext intrudes on single parents' human rights. The Conversation. Retrieved from <https://theconversation.com/more-than-unpopular-how-parentsnext-intrudes-on-single-parents-human-rights-108754>



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Members raised concerns that providers do not have adequate knowledge about a customer's previous participation history. As such, they are unable to make appropriate valued and informed decisions in order to apply any punitive measures.

Compliance arrangements need to be flexible and consider individual circumstances. Circumstances should always consider job seeker vulnerability, remoteness, good attendance history at appointments, recent activity test exemptions reasons, and complex customer issues. The removal of exemptions makes it more difficult to consider these individual circumstances to ensure vulnerable clients do not suffer.

Members report they have spoken to several ParentsNext program staff from various providers who are not supported and struggle with the impact of customer aggression.

The CPSU agrees with Jobs Australia that the Targeted Compliance Framework should be immediately suspended,<sup>2</sup> however, any redesign must overhaul the punitive approach and reverse the privatisation of compliance to job service providers.

The Government has been unable to explain why the privatisation of compliance is more effective than increasing DHS resourcing to improve service delivery which would help address issues such as customers not understanding obligations or delays in applying penalties for non-compliance. The privatisation of these functions has detrimentally affected vulnerable clients and providers.

The administration of social security payments and the power to impose penalties must return to DHS. Any suspension of payments should be handled by trained DHS employees rather than private providers and DHS should be properly resourced. This must include allocating more permanent staff to DHS to oversee the administration of ParentsNext. Only the public service, which is accountable to Parliament, should have the ability to suspend social security payments.

The CPSU is happy to provide information on the matters raised in this submission and supplementary information on other relevant issues.

For further information, please contact Osmond Chiu, Senior Policy and Research Officer

Yours sincerely,

Melissa Donnelly  
Deputy Secretary  
31 January 2019

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<sup>2</sup> Luke Henriques-Gomes (2018, 19 December). Service providers call for Parents Next overhaul after families left without food. Guardian Australia. Retrieved from <https://www.theguardian.com/australia-news/2018/dec/19/service-providers-call-for-parents-next-overhaul-after-families-left-without-food>